MEXICO

Global and Dynamic Investment Magnet

Comprehensive economic and legislative reforms are powering robust fiscal growth and socioeconomic development.

Blending excellent macroeconomic, social, and political stability with a modern, safe, and state-of-the-art manufacturing environment that offers duty-free access to the lucrative U.S. market and billions of people in more than 40 other countries, Mexico is truly a world-class investment destination.

Offering countless competitive advantages like its enviable strategic location, Mexico enticed a record $32 billion of foreign direct investment (FDI) in 2013—up 178% on the previous year—as more than 5,000 companies from around the world raced to take advantage of its excellent natural and human resources and the pro-business policies of President Enrique Peña Nieto. Much of this outstanding success is owed to the long-awaited economic reforms in a range of industries—including energy, education, and telecommunications—introduced by the Peña Nieto administration over the past two years. His government has pledged to invest $100 billion in new and existing infrastructure, including highways, railways, airports, ports, and modern communications networks.

Nearly three-quarters of last year’s record FDI was directed to the manufacturing sector, around 8% to the mining sector, 5% to trade, 3% to hotels and accommodation, and 3% to construction activities. Belgian brewing giant Anheuser-Busch InBev’s $13 billion acquisition of local beer giant Grupo Modelo meant Belgium was the leading country of origin for FDI in 2013 with 38% of the impressive sum. The U.S. was just behind with 32%, followed by the Netherlands (8%), Japan (4%), Germany (4%), and the United Kingdom (3%); the remaining 11% was split among 79 countries, something that illustrates the breadth of Mexico’s appeal to overseas investors. This highly positive trend has continued in 2014, with three major companies—Cisco Systems, Nestlé, and PepsiCo—all announcing in January plans for a combined $7.35 billion of fresh investment.

Switzerland-based multinational food and beverage giant Nestlé will invest $1 billion to increase its production capacity and infrastructure through the opening of two new plants, one in Jalisco and another in Guanajuato, in a venture that will create 700 direct jobs and 3,500 indirect jobs, as well as increase the company’s purchases of raw materials in the country.

Hundreds of other European, African, and Asian companies are also investing in Mexico, which is the fifth-largest supplier of auto parts in the world and Latin America’s leading exporter in this sector. In early 2013, Sweden’s Autoliv invested $20 million in an expansion of its seatbelt manufacturing site in Parque Lerma, in Estado de Mexico. The expansion created 400 new jobs, slightly less than the 559 positions created the previous year when the company invested $11.3 million in two air bag plants in Querétaro. In a further boost to Mexico’s FDI goals, the country recently held trade talks and signed cooperation agreements with countries including Jordan, Spain, and Portugal.

It goes without saying that President Peña Nieto welcomes such FDI and free trade agreements, and he is quick to reveal the ingredients for this success: “Both the sweeping reforms and the
The physical infrastructure we are developing are a modern, level playing field, with clear rules,” President Peña Nieto says. “This government is steadfast in its decision to move and transform Mexico, to make it more prosperous and determinedly drive the sweeping changes the country needs to realize its full potential for the benefit of its people. The transformation of the country will not happen overnight, nor will it be achieved by decree; we must achieve the transformation every day.”

Turning to the solid progress recorded during his leadership, the dynamic politician adds: “Mexico has had a boost and been successful in achieving structural reforms that are now at the stage of implementation, which will allow the country to have greater openness towards the world, grow economically, and trigger welfare for our citizens. Mexico is a country that is open to the world and an intense, lifelong promoter of free trade with agreements that give us access to 43 countries and a consumer market of more than 1.2 billion inhabitants.”

Luis Videgaray Caso, Mexico’s Minister of Finance, has been a key figure in his country’s recent economic success through a series of economic policies focused on finances, taxes, budget, income, and public debt to consolidate a country with qualitative, fair, inclusive and sustainable economic growth that will strengthen all Mexicans’ well-being. Winner of two prestigious awards in 2014, Videgaray acknowledges the progress Mexico has made in such a relatively short period of time and the challenges that lie ahead. “In order to be competitive, we have to invest in infrastructure development and public investment that complements private-sector resources,” he says, adding that better drinking water facilities and new schools and hospitals are key targets. “Mexico is finding a path of transformation and has a promising future. We are convinced that the implementation of these economic reforms will allow Mexico to grow substantially in the coming years and decades. That’s what Mexico needs and what Mexico deserves.”

Mexico’s energy industry has been undergoing major reforms since last year, with Petróleos Mexicanos (PEMEX) spearheading this huge drive for FDI in the upstream and downstream oil and gas sectors and the associated petrochemical and fertilizer industries.

“Mexico’s energy industry has an extraordinary potential, particularly in the renewable and fossil fuels sectors,” says the country’s Minister of Energy, Pedro Joaquín Coldwell. “We have very important fields of both conventional and unconventional gas.”

One of the hurdles facing startup companies and entrepreneurs in Mexico is the difficulty of obtaining credit to fund their initial launch, although this is changing as the country’s strong economic growth has increased and improved access to financial services and capital.

Finnex is a specialist in providing consulting services and financing new business models and startup companies they believe will be successful.

Established less than a decade ago, the wholly owned Mexican financial institution offers innovative and flexible financial products and services for entrepreneurs, new ventures, and small and medium-size enterprises. Thanks to its integral approach, Finnex’s main focus is facilitating credit to clients that wish to open a franchise but do not have sufficient resources available. The firm's aggressive expansion strategy has seen it claim a good share of the market, and annual growth is forecast at 300% this year.

“We had the idea of specializing in franchises, which is a really hard sector,” says a Finnex spokesman. “Our first step was to partner with consultants and specialists to create products that could appeal to the sector. We also worked closely with the Mexican Association of Franchises creating products according to the needs they expressed at the time. Since then, we have grown at exponential levels. Today, we work with more than 210 franchises.”

He is highly positive about the group’s prospects: “The financial reforms are changing the credit dynamics and will impact positively as they will support financial institutions other than banks to promote their lending capabilities. We have other branches in the company: fiduciary, real estate, and clothing retail franchise branches. All of these branches operate under the name Grupo Dakab. Our lending rates are quite competitive, and in many instances they are even lower than banks’. We also have an immediate response to any client, not longer than two weeks.”
It would be perfect, the only thing missing is*

Imagine the warm sea lapping at your feet, a gentle walk along endless white-sand beaches, the very best in food and wine, beautiful backdrops, five-star resorts and cosy hotels. It's all here, waiting to be enjoyed at some of Mexico’s most breathtaking spots... the only thing missing is you!

Cancún
Holbox
Isla Mujeres

*LIVE IT TO BELIEVE IT
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Tourism is one of Mexico’s most important industries and one of the six core pillars of the National Infrastructure Program that means the sector will receive nearly $14 billion of new and improved infrastructure by 2018. Private companies and foreign investors will invest an additional $9 billion in various tourism projects between 2013 and 2016. Together, this impressive investment will create hundreds of thousands of direct and indirect tourism jobs and drive the industry to new heights as it looks to beat last year’s record performance.

Official data shows Mexico welcomed 23.7 million visitors in 2013, up nearly 20% from the previous year, and that very promising trend continued into 2014 as illustrated by the 4.5 million international tourists who arrived in January and February—up 15% from the same period of the year before. “Thanks to government actions, the confidence of investors who continue to expand their operations in the country, and, above all, thanks to the daily work of millions of Mexicans working in tourism, 2013 was the most successful year ever for tourism in Mexico,” says President Peña Nieto.

“Tourism is a strategic sector for the growth of Mexico and one of the largest generators of investment, employment, and foreign exchange earnings. Its contribution to the development and welfare of our population makes it a key engine for the transformation of the country. Consolidating Mexico as a sustainable, modern, world-class tourist destination is a firm commitment of the entire government. It is a dynamic economic activity that contributes over 8% of the GDP to the generation of national wealth and employs more than 3.1 million Mexicans.” Tourism Minister Claudia Ruiz Massieu says her country’s colorful tapestry of historic, cultural, and natural attractions is why its tourism industry has thrived for so many decades and still holds so much potential: “Mexico is a nation that is proud of its past traditions and histories, but, above all, is a country in movement, full of energy, vibrant; a country placed firmly into the 21st century, with the certainty that it is constructing a future of prosperity and inclusion today that we will project onto the world. Tourism combines the best of Mexicans, the sense of pride in what is ours, and the warmth that distinguishes us and motivates us to share our home with our guests.”

Nestled on the northeast coast of the sun-drenched state of Quintana Roo in the Yucatán Peninsula, Cancún is Mexico’s most famous and popular destination for travelers of all ages and nationalities. Boasting white sandy beaches and crystal-clear Caribbean waters, Cancún offers visitors a safe, fun, and memorable vacation thanks to its warm hospitality, great food, and lively nightlife. Cancún is the Caribbean’s premier destination, attracting more visitors than the more isolated islands of the Bahamas and Puerto Rico.

“The federal government is very clear about the benefits of the tourism sector,” says governor of Quintana Roo Roberto Borge Angulo. “In that respect, from the start of his administration, the president has placed his trust in it and created a special cabinet for tourism. With this new policy, we can and will be a world-class destination. Traveling and meeting our country should not be a privilege but an opportunity for everyone.”

During his May 2014 visit to Cancún, President Peña Nieto said the area’s service providers should be very proud that their warmth, enthusiasm, and hospitality continue to attract ever larger numbers of foreign
Paradise?
The only thing missing is*

If you thought the Caribbean was a chain of far-off islands, think again. On the Riviera Maya, you can experience all the appeal of the Caribbean coast on the Mexican mainland, or take a short boat-trip to Cozumel to enjoy the views and soak up the atmosphere of island-life.

The only thing missing is you!

Riviera Maya
Cozumel Island
visitors back to the region. He revealed that federal and state governments will join forces to consolidate, expand, and improve “the tourism infrastructure of this great destination and the whole of Quintana Roo because in the sum not only of resources but also of a shared vision, we can promote the development and progress of this great state.”

Guidelines for the national tourism policy will emphasize the organization and transformation of the sector, foster innovation in the supply of services available, and raise the competitiveness of tourism enterprises, the experienced and dedicated politician adds.

Governor Borge is a keen supporter of the federal government’s mission to diversify Mexico’s many tourist products and attractions, as highlighted by President Peña Nieto: “We want to specialize in six segments: sun and beach tourism, cultural tourism, eco-tourism and adventure tourism, health tourism, sports tourism, and special interest or luxury tourism.”

A world-class luxury resort and spa destination, the Riviera Maya includes the Caribbean coast in the eastern part of the Yucatán Peninsula. In what is the country’s most popular destination for holidaymakers, modern, luxury resorts offering wonderful amenities and activities have replaced traditional fishing villages and become a key source of work and foreign revenue. Quintana Roo has something for everyone: sun-kissed sandy beaches; watersports including windsurfing, parasailing, snorkeling, and scuba diving; challenging golf courses designed by former majors winners; adventure tours; and eco-tourism activities.

What makes Quintana Roo so special? Well, it is soaked in history as demonstrated by the stunning island of Cozumel that more than 2,000 years ago saw hundreds of thousands of Mayans flock to on religious pilgrimages. Many centuries have since passed, but the island is as popular as ever as the beautiful region attracts more than 2 million visitors per year, making it one of Mexico’s most important tourist destinations. Boasting the largest reef system in the Americas—the Mesoamerican Reef—Cozumel’s tropical waters teem with hundreds of species of fish, turtles, and marine life, while its lush, tropical rain forests hum to the sound of all varieties of wildlife.

An ancient Mayan fortress city, Tulum is regarded as the most picturesque archeological site in the Riviera Maya and the only one built overlooking the ocean, meaning the cliff-top Castillo offers spectacular views of the surrounding Caribbean Sea and coastal landscape. Tourists after a more back-to-nature holiday experience or a vacation centered...
on ecotourism should head to Bacalar, which is the capital of rest and relaxation, where people can unwind in traditional hammocks and straw huts surrounded by virgin jungle. Famous for its multicolored lagoon, rustic cabins, and eco-friendly accommodation and activities, the area is the perfect place to explore mangrove swamps.

Just a speck on the nation’s map, Isla Mujeres is a national treasure that is sure to take your breath away. Only eight kilometers long and 1.5 kilometers wide, Isla Mujeres first came to global attention for its stunning reefs, underwater caves, and incredible marine life. For visitors who like to get closer to nature, the island’s snorkeling sites are suitable for people of all ages and abilities, while, for a small fee, you can swim and play among pods of friendly dolphins.

Unlike some popular tourist destinations, Quintana Roo is not resting on its laurels and wants its current infrastructure to act as the launchpad for future growth in the tourism industry. This will be achieved through new resort developments that are on the drawing board for the Cancún-Tulum tourism corridor. Such expansion means the region is ripe for investment and opportunities exist in the hospitality sector for businesses interested in opening resorts, hotels, spas, and so on.

Doing business has never felt so good as in Quintana Roo for one leading hotel operator. Leisure resorts and hotels are commonplace in the world’s most beautiful regions. Very few, however, provide distinctive touches that elevate the guest experience from home-away-from-home to a true taste of luxury living.

AMResorts, part of the highly regarded Apple Leisure Group, however, takes comfort to more refined heights. From divine wellness spas and luxury beach cabanas to phenomenal settings and exquisite gastronomy, furnishings, and fittings as standard, clients get to know what living in the lap of luxury really feels like in Quintana Roo and beyond.

Alejandro Zozaya Gorostiza, CEO of Apple Leisure Group, leveraged 30 years of solid industry experience, including 13 as AMResorts’ founding president and CEO, to catapult Apple Leisure Group to the lead position in Mexico, the Dominican Republic, and Jamaica.

The group currently operates 32 resorts, with more than 12,400 rooms in 13 beachfront destinations throughout four countries, and it is quickly expanding its footprint in other highly sought-after regions.

So what drives Zozaya and his team to achieve so much growth and yet aspire for even more? Seated in the lobby of AMResorts’ adults-only haven, Secrets The Vine Cancún, the pioneering CEO explains: “Our passion is very contagious and transmits to all our leaders. We have a great time. When you are working in a growing company, you are much more motivated and become professional very quickly. We have positive energy, but as well as that, we also have grown a lot in the distribution of our hotels.”

With 12 resorts in Quintana Roo, AMResorts is the undisputed leader in the region, which receives more than 800,000 guests a year. “We have always been defined by being one step ahead in terms of quality and innovation,” Zozaya says. “What makes it all work out so well is our final product, what the client experiences and lives. This gives us a loyal client base, and word-of-mouth recommendations behind the social networks carry a lot of credibility these days.”

The group even has “followers” who often request the opening of a new brand in the same destination or in other locations. “I believe in this vertical business model—not the manipulation of the sale of one hotel to another, but the one where you get to know your client better because you personalize his experience,” Zozaya says.
The perfect setting? The only thing missing is*

Whether below sea level or high above the ground, Mexico’s Quintana Roo is the place for adventures of all kinds. Find marine life that fascinates, archeological sites that tell centuries’ worth of stories, and unforgettable holiday encounters that will stay etched on the memory forever. The only thing missing is you!
Perfection can be hard to attain, the only thing missing is*

Special and tranquil, the lagoons and beaches of Mexico’s Mayan resorts provide the setting for the ultimate vacation, where history, nature and modern-day comforts form an irresistible blend of experience. Here you will find it all... the only thing missing is you!

*you!
“I can tell that this is our competitive advantage. We know the trends, we know what the client wants and we accompany them through the whole process.” And it is not only the clients who are happy. Quintana Roo has been a generous host to investors and developers, too. “We have achieved above-average results on our investments and these days some investors are also hotel owners,” Zozaya says. “They are opening their first, second, and even fifth hotels with AMResorts. Doing business in Quintana Roo has never felt so good, and I, for one, believe there are still a lot of unexplored niches here.”

Ideally located at the heart of the Riviera Maya, Playa del Carmen is the leading destination for shopping, dining, and nightlife in the region and provides easy access to Cozumel by a regular ferry service. Streets sway to the sound of music emanating from all the bars, clubs, and restaurants, and people pass away the midnight hours over exquisite cuisine and in stylish nightspots.

Featuring luxury and comfort at every turn and right by the famous Quinta Avenida (Fifth Avenue), The Palm at Playa is a boutique hotel in Playa del Carmen, Quintana Roo, that offers guests the finest choice of 69 relaxing rooms, lofts, and large suites. Visitors can laze under the golden sun before cooling off with a refreshing dip in an inviting pool. Mouth-watering Mexican and international cuisine is available at the welcoming Calle Ocho restaurant, while cooling mojitos, margaritas, and a sea breeze are the perfect companions for the magnificent ocean views afforded by the stylish bar at Palm at Playa’s Roof club. InterContinental Hotels is the world’s largest hotel group and the second-largest hotel group in Mexico. The prestigious group owns two of the most emblematic hotels in Quintana Roo: InterContinental Presidente Cancún with one of Cancún’s best beaches and InterContinental Presidente Cozumel, which was one of the first hotels to be built on the gorgeous island.

Of course, Quintana Roo is more than just a popular tourist destination, as the state’s solid infrastructure and strategic location combine to provide excellent connectivity to local and foreign markets for enterprises engaged in a range of industries and sectors.

Vulcan Materials Company (VMC) is the largest U.S. producer of construction aggregates—primarily crushed stone, sand, and gravel. The firm owns a large quarry and marine terminal in Quintana Roo—operating under the name CALICA (Calizas Industriales del Carmen S.A. de CV)—from where it imports aggregates for use in construction materials. As a key figure in the Quintana Roo business community, CALICA shares the state government’s and local industries’ concern for stability, social development, and environmental stewardship. Through CALICA, VMC has become a long-term investor in Quintana Roo, running the state-of-the-art aggregates operation and providing additional services to the local community.

“What is really unusual about the CALICA operation is that it’s really part of a bilateral business,” explains Dan Sansone, executive vice president of strategy of VMC. “We mine and produce the material in Mexico, but most of the market is in the U.S. It is one further illustration of the importance of bilateral international cooperation.”

What makes CALICA so special, adds Sansone, is the company’s respect and care for the environment. “We have 3,000 hectares of land, but before we disturb any of it for any industrial use, the land is inspected by the Instituto Nacional de Antropología [National Institute of Anthropology],” he says. “It is only after the land is ‘liberated’ by the institute that we start working on it. They actually found ancient Mayan ruins and temples on our land and we preserved and protected those ruins. They also found previously unknown mine caves with paintings, and we are protecting them, too—they will never be touched.”

He praises local officials for helping CALICA become so successful: “The state was flexible to the needs of the business and to protecting the environment and the social welfare of the community.”

Serving the U.S. Gulf Coast and Caribbean from CALICA’s facilities in Quintana Roo

A state-of-the-art limestone quarry and shipping operation, CALICA is adding even more weight and substance to Quintana Roo’s already booming economy.

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www.vulcanmaterials.com
Gateway to Growth

Modern aviation, marine, and land transport networks provide a perfect logistics platform.

Not surprisingly, given its excellent strategic location between North and South America, seaports on the Pacific Ocean and Gulf of Mexico, modern transport infrastructure, and communications networks, Mexico is a world-class logistics and trans-shipment hub.

Mexico’s reputation as the key gateway to the huge U.S. market is reinforced by government data showing that in 2013 more than 5.2 million trucks and 66.5 million vehicles crossed the Mexican-U.S. border through 54 crossings. Mexico’s aviation and maritime connectivity is just as impressive as the country has 76 airports—of which 64 handle international flights—and 117 seaports, plus many river ports. Mexico has 27,000 kilometers of railroads and 133,000 kilometers of paved roads that provide the ideal foundation for economic growth and act as a strong incentive for fresh FDI.

The world’s largest and most successful maritime port investor, developer, and operator, Hutchison Port Holdings (HPH) manages four major Mexican ports and terminals that handle hundreds of thousands of cargoes and containers per year across the country’s entire industrial, manufacturing, and commercial spectrum. The industry pioneer’s Mexican operations comprise the following: Ensenada International Terminal (EIT), Lázaro Cárdenas Terminal Portuaria de Contenedores (LCT), Terminal Internacional de Manzanillo (TIMSA), and Internacional de Contenedores Asociados de Veracruz (ICAVE).

Situated around 100 kilometers from the U.S. border in Baja California, EIT is a key gateway to the Pacific coast regions of North and South America and Asia, and handles exports of commodities including iron ore and grain. Further south, LCT is a large and modern trans-shipment port in Michoacán State that can handle the latest generation of container ships, while TIMSA serves Mexico City, Guadalajara, and the industrialized states of Jalisco, Querétaro, and Guanajuato. On the east coast, ICAVE is the busiest terminal in the Port of Veracruz as it handles around 80% of the facility’s container throughput and 20% of all containers handled in Mexico.

“We are very enthusiastic about the positive economic phase we are going through and the great challenges such a phase involves,” comments Jorge M. Lecona Ruiz, HPH Latin America and Caribbean Division Director. “The nautical industry has become an industry of ‘gigantism’ where more and more classic 80-meter vessels are being replaced by larger ones of an average size of 400 meters, so all ports must be up to date in order to receive such vessels. We are
very proud of being the national pioneers when it comes to adapting to new trends. Our Lázaro Cárdenas port is a great sample of such renovation as it’s completely ready for this new type of vessel and has an excellent international location.

“We have invested a lot for cruise liners and were the first ones to build a cruise line terminal in Mexico. We believe there is great potential for this business unit and we own a marina in Ensenada and are very involved with tourism promotion and development.”

The senior executive says HPH would like to see a greater flow of business between Mexico, Asia, and Europe. “The U.S. will always remain a strategic ally for Mexico, but most of the trade between both countries is done via road and train, so that’s why we see great potential for Mexico to further increase its maritime ties with other countries and companies,” he adds.

Supply chain integrator Magnus is a key link in Mexico’s logistics industry, and its value-added services mean it has strong connections with several countries in Latin America as well as Spain and the U.S. The firm offers clients a range of services related to construction, equipment, warehouses, and technology, among others.

“Around 80% of Mexican companies are SMEs, which don’t have the necessary resources and technology. That’s why there is a huge opportunity in terms of logistics for such exports and imports,” says Jhonatan Velázquez Rosas, general manager of Magnus.

“Nowadays we are recognized in some important sectors in the country, but we would like to be recognized in Latin America for our construction, training, and solutions. Hopefully, we can be dealing with Asia and Africa a decade from now.”

Designed to satisfy the demands of large international corporations, Momatt is a leading player in the forklift truck and logistics industry thanks to its world-class solutions that meet all relevant international criteria and quality standards. The company has invested substantially in its operations and is well positioned to take advantage of the countless opportunities that are being created by Mexico’s economic reforms and GDP growth.

“The energy reform will detonate even further growth in the automotive industry, which will foster growth in many other industries, creating a positive win-win circle,” says Lourdes Saldana Guerrero, Momatt’s CEO. “We have 570 employees in more than 20 locations and hold a 44% market share of the national market, compared to 20% a decade ago.

“We have a logistics analysis division for those clients that require such solutions. Here we evaluate the client’s premises, their operational model in order to improve their productivity in a holistic way everywhere where they are present. We also offer rent or sale services of specific machinery according to our client’s needs. We do not only offer forklift trucks; it all depends on what is best for our client. We are also very involved and aligned with an issue that our clients are very worried about: energy saving. We perform in-house studies to evaluate how to help our clients save energy costs.”

A successful, expanding and wholly owned Mexican logistics company focused on the fashion sector, Onest Logistics boasts the knowledge and experience to develop and consolidate any supply chain solution. The fast-growing firm is proud of its strong relationship with leading players in the vast fashion industry as well as the cosmetics, perfume, and consumer goods sectors.

“We have more than 2,100 employees and the confidence of multinationals,” says Rubén Imán, Onest Logistics’ general manager. “We have grown by an average of 20% in recent years and are expecting growth of around 30% due to the logistics boom in Mexico. The automotive and aerospace sectors are growing a lot and this requires us to invest in advanced and innovative technology to keep pace with the productive part.”
One of Mexico's greatest strengths is the broadness of its diverse economy, which means the ambitious country is less exposed to external economic factors, influences, and fiscal shocks such as the global banking crisis several years ago.

While the manufacturing, oil and gas, and tourism industries generate huge revenues and are the main magnet for FDI, areas such as aerospace, processed foods, and life sciences like pharmaceuticals are increasingly catching the eye of international investors.

Many Mexican companies are seeking foreign partners as they look to build on their existing market share and eye new markets abroad. Government efforts to match local firms with international investors are spearheaded by ProMéxico, an entity committed to strengthening Mexico's participation in the global economy.

According to data published by ProMéxico, Mexican pharmaceutical exports totaled nearly $1.9 billion in 2012—making it Latin America's leading exporter—and attracted FDI of $981 million. Around 700 companies operate in the sector, including 14 of the top 15 global players like German giant Bayer, British/Swedish multinational AstraZeneca, U.S. drugs major Pfizer, and British conglomerate GlaxoSmithKline. An ideal partner for foreign pharmaceutical companies is Randall Laboratories, because it seeks high-value strategic alliances as it looks to move away from the traditional market to offer long-term solutions and not only produce and sell generic drugs.

“We are a company with a solid base in low-cost products,” explains Randall Laboratories' corporate director, Rodrigo Iturralde. “The distribution of such products requires massive production and excellent quality. We compete with high-value companies and recently our idea has been to focus our efforts on few production lines and keep on going with the massive production, as well as positioning the brand as an attractive line in quality and price. Our objective over the past few years has been to innovate in the market, targeting market niches that were undervalued and grow into those niches.”

The senior executive expects these changes to continue in the short and medium term as the government’s program of reforms trickles down into sectors like pharmaceuticals, vaccines, and medical equipment. “We did some strategic alliances with different companies and above all we have been looking for partnerships with providers. In fact, providers are the most important link in the chain and without any strategic alliances with them, we are out of the market,” he says. “Randall's policy has always been looking for new challenges year after year. We are now at an interesting stage of changes that will lead Randall to an interesting position for the next five years at least.”

Mexico's agricultural and agribusiness sectors are vast, and the country is a leading grower and exporter of fruits, vegetables, seeds, and commodities such as wheat, cereal, grain, and sugar.

Velsimex is a leading phytosanitary and agrochemical company that was founded in 1986 and has grown to provide the most comprehensive range of crop protection products in Mexico. The firm's vision is to act as a stimulant to the development of innovative technology to optimize the efficient production of healthy food while maintaining the highest respect for the environment.

José I. Escalante de la Hidalga, CEO of Velsimex, says the company is currently concentrating on two main aims: continued registration of technical-grade products from China and India, and ongoing synthesizing of off-patent molecules to compete with both those large countries. “Why should we synthesize in Mexico? The workforce costs the same as in China and India, and we have better electricity and oil prices,” he says. “Synthesis is an opportunity for Mexico, which is why Velsimex has one synthesis plant and one formulation plant. Our objective is to grow in synthesis and get more of the off-patent products.”

Escalante outlines why he is so confident about his company’s prospects over the coming years: “In the U.S., the agrochemical market represents $15 billion, and in Brazil, $13 billion, whereas in Mexico it represents $1 billion. So there is a huge opportunity in this industry in Mexico as well as in Latin America. The agriculture and stockbreeding industry represents 5% of Mexico’s GDP, and 15% of the population make a living from it. All sorts of crops can be developed with high productivity and competitiveness. There are many great investment opportunities, especially in areas such as genetically modified seeds.
once they get approved.”

National and foreign companies that are expanding their reach across Mexico’s many states, as well as international enterprises arriving in the country for the first time, all need to furnish offices and premises, meaning growth in the office furniture market is shaping up nicely. Founded in 1950, PM Steele was once simply a steel manufacturer but over the decades has reinvented itself and is now an award-winning manufacturer and designer of wooden and metal office furniture, seating, and storage systems. The company has three modern plants, an extensive distribution network, and 22 showrooms conveniently located in Mexico’s main cities and industrial and commercial hubs. PM Steele counts many foreign companies among its numerous satisfied clients, testament to its huge investment in advanced design and manufacturing systems and technology.

“Our manufacturing infrastructure consists of state-of-the-art technology, using machinery operated by numeric control, which is a computer-assisted system, to obtain millimeter-exact precision,” says Julio Hirschfeld Mereles, executive director. “Robotic arms provide speed and quality, with veneer wood finished with ultraviolet lacquers. Above all, PM Steele has excellent manpower with the required experience to develop products of great quality and durability.

“We manufacture different lines of wood and metal products, all featuring innovative designs, such as desks, sideboards, filing systems, chairs, bookcases, cabinets, and storage systems, among others,” Hirschfeld adds. “Thanks to growing demand, we set up a new plant in Lerma, Estado de Mexico, which has been classified as the best office furniture industry infrastructure in all of Latin America.”

The Mexican government and its many agencies are all committed to developing different industries and sectors as platforms for future growth and are laying strong foundations through major research and development. During an address to North American leaders earlier this year, President Peña Nieto said this approach created new areas of opportunity and that Mexico’s future success and competitiveness will depend on its ability to encourage innovation, give citizens access to the latest technology, and promote a workforce with the skills required to ensure success in the global 21st-century economy.

Created in 1991 from the ashes of the former Mexican Institute of Metallurgical Investigations, COMIMSA is a public research center that carries out technological investigations, studies, and projects to fortify the nation’s industrial and engineering sectors.

Part of the National Council for Science and Technology (Consejo Nacional de Ciencia y Tecnología), COMIMSA is present in many areas of the economy and is a key figure in the fast-moving energy sector where it assimilates and transfers useful knowledge to the government, public institutions, and companies.

A. Samuel Colunga Urbina, general manager of COMIMSA, says: “Mexico has many technology firms that can be great partners like COMIMSA, offering strategic win-win deals that can help investors take advantage of Mexico and its growth. We have almost 40 years of experience and more than 140 intellectual assets, which support the fact that we are a key institution for any company who would like to enter the Mexican market. Our main competitive advantage is that we are completely and entirely focused on results as these are what matters, from the beginning until the final financial result. After reinvesting profits, we have a net financial return of 3.3%, and if we weren’t reinvesting, we would achieve financial return rates of 25%. COMIMSA is an important part of the federal government’s Move Mexico (Mover a México) program, which means we all need to start working, that we can’t do it alone and need the help and support of international investors and companies.”
Mexico’s lucrative energy sector is ripe for investment following welcome reforms.

Rich in natural resources including oil and gas, Mexico’s vast energy sector lies at the heart of governmental reforms and has been opened up to foreign investors over the past few months in a bid to accelerate growth in both the upstream and downstream segments.

“Energy reform will allow Mexico to grow faster and its economy to be more globally competitive,” comments President Peña Nieto. “Mexico wants to generate more power, and cleaner and cheaper energy for users, Mexican families, and small and medium businesses, which create jobs.”

Energy reforms are forecast to attract annual FDI of $20 billion in the oil industry alone. “By increasing the production, processing, and distribution of hydrocarbons, it will be possible, in the medium term, to reduce the prices of natural gas and electricity paid by the country’s households and companies,” Peña Nieto continues.

Created 20 years ago, Auriga is a leading crane operator whose huge machines are frequently employed in the energy industry by major foreign players such as Germany’s Siemens, Japan’s Mitsui and Mitsubishi, and Spain’s Iberdrola and Abengoa. “The energy reforms are a very welcome development and will be a positive stimulus for the energy sector,” says Auriga general manager José Cano Pérez. “There are only three or four crane companies in Mexico that are reliable, and Auriga is at that level. Our representatives have many contacts within large companies. We are seeking to expand our fleet to attract new customers. Villahermosa in southern Mexico is rich in oil, and we want to have a better market share there—to supply bigger cranes, trucks, and other equipment so we can support our customers. Things are always getting bigger and faster, and for that you need bigger and better equipment.”

Geo Estratos is the professional partner of choice for companies involved in Mexico’s hydrocarbons industry, with the forward-thinking firm’s integrated oil and gas services and solutions used by many local and foreign market players. The company has grown by an average of 30% a year, and that positive trend is forecast to continue until 2018 based on technologies currently being developed.

“We have 20 years’ experience, know the best areas, and have 400 specialists with vast knowledge on the oil sector,” explains Geo Estratos general manager Vicente González Dávila. “We have a proven record of oil exploration, which ensures risks are kept to a minimum, provide an integrated approach, and are continuing to grow and expect to create new companies as new technologies are implemented. For example, we are now able to extract sulfur from oil wells, a development that will move the oil sector forward.”

Geo Estratos’ extremely broad range of services covers both the upstream and downstream oil and gas sectors, and the company is well positioned to take advantage of the new business and investment opportunities created by the government’s energy reform, a point González underlines: “Pemex will continue to be a national corporation, one of the most important for the country. Having said that, the market is moving in the opposite direction away from a model of public acquisitions to one of attracting investments and fostering an efficient market. Mexico is undergoing a process of sustainable development.”