

INTERNATIONALIZATION AREA

# COUNTRY PRESENTATION MEXICO

2024



CÁMARA DE COMERCIO  
ITALIANA EN MÉXICO

# Mexico

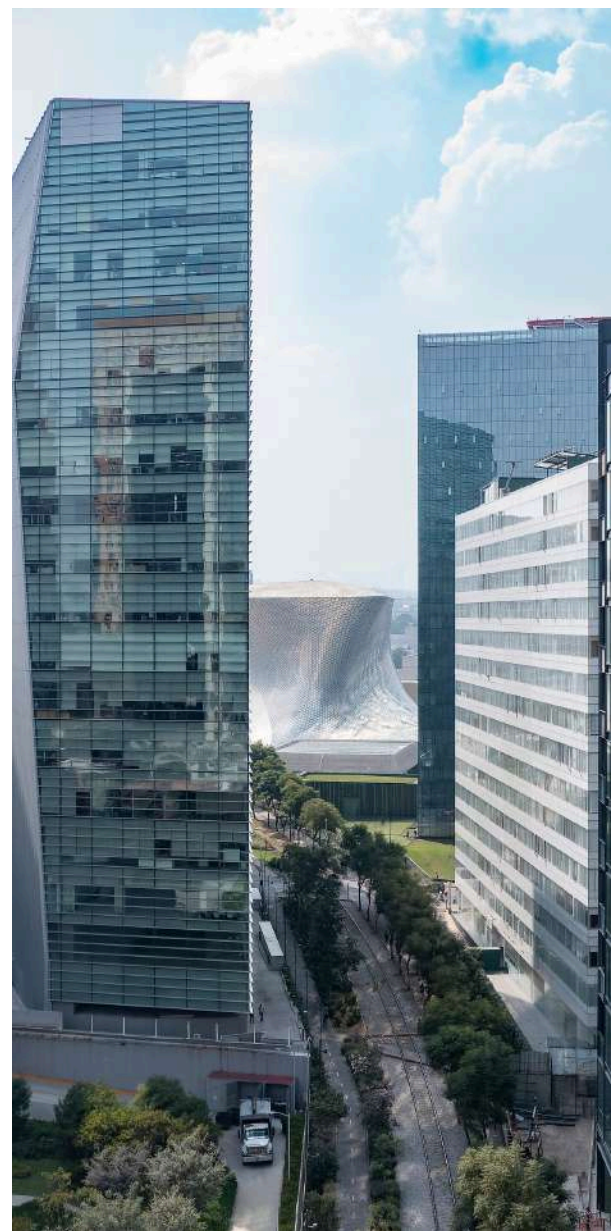
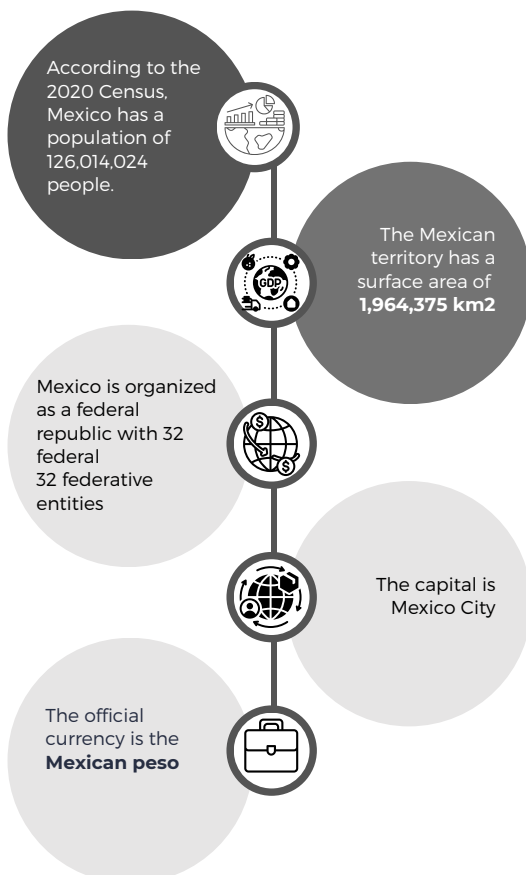
Nestled between the mists of the past and the vitality of the present, Mexico stands as a land where the roots of ancient cultures intertwine with the vibrant modernity of today. With its diverse landscapes ranging from turquoise beaches to majestic mountains, and a cultural richness that unfolds in every corner.

Mexico captivates the senses and awakens the imagination. This colorful and passionate country is much more than just a geographic destination; it is a mosaic of deep-rooted traditions, exquisite flavors and warm hearts that invite you to immerse yourself in an unforgettable experience.

## Location

Mexico is a country located in North America, bordered to the north by the United States, to the east by the Gulf of Mexico and the Caribbean Sea, to the southeast by Belize and Guatemala, and to the west and south by the Pacific Ocean.

The official and predominant language in Mexico is Spanish, although many indigenous languages are also spoken.



# Government

Mexico is a democratic federal republic with a presidential system. The country's political environment has been marked by a history rich in changes and challenges, with the alternation of different parties in power and the constant struggle to strengthen democratic institutions.

## Political Structure

The political structure of Mexico is composed of three main branches: Executive, Legislative and Judicial.

- **Executive Power:** Headed by the President, it is responsible for executing and administering the laws. It directs the government, makes political decisions and represents the country in national and international affairs.
- **Legislative Power:** Formed by the Congress of the Union, it creates and approves laws. It consists of two chambers: the Chamber of Deputies and the Chamber of Senators. Its members are elected by the people and have the task of debating, proposing and modifying legislation.
- **Judicial Power:** Composed of different courts and judges, it interprets and applies the laws. It ensures justice, resolves legal disputes and verifies the conformity of the actions of the other powers with the Constitution.

## Current political environment

Mexico's current political environment is dynamic and marked by diverse aspects.

As of December 2018, the president of Mexico is Andrés Manuel López Obrador (AMLO), who leads a government with a transformation agenda based on the fight against corruption, social programs for the most needy, and an economic policy with an emphasis on self-sufficiency and support for state-owned companies such as Pemex.

AMLO's government has been the subject of debate and criticism on several fronts, including his policies on energy, environment and human rights. The political opposition remains active, although the coalition supporting the president has a majority in Congress.



## 2024 elections

In the 2024 elections, Mexico experienced its largest electoral event in history, with the election of a total of 20,367 positions at the federal and local levels, including municipal presidents, governors, and the presidency of the Republic. At the legislative level, local and federal deputies and senatorships were renewed.

In a historic milestone for the country, Claudia Sheinbaum Pardo, 61 years old and currently Mexico City's Chief of Government, became the first woman to win a presidential election in Mexico's 200 years of independence.

# Infraestructure

Mexico has an extensive network of roads and highways connecting the country's main cities and regions. However, passenger rail infrastructure is limited, although there is a robust rail system for freight transportation, especially in the northern sector of the country.

In Mexico, several projects are underway to improve and expand infrastructure in different key sectors. Here are some highlights:



## **Tren Maya**

This ambitious project seeks to develop a rail network of approximately 1,500 kilometers that will connect tourist destinations and communities in southeastern Mexico, including the states of Yucatan, Quintana Roo, Campeche, Tabasco and Chiapas. It is expected to promote tourism and economic development in the region, as well as improve connectivity.

## **Felipe Ángeles Airport**

AIFA (Felipe Angeles International Airport) is an airport located in Santa Lucia, State of Mexico, which was inaugurated in 2022 to solve the saturation problem of Mexico City.

## **Improvements in port infrastructures**

Mexican ports are being modernized to increase their capacity and efficiency in the loading and unloading of goods. This includes expansion and modernization projects at strategic ports such as Veracruz, Manzanillo, and Lázaro Cárdenas.

## **Expansion of telecommunications infrastructure**

Expansion of telecommunications infrastructure Projects are being implemented to expand broadband internet coverage and improve telecommunications services in urban and rural areas as part of the effort to reduce the digital divide in the country.

These projects are part of an ongoing effort by the Mexican government to strengthen national infrastructure, boost economic development, and improve citizens' quality of life. However, they face challenges such as financing, effective management and mitigation of environmental impacts, which must be addressed to ensure their long-term success.



CATHEDRAL OF PUEBLA  
PUEBLA, MEXICO

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# Commercial relations

Mexico has a privileged geographical location, which allows it to be a strategic point for the export and import of products, the ports are connected with different countries around the world, which allows them to have a constant flow of goods.

Mexico maintains significant commercial relations at a global level, standing out for several agreements and treaties that facilitate commercial exchange.

## Free Trade Agreements

Mexico is party to several free trade agreements that facilitate the exchange of goods and services with various countries and regions.

The most notable is the T-MEC (Treaty between Mexico, the United States and Canada), which entered into force in July 2020, replacing the previous NAFTA. This treaty fosters economic integration in North America and promotes fairer and more equitable trade among the three countries.

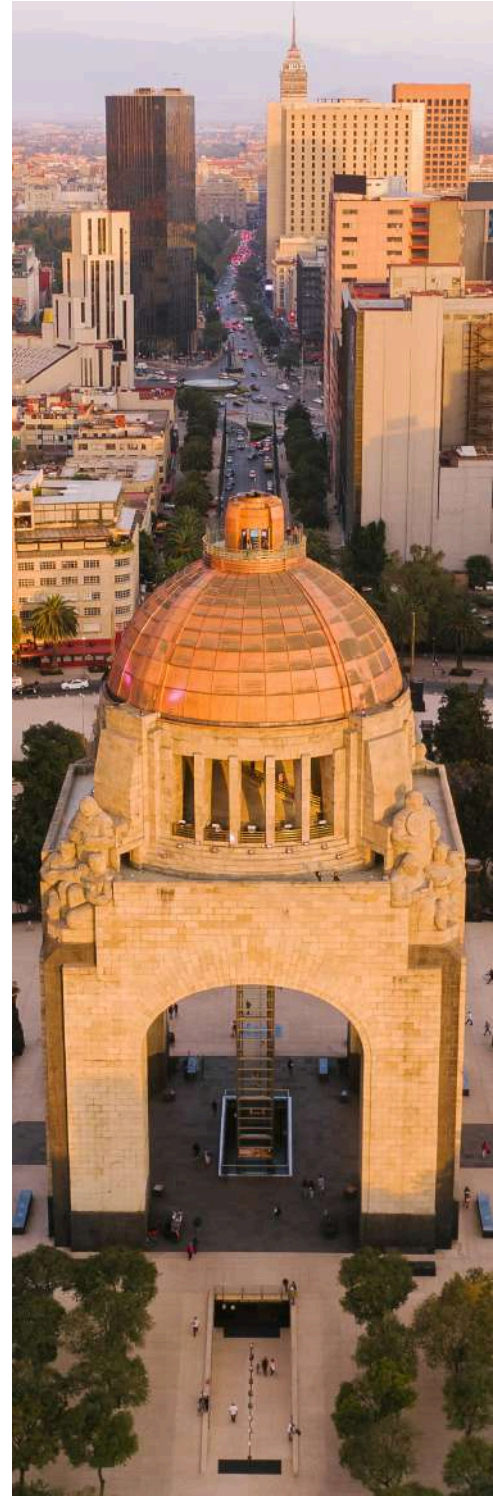
In addition to the T-MEC, Mexico has signed bilateral agreements with numerous countries and regions, such as the European Union, Japan, Israel, and several Latin American countries. These agreements seek to reduce tariffs, promote investment and strengthen economic cooperation in various sectors.

## Strong export potential

Mexico is one of the world's largest exporters, with a diversity of products including automobiles, electronics, various manufactured goods, petroleum and agricultural products. The United States is Mexico's main trading partner, absorbing approximately 80% of Mexican exports, followed by Canada and China.

## Increase in Foreign Investment

Mexico has attracted a significant amount of foreign direct investment (FDI) in sectors such as manufacturing, energy, tourism and telecommunications. Economic stability, strategic location and trade agreements have contributed to making Mexico an attractive destination for international investors.



# Why invest in Mexico?

Investing in Mexico is a decision backed by multiple advantages. Its diversified and growing economy, along with a strategic location between North America and Latin America, make it an attractive destination. Mexico is party to key trade agreements, such as the T-MEC, which offers access to a large market. Abundant natural resources and a competitive labor force also drive its potential.

The country has implemented reforms to promote foreign investment and improve infrastructure. Sectors such as manufacturing, technology, renewable energy, and tourism offer significant opportunities. In addition, macroeconomic and political stability is a key factor for investors.

## Market with potential and skilled human capital

The country is one of the world's leading markets, with a population of more than 126 million inhabitants, of which 46.8% (57.3 million) are Economically Active Population (EAP) and 55.6 million are employed. Approximately 43% of the country's inhabitants are under 25 years of age and the average age is 29.

## Competitive business environment

Mexico is a competitive destination for investment, business development and productivity, seeking to maintain stable growth with positive prospects. In general, the country has the confidence of both domestic and foreign investors, as it is an attractive and safe destination for investment.

## Strong and positioned currency

The strength is mainly due to several factors, including Mexico's strong export performance, a stable political environment and prudent macroeconomic policies.

In 2023, Mexico's local currency performed favorably: it gained 11% in value against the U.S. currency, making it the best-performing major currency in the world in 2023.

Analysts, traders and banks refer to it as the "Mexican Super Peso".

## Strong and open economy

Mexico is a signatory to 14 Free Trade Agreements with 50 countries: Mexican products have preferential access to the world's main markets, which together account for almost 60% of the world's GDP and more than 1.2 billion inhabitants.



# Why invest in Mexico?



## **Strategic geographical position**

Mexico is the fifth largest country in the Americas and the fourteenth largest in the world.

It also has a privileged geographic location that places it in North America and, at the same time, integrates it into Latin America, being a natural bridge between the Atlantic and the Asia-Pacific region.

## **Availability of raw materials**

Mexico's geographic position, topography and diversity of climates make it the fourth most biodiverse country in the world.

Therefore, Mexico presents an important source of natural resources that favors the development of productive and industrial activities. Mexico stands out for its rich and varied natural gas and oil mines, as well as the recent discovery of one of the largest lithium mines in the world.

## **Tourism**

Tourism in Mexico is an industry of great importance and diversity. The country is known for its rich history, culture, natural beauty and attractive destinations that attract millions of visitors each year.

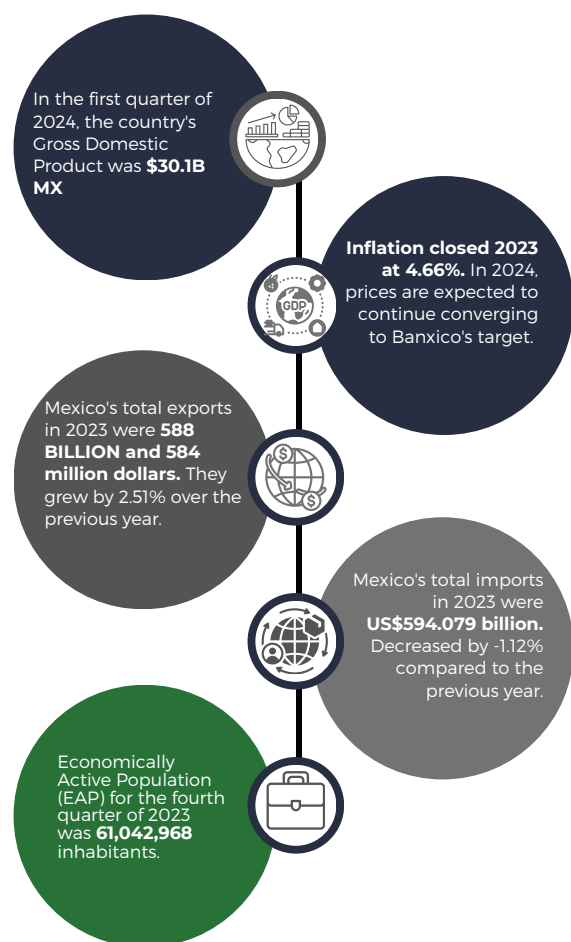
Mexico offers a wide range of tourism options, from paradisiacal beaches in destinations such as Cancun, Los Cabos and Puerto Vallarta, to historic cities such as Mexico City, Oaxaca and Guanajuato. Archaeological sites such as Chichen Itza and Teotihuacan are also popular among tourists interested in pre-Hispanic history.



# Macroeconomic environment

Mexico's macroeconomics is a complex field influenced by a variety of factors.

The Gross Domestic Product (GDP) measures the total value of goods and services produced and has shown moderate growth, although affected by the pandemic and fluctuations in oil prices.



## The great potential of the automotive sector in Mexico

The automotive sector in Mexico is one of the most important and dynamic sectors of the Mexican economy, contributing to growth, employment, investment, exports and innovation.

According to the Mexican Automotive Industry Association (AMIA), the automotive sector represented 3.5% of GDP, 20.5% of manufacturing GDP and 27.6% of Mexico's total exports. In addition, it generates more than 930 thousand direct jobs and more than 2 million indirect jobs.

Mexico is the seventh largest producer of light vehicles in the world and the fourth largest exporter of light vehicles in the world. In 2023, Mexico produced more than 4 million light vehicles and exported more than 3.5 million to various markets, with the United States, Canada, Germany, Brazil and Colombia being the main destinations.

Mexico is also the leading supplier of light vehicles to the United States, with a 14.6% market share.

Mexico has a wide network of trade agreements that allow it to access strategic markets for the automotive sector. These agreements establish clear and beneficial rules for trade and investment between member countries, as well as high standards in the areas of intellectual property, digital trade, environment, labor, among others.

The steady flow of foreign investment in the Mexican automotive sector highlights the country's competitive advantages, such as its skilled and cost-effective labor force, well-developed industrial infrastructure and strategic location. These investments not only strengthen the national economy, but also contribute to the generation of employment and the development of technological capabilities.



ANGEL DE LA INDEPENDENCIA,  
MEXICO CITY, MEXICO

# Italy in Mexico

There are more than 2,000 Italian companies in the country. Large Italian industrial groups and medium-sized companies have shown interest in Mexico and have carried out significant projects. Italian companies are mainly concentrated in the metropolitan areas of Mexico City and Monterrey, in the industrial area of Querétaro and in the state of Guanajuato. Also noteworthy are the medium/small investments made by Italian nationals in the Riviera Maya (Playa del Carmen and Tulum) and in other parts of the country to a lesser extent,

In addition, Italian companies are present in the security, packaging, energy, food and health sectors. **The sectors that stand out the most are the following:**

## Mechanical and automotive industry

Italy's mechanical and automotive industry is one of the most important worldwide, and it plays a relevant role in Mexico for various reasons ranging from technological collaboration to economic investment and job creation.



## Eno-gastronomic sector

The eno-gastronomic sector represents one of the best investment opportunities for Italian entrepreneurs. The demand for "Made in Italy" food products continues to grow steadily, also thanks to the considerable increase in Italian restaurants and importers.



## Fashion Industry

Mexico has extensive experience in the production and export of clothing items, as well as being an extraordinary field for fashion products targeted to specific niches. In a broader sense in the sector, following the expansion of the middle class, millions of stores have been opened throughout the country in recent years.



# Italy in Mexico

## Infrastructure and construction sector

New infrastructure investment opportunities will arise to the sector's boost for recovery after the Coronavirus. The National Infrastructure Plan 2020-2024, presented by López Obrador government in November 2019, is worth US\$44.3 million, with 80% of the resources coming from the private sector.

## Tourism

Mexico has a great natural and cultural wealth that places it among the most diverse nations in the world.

The tourist patrimony and development of the sector have allowed Mexico to be among the top 10 most visited countries in the world.

## Aerospace

In the last ten years, companies such as Airbus and Duqueine (France), General Electric (USA), TechOps (Mexico, USA), Aernnove of ITP (Spain) have invested in Mexico, as well as Brazil, which recently announced the creation of 4 aircraft manufacturing plants in Mexico.

The Queretaro area is recognized as the leading region for aerospace development in Mexico, with 85 companies and organizations.

## Financial services

“By 2022, there were 202,443 institutions in the financial services and insurance sector, which represented a growth of 13.2% compared to 2021. In addition, during the first quarter of 2023, this sector employed a population of 652,000 people, of which 48.3% were men and 51.7% were women.”



# Nearshoring

Near-shoring is important for Mexico because it offers the opportunity to attract more foreign direct investment, especially from U.S. companies seeking to be closer to their main market.

Mexico has several advantages for nearshoring, such as its geographic location, its trade integration with the United States and Canada through the T-MEC, its industrial and logistics infrastructure, its skilled labor force, and its economic diversification.

Some sectors that could benefit from nearshoring are automotive, electronics, aerospace, pharmaceuticals and information technology.

However, nearshoring also implies some challenges and risks for Mexico, such as competition with other countries in the region, economic dependence on the United States, vulnerability to exchange rate fluctuations, the need to improve security, rule of law and legal certainty, and the need to guarantee a competitive and sustainable energy infrastructure.



## Mexico and Italy

Mexico has become an attractive nearshoring destination for Italian companies, especially in the food, agro-industrial, biomedical, and technology sectors.

In the food and agro-industrial sector, Mexico is recognized for its rich agricultural tradition and its capacity to produce a variety of fresh and processed products, which has attracted Italian companies seeking to access the North American market and take advantage of local experience and knowledge in food production.

According to information from the Italian Chamber of Commerce in Mexico (ICCM), at least 15 Italian companies will arrive in Mexico attracted by nearshoring.

These companies will invest in Guanajuato, Querétaro, and Nuevo León, where they have held meetings with local governments and the Italian embassy in Mexico.



PIRAMIDE DEL SOL  
TEOTIHUACÁN, MÉXICO



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