

# México

IS GREATER



- Much has been said both in Mexico and abroad about the violence issue in Mexico.
- However, society is frequently not fully-informed on the context...

- The drug cartel phenomenon in Latin America is due to the ravenous use of drugs, mainly in the United States.
- The United States spends more than \$65,000 MD a year in drugs\*.
- More than 22 million people in the US have used drugs within the last month\*\*.



\*Office for National Drug Control Policy

\*\* National Survey on Drug Use and Health, Substance Abuse and Mental Health Services Administration, 2009

# What is happening?

## Tijuana:

Export base for consumer electronics.

### Some key companies:

Sony, Samsung, Toyota, Cardinal Health

## Juarez:

One out of five maquila jobs are in Juarez.

### Some key companies:

Emerson, Delphi, Cummins, Johnson Controls

## Chihuahua:

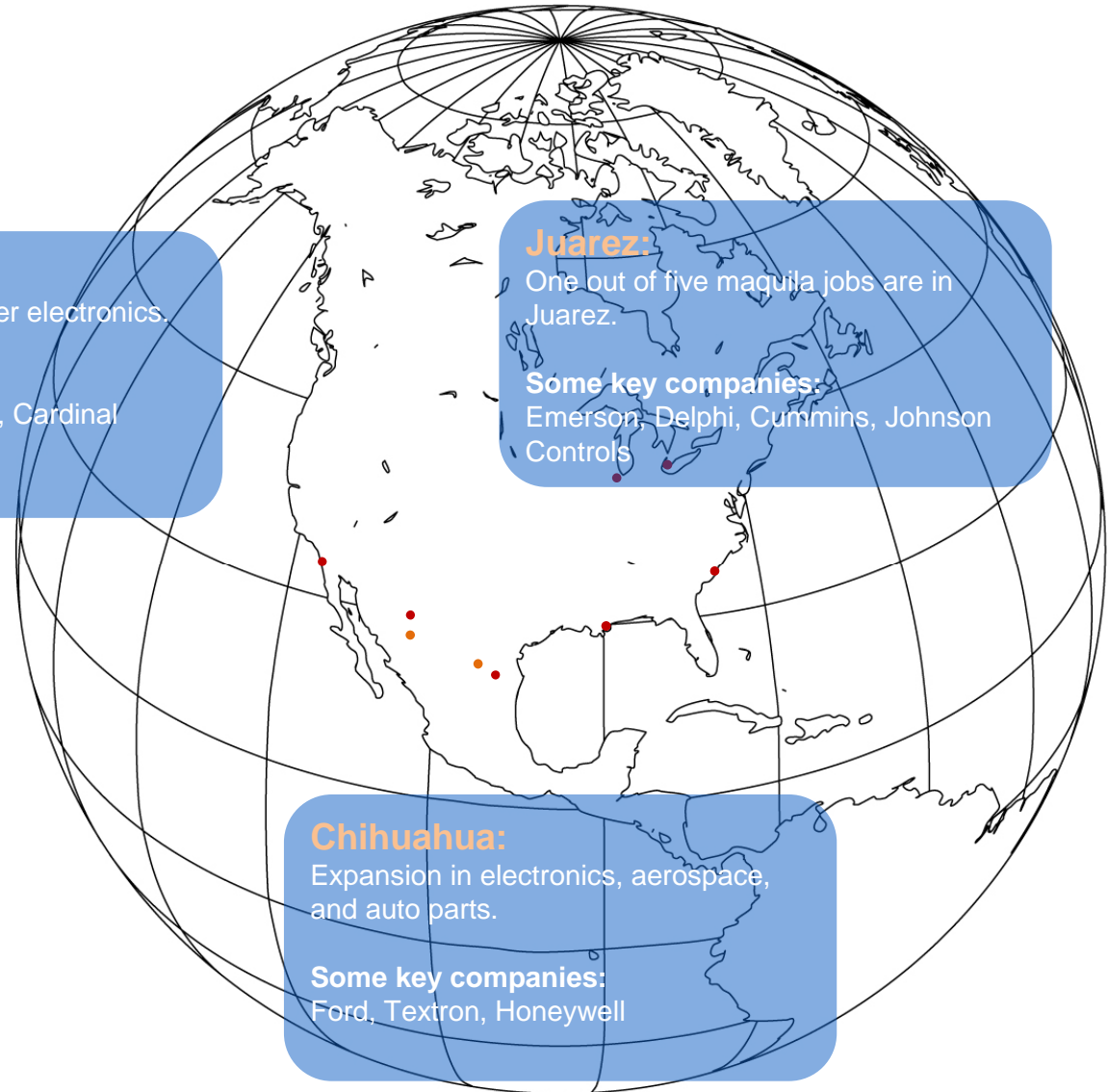
Expansion in electronics, aerospace, and auto parts.

### Some key companies:

Ford, Textron, Honeywell

In the competition for market share, intra-cartel violence is augmenting, but a particular reality is observable:

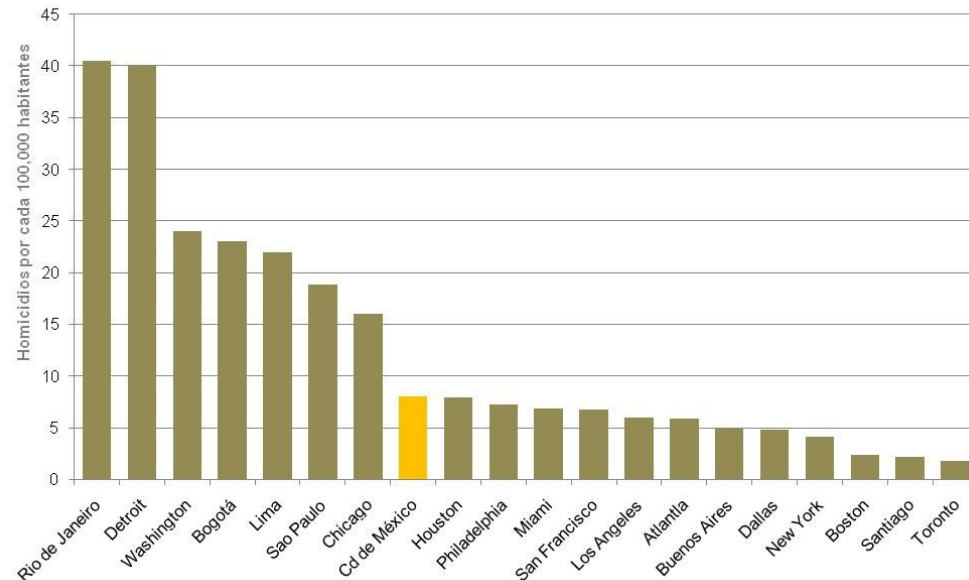
- 90% of all homicides are members of criminal gangs, 7% are public servants.
- The phenomenon is highly focalized (70% of the homicides occur in the 3.5% of all the country's municipalities).



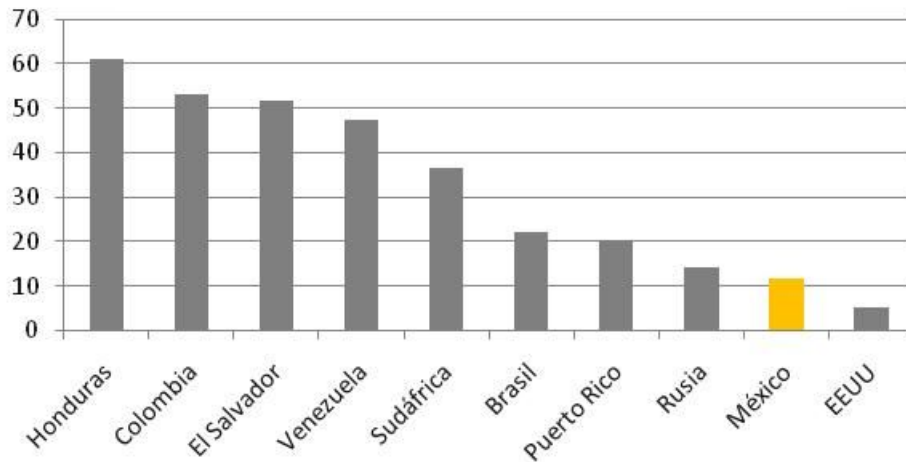
# What is happening?

- Many countries suffer from the activities of criminal networks.
- Mexico is no exception.
- We are aware of the image that has been generated by the media, but the truth is, Mexico is a safe country.

Homicide rate in the 20 most densely populated cities in America

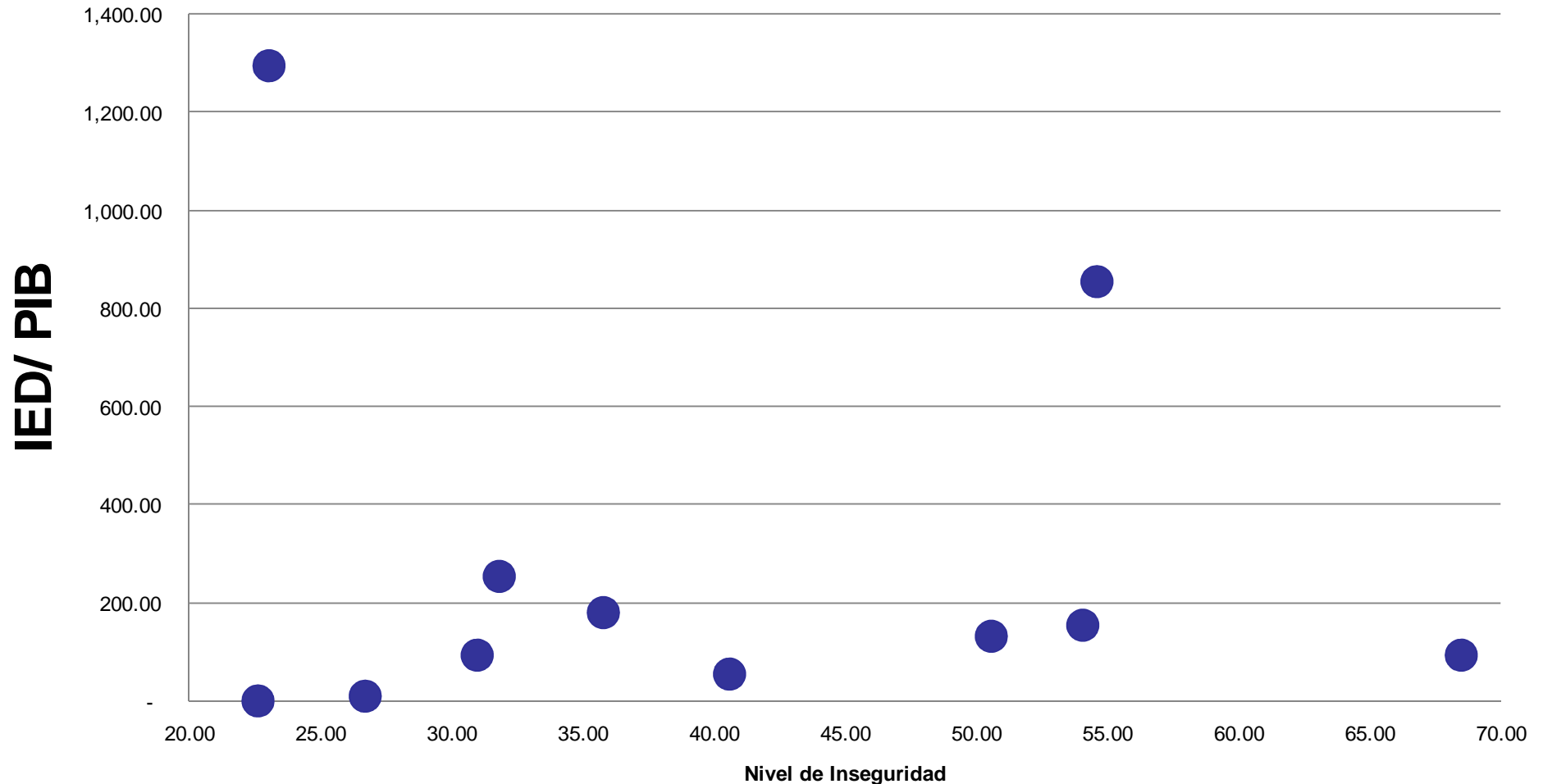


Homicides per 100, 000 per capita



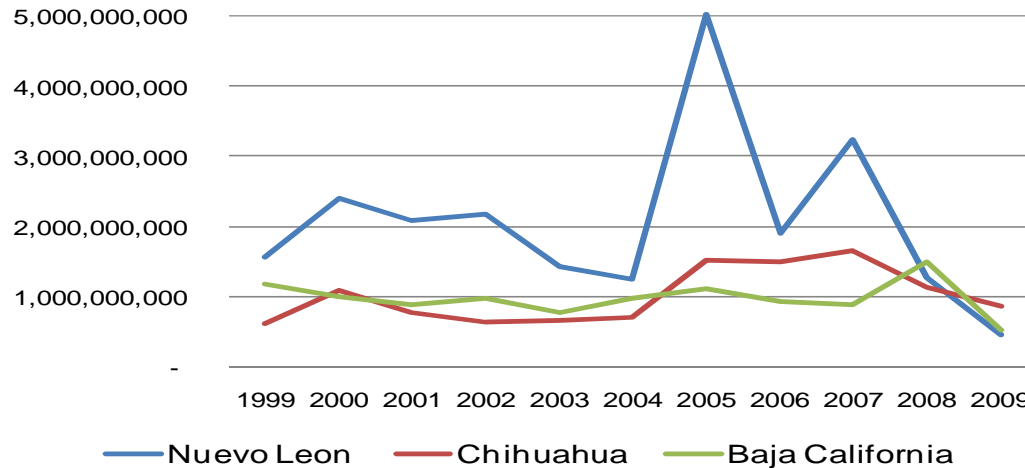
- We are facing a great challenge, where international co-responsibility is clear.
- It is a problem of national security not only for Mexico, but for the United States.
- Even then, life continues normally for the majority of Mexicans.

### 2009 Investment Projects vs. insecurity: North



The correlation between the level of investment received in northern states (FDI/ % NGP) and their insecurity level is negligible.

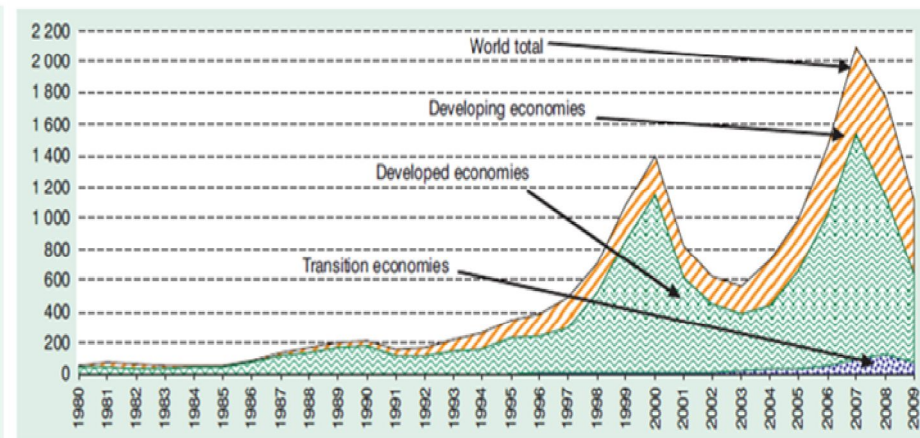
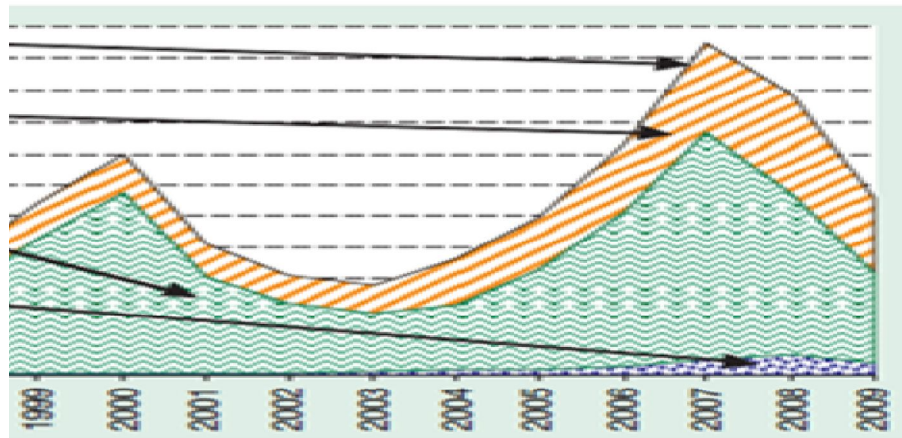
## FDI Evolution



As expected, FDI evolution has a larger relationship with the world economic cycles.

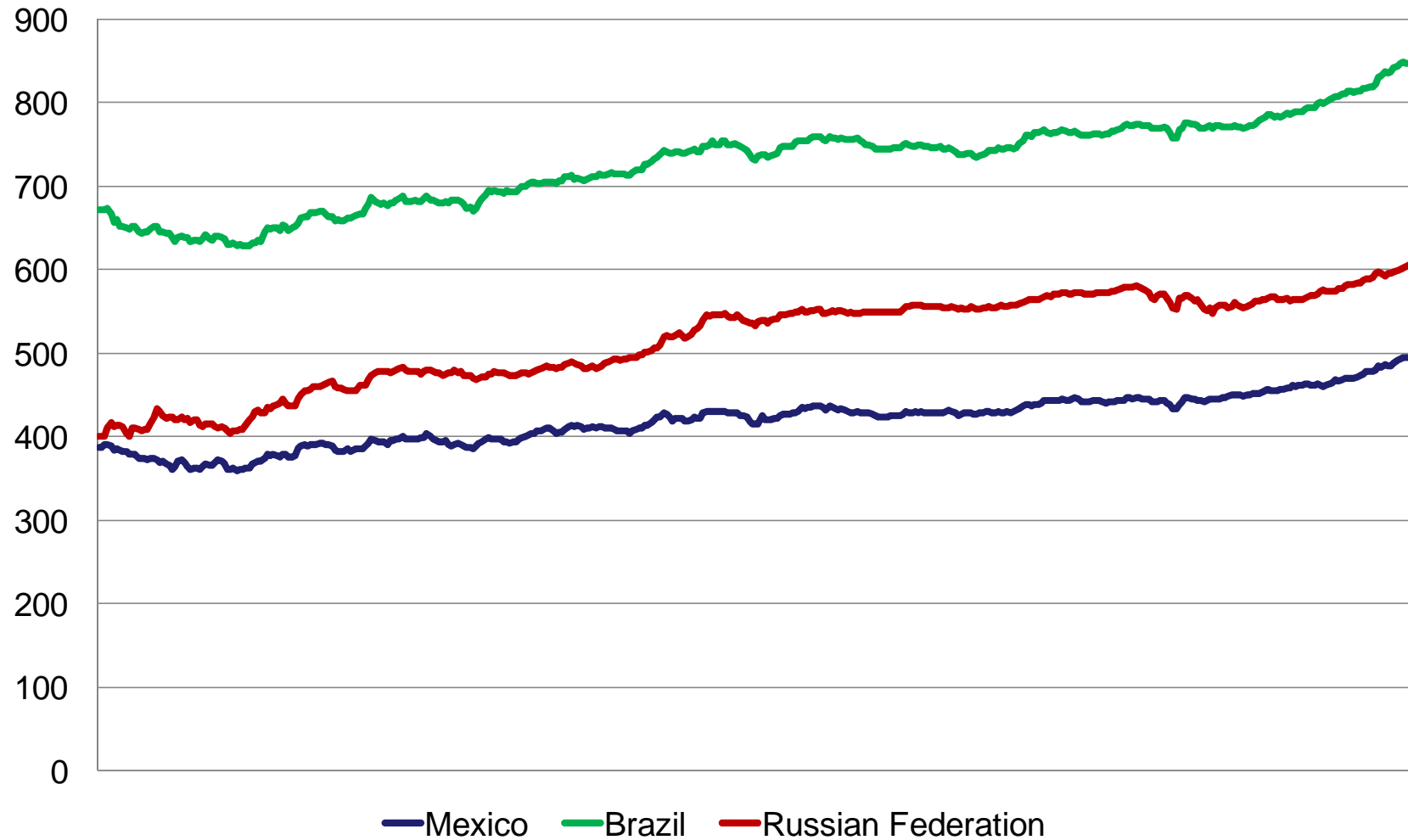
Mexico maintains itself as an attractive place for investment.

FDI inflows, globally and by groups of economies, 1980–2009  
(Billions of dollars)



Source: UNCTAD, based on annex table 1 and the FDI/TNC database (<http://www.unctad.org/fdistatistics>).

## Emerging Markets Bond Index 2009-2010



The reality is that



MEXICO IS GREATER THAN ITS PROBLEMS

## We are much more

We are more than 112 million Mexicans,  
producing over 1000 million dollars a year.

Mexico is over 2,000,000 kms<sup>2</sup> with  
the world's 4<sup>th</sup> biodiversity.

Mexico has many realities...





- In manufacturing, Mexican exports are higher from the rest of Latin America.
- Close to 20 thousand million dollars of FDI in 2010 (14,361 million USD to the third trimester of the years)\*.
- Mexico is the main touristic destination of Latin America and the 10<sup>th</sup> world wide. \*\*.
- We are the most important engineering talent pool of America and the ninth in IT in the world.
- Mexico is the easiest country to do business in Latin America, and is ranked in 35th spot out of 183 countries\*\*\*.

\*UNCTAD, *Global Investment Trends Monitor*, 17 January 2011

\*\*United Nations World Tourism Organization (UNWTO), *World Tourist Barometer*

\*\*\*Reporte Anual "Doing Business", Banco Mundial