



Why Operate in Mexico?

This infographic will focus on top 5 advantages of operating your business in Mexico.

1

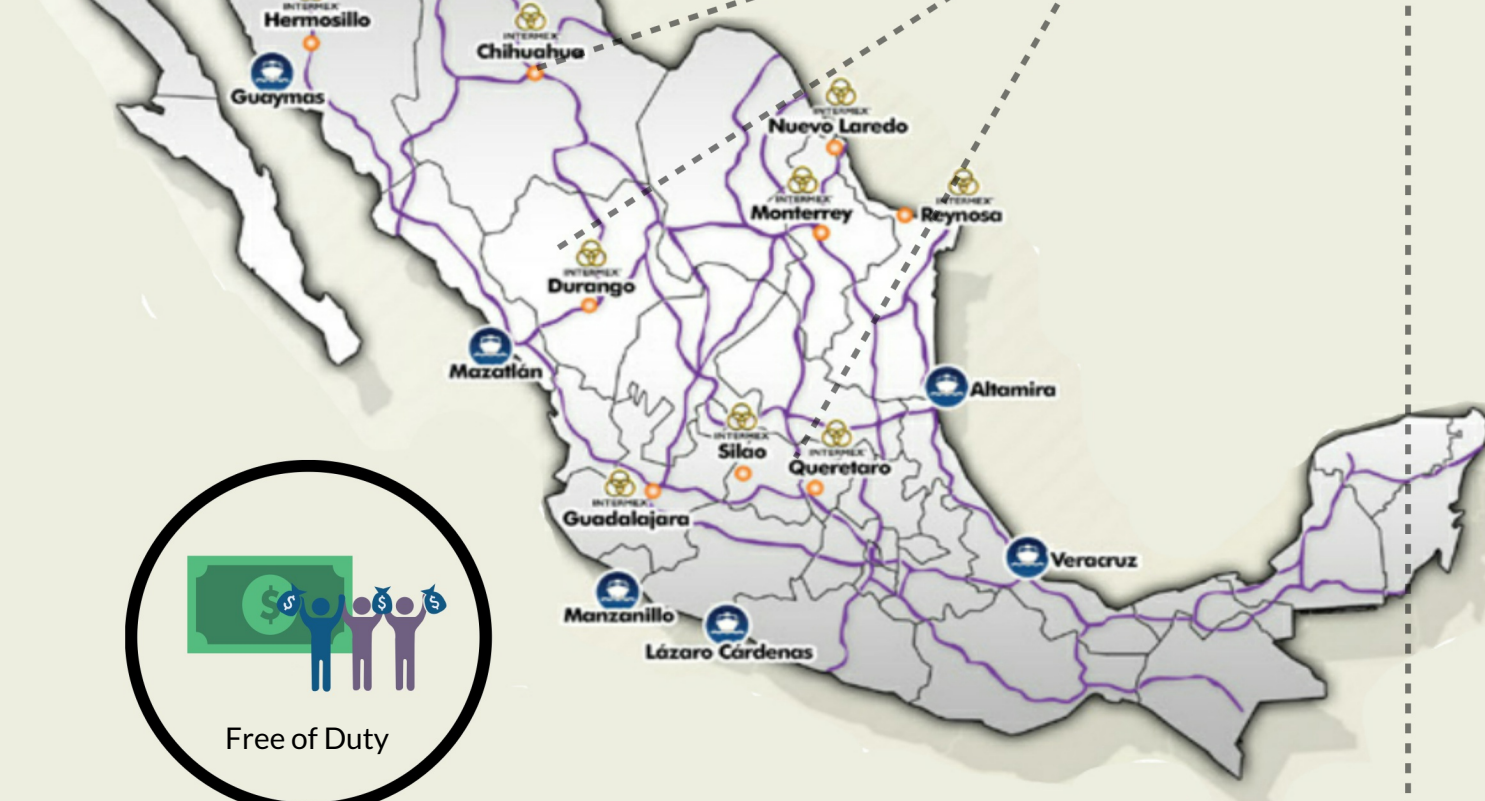
Government Support

Mexico allows foreign companies to ship components into Mexico FREE of duty for assembly and manufacturing processing (Maquiladora Program).

- ✓ Mexican Government protects industrial property rights
- ✓ Actively promotes, supports all activities, investments related to the export of goods
- ✓ Promotes private investment in transportation services previously government owned
- ✓ Actively promotes, supports all activities, investments related to the export of goods

Raw Materials

Production Equipment



Free of Duty

Minimize RISK of operating in Mexico

- No incorporation needed
- No long-term commitment
- No major financial commitment
- No Mexican income tax nor IVA (VAT)

2

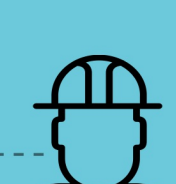
Labor

Annual Savings in Labor of up To:



\$20,000

Per



Worker

- ✓ Mexico has a very large, experienced group of executives, managers, engineers, and supervisors trained by foreign companies
- ✓ Mexican labor force: young, skilled, highly productive, continually improving
- ✓ Among best in labor stability

Case Study: Labor Costs in Mexico (Precision Machining/Brake Systems Parts)

Location:	CHIHUAHUA	
Sector:	AEROSPACE	
Process:	SPECIALIZED MACHINING	
Product:	LANDING GEAR PARTS	
	Year 1	Year 2
• Direct:	26	52
• Indirect Hourly:	0	0
• Indirect Salary:	0	0
• Administrative:	1	1
• Total Headcount:	27	53
Shift:	1st. Shift: 100%	
Facility Size:	56,984 Sq. ft.	56,984 Sq. ft.
Shipments:	El Paso Inbound (24) Juarez Outbound(24)	Inbound (24) Outbound(24)
Exchange Rate:	\$20.00 pesos per \$1.00 usd	

✓ Cost Model does not include: Non Recurring Expenses (NRE), Raw Materials, Equipment & Depreciation, "Ex-Pat" Costs

Aerospace Precision Machining/ Chihuahua Cost Curve



3

Manufacturing: Resources & Capabilities

Range of Manufacturing Options:



MINIMIZE your operation's problems

- Red Tape
- Avoid hidden costs
- Low turnover / absenteeism
- Cultural shock
- Start-up costs

Manufacturing Support

Ample Base of Suppliers from all Over the World Provide:



Minimize LEARNING curve

- Get feet wet with short-term commitment
- Gain experience of known cost
- Incubator for expatriates' learning

4

Financial Stability

Certain Treaties Avoid Double Taxation between Mexico and Other Countries



Certain treaties avoid double taxation between Mexico and other countries including the U.S., Germany, Canada, Sweden, France, Japan, Brazil, China, United Kingdom, Italy, and more!

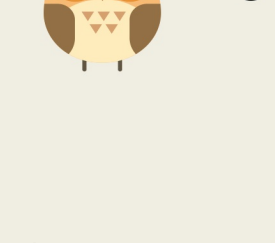
- NAFTA** ✓ NAFTA signed to promote free trade throughout Mexico, U.S., and Canada
- ✓ NAFTA terms allow maquiladoras to sell in the Mexican market up to 100% of production
- Free Trade** ✓ Mexico has free trade agreements with the European Union, Japan, many Latin American countries, and more

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Mexico at a Glance



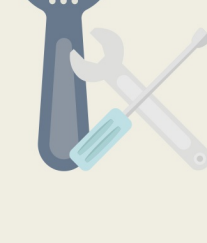
107 Inhabitants (approx.)



750,000 Engineering Students

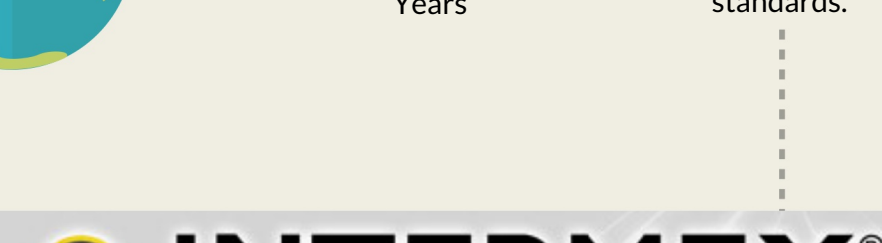
Graduate every year from Mexican universities.

13,000 Engineers & 77,000 Technicians



40 Years

Using international standards.



Intermex has been part of the success of over 200 multi-national companies manufacturing and distributing in Mexico.

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