

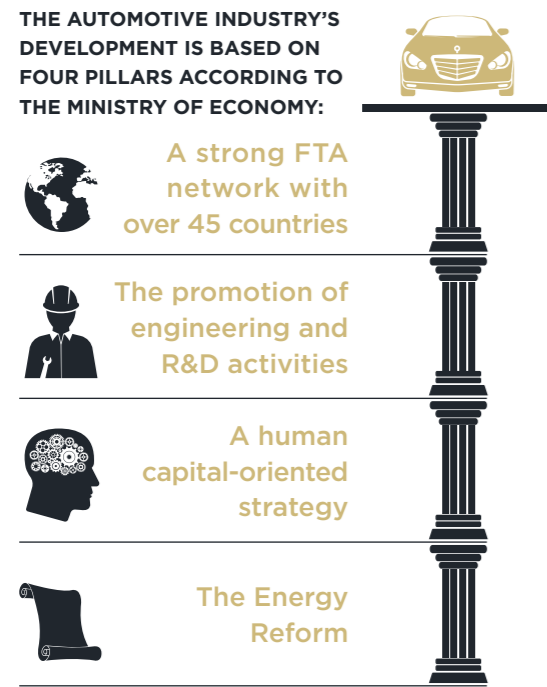
BOOSTING COMPETITIVENESS FOR NATIONAL GROWTH

The Ministry of Economy has outlined its priorities to boost the image of the national automotive industry but executives think there are other factors that are equally, if not more important, to ensure international competitiveness and decrease Mexico's dependence on a single market

Although one of the main advantages foreign investors highlight about Mexico is its proximity to the US, many of the 184 executives surveyed by Mexico Automotive Review 2017 say that Mexico's dependence on the US is one of the country's main obstacles. Mexico's FTAs with 45 countries, excluding NAFTA, open the door to many more business opportunities

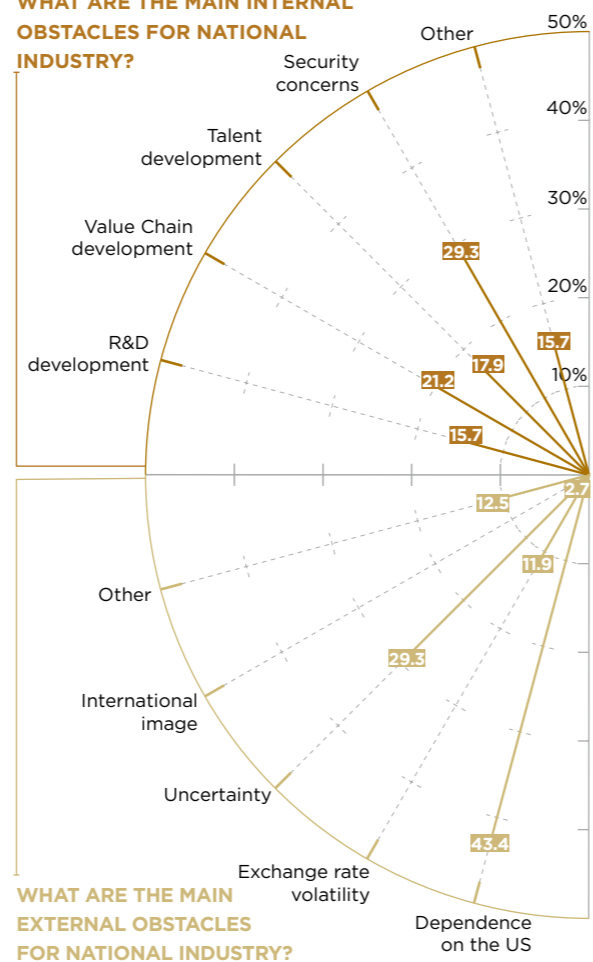
and executives are realizing that. However, to increase its competitive value, the country must also address some internal issues. Security, talent availability and a strong local value chain are among the priorities for Mexico's executives, along with a plea for legal certainty from the government when doing business or establishing new operations.

THE AUTOMOTIVE INDUSTRY'S DEVELOPMENT IS BASED ON FOUR PILLARS ACCORDING TO THE MINISTRY OF ECONOMY:



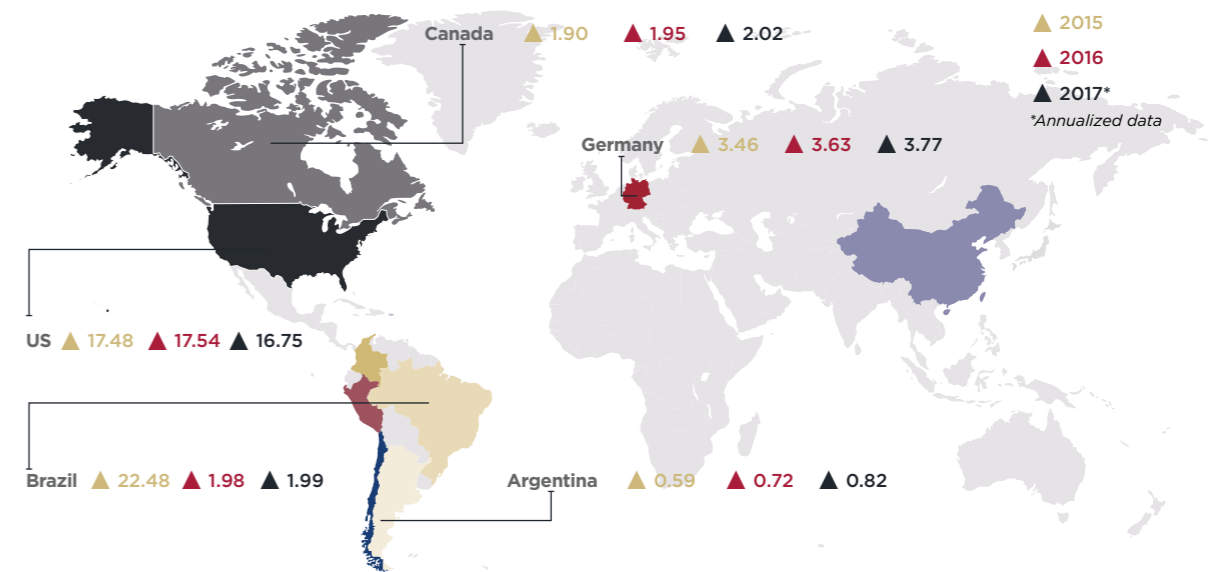
Each year, **Mexico** produces over **100,000** engineers

WHAT ARE THE MAIN INTERNAL OBSTACLES FOR NATIONAL INDUSTRY?

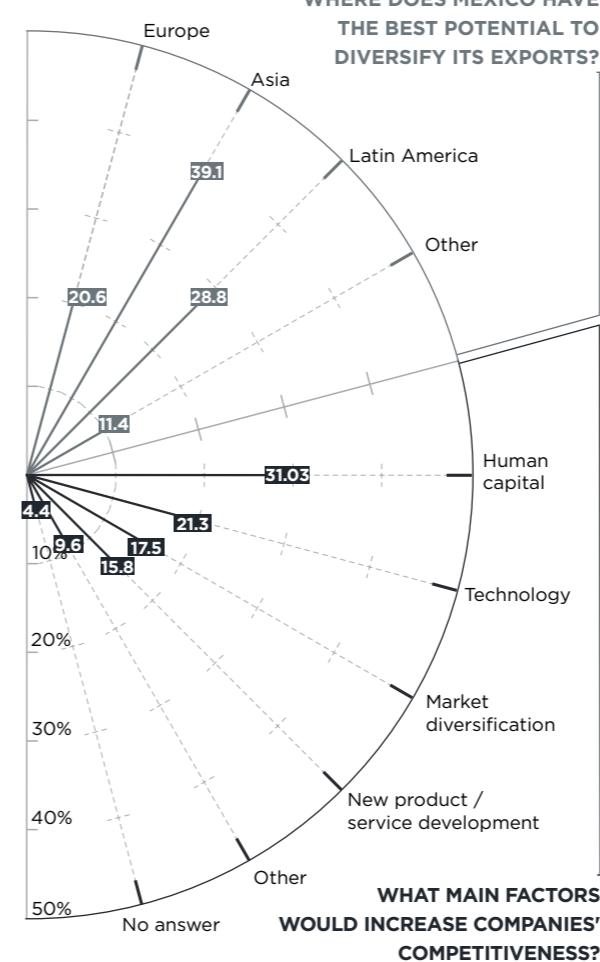


WHAT ARE THE MAIN EXTERNAL OBSTACLES FOR NATIONAL INDUSTRY?

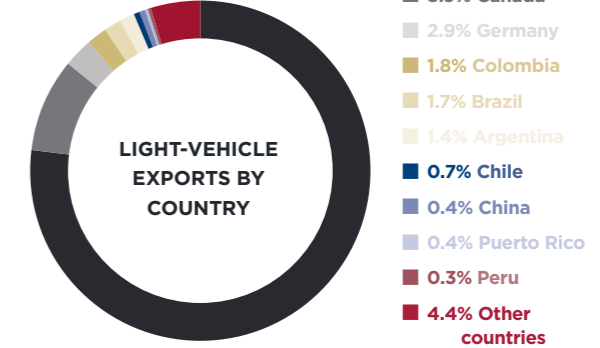
LIGHT-VEHICLE SALES IN MEXICO'S MAIN EXPORT MARKETS (millions of units)



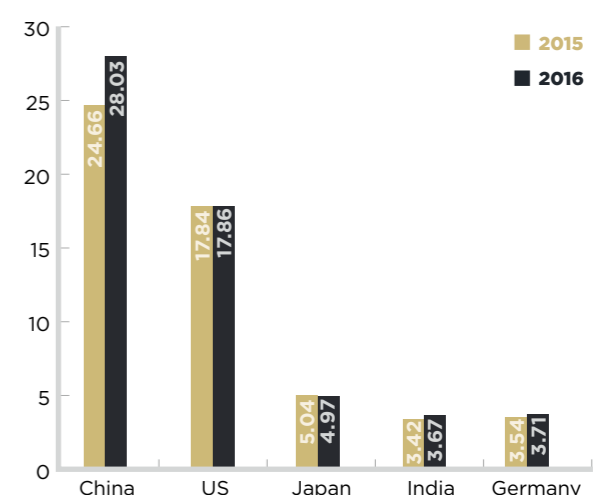
WHERE DOES MEXICO HAVE THE BEST POTENTIAL TO DIVERSIFY ITS EXPORTS?



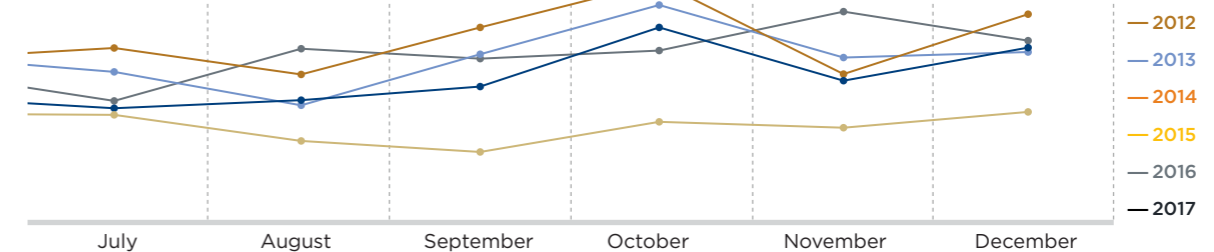
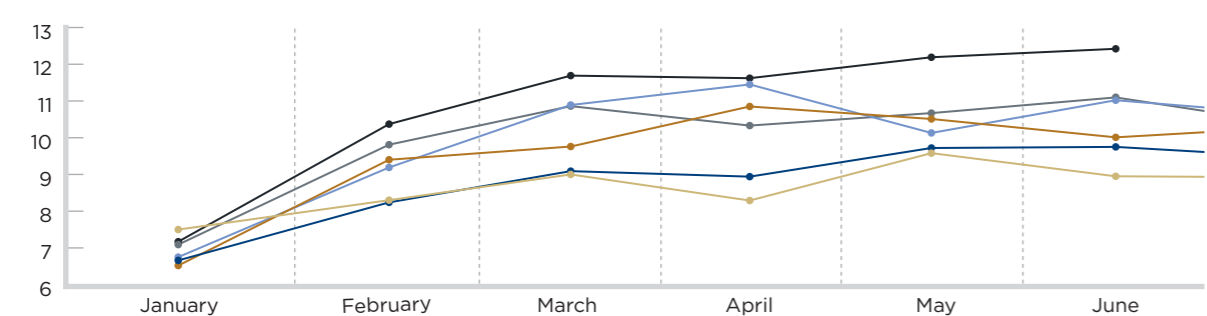
LIGHT-VEHICLE EXPORTS BY COUNTRY



LARGEST VEHICLE MARKETS (millions of units)



MEXICO-US TRADE BALANCE (US\$)



Sources: Mexico Automotive Review, Banco de México, AMIA, INA