MEXICO
INDUSTRY
SPECIAL REPORT

thebusiness year

01 Introduction

MADE IN MEXICO

A quick look at Mexico's top manufacturing sectors sets the stage for the broader industrial sphere.

Mexico's top-three industrial sectors are automotive, aerospace, and medical device manufacturing, representing a massive shift from the 1960s, when crude oil accounted for 60% of Mexico's exports. This clear trajectory is underscored by today's sector leaders, who ubiquitously stressed Mexico's industrial capacity strengths, noting the trends in an increasingly sophisticated and sustainable sector.

Taking a closer look into the top-three manufacturing segments, automotive leads the way over the last decade, with USD23 billion in auto company investment in Mexico since the 2008 global financial crisis. The country's border with the US is a major contributing factor to this leading market positioning. The Mexican Automotive Industry Association estimates that 70% of vehicles produced in Mexico are exported to its immediate northern neighbor. Likewise, the aerospace segment has also experienced more-than-healthy growth—according to a report from PwC, GDP of the aerospace and defense jumped more than 20% each year. Many in the aviation sector stress Mexico's competitive advantage in quality and sophistication, a requirement for such complex parts and products. Similarly, medical devices also require highly specific capabilities. It is no wonder Mexico is the fifth-largest medical device exporter globally. Figures from BMI indicate that this sector saw a compound annual growth rate of 13.8% over the last five years, reaching USD6.9 billion in terms of market value by 2018. The rest of this report explores these trends and ongoing trajectory in greater depth. ✖

Claudio González
PRESIDENT,
KIMBERLY-CLARK MÉXICO

"The new generation of Mexican businessmen is extremely competitive and involved. They are driving investment not only in Mexico but also in the US, Canada, and other parts of the world. There is no question this generation is significantly more competitive and attuned to what is going on in the world and what the future will be."

Masataka Ogura
DIRECTOR GENERAL,
MAYEKAWA DE MÉXICO

"Our expansion in Mexico was the result of our intention to remain close to the end customers. When we started in the country, we knew nothing of the market because there were few Japanese companies. We then began working directly with suppliers, although our philosophy in Japan is to be near our customers, so that we can immediately sort out any of their problems. Service is extremely important for us; our success is based on being close to our clients."

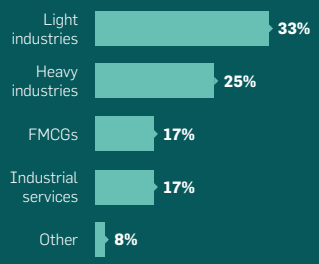
PERSON TO WATCH:
Juan Pablo Esquivel
MECHATRONIC ENGINEER

Though barely in his mid-30s, Juan Pablo Esquivel is already making a splash in a variety of cutting-edge fields. A trained mechatronic engineer from the Instituto Tecnológico de Monterrey with a PhD in micro- and nanoelectronics from the Autonomous University of Barcelona (AUB), Esquivel has long been self-confessedly obsessed with making things "cheaper, simpler, and easier." Focused on creating radically innovative solutions for telemedicine, among other things, he is now helping develop miniature paper-based fuel cells at the National Centre of Microelectronics (CNM) at AUB to power disposable diagnostic devices.

By focusing on portable, disposable diagnostic tests for pregnancy, glucose, and infectious diseases that use small amounts of energy, but rely on lithium button batteries that are thrown away after using merely 1% of their battery life—an "ecological aberration" in Esquivel's words—Esquivel and his advisor at AUB are now developing a paper-based battery that utilizes the very samples (of blood, saliva, or sweat) to feed a small fuel cell that generates the electricity needed for the analysis and then displays the results. Using printed electronics technology, they were able to use paper as the base material to build power sources and transport the fluids by capillary action before producing self-powered devices. Esquivel and his team at AUB are innovators to watch closely going forward.

COMPANY BREAKDOWN

BY SUBSECTOR



COMPANY BREAKDOWN

BY ORIGIN

67% International
33% Mexican

EXECUTIVE BREAKDOWN

92% Men
8% Women