

Mexico in Brief

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Business Summary for May 2010

MEXICAN ECONOMY AWAKENS.

Mexico's 4.3% GDP growth in the first quarter of 2010 leads the country's expected re-emerging after the global economic crisis, as compared to 2009 figures. Several financial and consulting firms estimate that Mexico may continue experiencing similar a growth ratio throughout 2010.

DEACERO TO DOUBLE PRODUCTION WITH NEW MANUFACTURING PLANT.

Monterrey-based *Deacero* recently announced that it will invest approximately U.S.\$700 million in the construction of a new steel manufacturing plant in the Mexican State of Coahuila, generating approximately 1,000 new jobs. Considering the production of the new plant, which is expected to be operational by September 2011, the group will increase its production capacity by 50%.

NISSAN TO MANUFACTURE NEW AUTOMOBILE MODEL IN MEXICO.

Nissan Mexicana, a subsidiary of Japanese-based *Nissan Motor Company*, recently announced that it will invest approximately U.S.\$600 million in its manufacturing plant located in the Mexican State of Aguascalientes, where it plans to manufacture the new *Nissan March*. The company additionally informed that the prototypes will be finished by July 2010 and hopes to start production before the year's end.

POLARIS PLANS TO INVEST IN THE NORTHERN REGION OF MEXICO.

All-terrain vehicle manufacturer *Polaris Industries* recently announced its plans to transfer production of its plant in Wisconsin to the Northern Region of Mexico. Although not yet determined, the company is said to be evaluating the cities of Monterrey or Saltillo as possible plant sites. The company expects to start operations in Mexico by mid 2011. *Polaris Industries* manufactures all-terrain vehicles, snowmobiles, motorcycles and neighborhood vehicles.

THE FEDERAL ELECTRIC COMMISSION INVESTS IN NUEVO LEON.

The Mexican Federal Electric Commission, or *CFE*, recently announced that it will invest approximately U.S.\$60 million in energy infrastructure in the Mexican State of Nuevo Leon within the next two years, of which an initial U.S.\$38 million will be invested in 2010. The investment will be destined for the construction of new distributing networks, sectioning equipment and the installation of new failure detection systems. In other news, Indian-based *Havells Sylvania* recently announced an investment of approximately U.S.\$100 million for the construction of its new facility which will manufacture efficient electric products. The new plant will be constructed in central Mexico and will generate approximately 500 new job positions.

MICROSOFT CORPORATION DIRECTS INVESTMENT TO MEXICO'S CORE.

Software giant *Microsoft Corporation* recently announced that it will invest approximately U.S.\$1.9 billion in Mexico within the next three years. The company's announcement states that approximately U.S.\$485 million of such amount will be invested in software and entertainment programs targeted for small and medium companies, while the remaining amount will be invested in the modernization of education and to support approximately 3,000 new IT companies. During the past three years the company has contributed in the education sector and supported small and medium companies.

INTERJET AIRLINES LAUNCHES BID FOR VOLARIS.

Mexican low-cost airline *Interjet* recently launched an initial offer of approximately U.S.\$360 million for its domestic competitor *Volaris*. *Volaris* has not commented on the terms of the offer, although *Interjet* has stated their confidence in the terms of its offer, through which it seeks to add value to their brand and fleet.

Stock Exchange Index (BMV)

32,038.53

1.98% ▼

Exchange Rate (Fix)

MxP 12.9146-U.S.\$1

5.32% ▼

Inflation-April / Cummulative / 12 Months

-0.32% / 2.07% / 4.27%

TIIE 28 / 91

4.94% / 5.04%

0.00% / 0.20% ▲

CETE 28 / 91 / 364

4.52% / 4.64% / 4.96%

1.80% ▲ / 0.22% ▲ / 2.55% ▼

UDI

MxP 4.428907

0.59% ▼

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