

# Focus Mexico

## SME Study-trip to Mexico – Nov 3<sup>rd</sup> – 6<sup>th</sup>

Business Sweden Mexico

# The #FocusMexico SME Study-trip enables Swedish SMEs to discover their potential in Mexican market

## What is it?

The Focus Mexico SME Study-trip is a **4-day program in Mexico covering Mexico City and Monterrey**, where participants will have a firsthand experience of opportunities across one of the fastest growing large economies in the world

The program will take participants through a **well-curated and dedicated meeting program** to learn from leading companies, industrial associations and governmental agencies in the country about **how to enter and succeed in Mexico**



**Note:** SME defined as < 250 employees, turnover < EUR 50 mn, not subsidiary of large corporation.

## Why should I join?

- 1** Build market insight through direct engagements with leading experts on the ground
- 2** Create a network and establish relationships with local stakeholders and decision-makers
- 3** Leverage Sweden's positioning and brand as an innovative and sustainable country

# #FocusMexico is an initiative launched by Business Sweden to help Swedish companies expand and win business in Mexico

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More than 140 Swedish companies are present in Mexico

Proven green solutions and innovations can be scaled to expand on the adoption of renewable energy to power Mexico's energy transition

- SME Trips were formulated in the recently launched "Strategy for Sweden's foreign trade, investments, and global competitiveness" as a new and long-term promotion effort to develop trade and investment relationships and collaboration
- Mexico was chosen, being as a central hub for Swedish expansion:
  - Geographically strategic position:** Mexico is next to the US and well connected with Asia, and the EU
  - Mexico is positioned as the manufacturing hub of the region due to its commercial, geographic and demographic position which creates a favorable environment for FDI, specially in the central and northern region of Mexico
  - Mexico has trade policy agreements with over 50 countries, fostering a relevant link between North America, Central and South America, Asia, and the EU
- Swedish companies have considerable growth opportunities through their focus on innovation, and the digital and green transition upon pertinent markets of expansion

Business Sweden is acknowledging the importance and rapid growth in Mexico and is now focusing efforts to enable Swedish companies to succeed.

BUSINESS SWEDEN

Key overall goals of Focus Mexico include:

- 1 Increase Swedish companies' share of export and presence in Mexico
- 2 Strengthen competitiveness of Swedish businesses in Mexico and the region through participation in the Study Trip Delegation
- 3 Develop investment promotion to increase interest in Mexico as an investment destination from the region

# Gain insights about key trends and recent developments in sustainable manufacturing, digitalization and industrialization in Mexico

## Mexico



# of Swedish companies



~ 110

Example of focus\* the Focus Mexico SME Study-trip



Renewable Energy



Industrial manufacturing



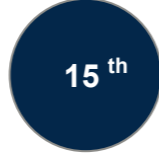
Automotive and mobility



Largest economy in the world



Economically active population



Largest exporter in the world



U.S. trade partner



GDP



Population



Unemployment rate



Countries with trade policy



Exports destined to the U.S.



GDP per capita



**Helena Carlsson, Sweden's Trade and Invest Commissioner to Mexico and Central America**



*Mexico's dynamic and resilient economy, a key global player and the second largest in Latin America, presents a natural and stable partnership for Swedish companies seeking expansion. Its strategic position as a nearshoring hub, skilled workforce, and business-friendly climate align with Sweden's strengths in innovation and sustainable technology, fostering deep, mutually beneficial ties.*



Source: World Bank, DataMexico, The United States Census \* Tentative focus areas – to be determined once participants are confirmed

# Mexico offers considerable potential, although outcomes differ depending on suitability and location

## Mexico fit lens: What works and challenges

## Business Activity Concentration by state, FDI 2024 (MUSD) – Top 10 states

**+** **Proximity** to the U.S. supports shorter lead times, lower logistic costs and access to the North American region

**-** **Compliance and transparency** require structured internal processes and controls, particularly for export-oriented operations

**+** **Export-oriented** operating frameworks support cost-efficient setups, particularly those integrated into North American supply chains

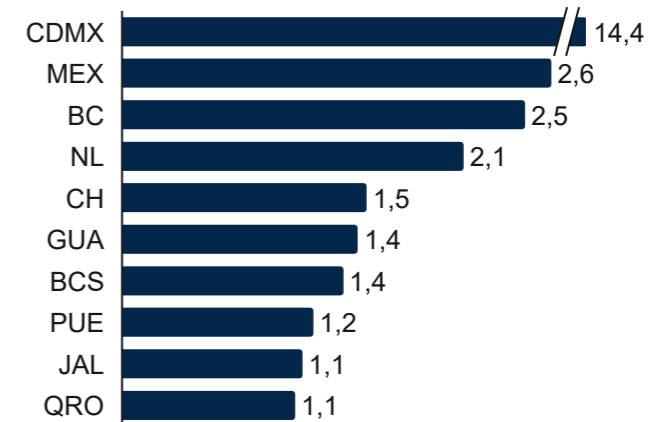
**-** **Security considerations** can increase operating costs depending on location and industry

**+** **Trade relations** remain strong globally, with North American trade remaining relatively stable and predictable

**-** **High exposure to the U.S.** market increases sensitivity to external demand cycles and periodic trade policy reviews under USMCA

**+** **Access** to large domestic market that also enables reach to other competitive markets while maintaining cost competitiveness

**-** **Levels of informality** and application of international standards vary across regions, requiring careful partner and supplier selection



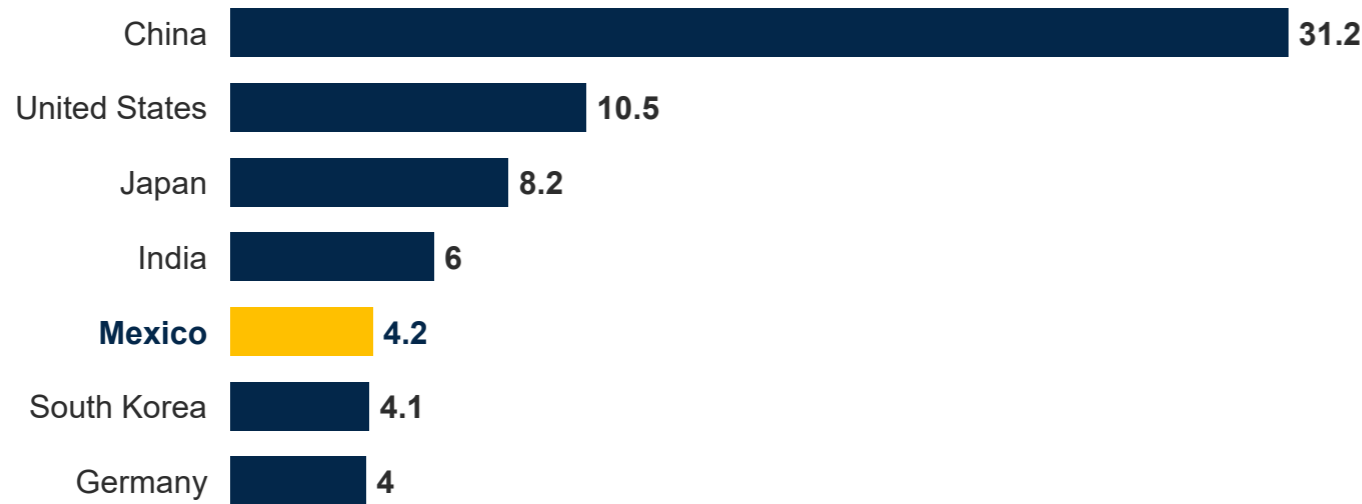
- In 2024, Mexico received USD 36.8bn with 79% concentrated in 10 states
- Business Activity in Mexico is highly concentrated in a limited number of states
- Location choice has a material impact on operating costs, talent availability and its exposure
- Manufacturing accounts for the majority of FDI inflows (54% in 2024), reinforcing the concentration of business activity in specific states

Source: Ministry of Economy, Mexico Business, Business Sweden Analysis

# Mexico ranks among the world's top five vehicle producers, and the automotive sector drives nearly a quarter of national manufacturing

<b>5th</b> Global motor vehicle producer, 2024	<b>4.2 M</b> Vehicles produced in 2024 (OICA)	<b>4.7 %</b> Share of national GDP (auto + parts)	<b>21.7 %</b> Share of manufacturing GDP
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**Global motor vehicle production ranking 2024 (million units)**



- **The only Latin American country in the global top 10**, and the only top-10 producer to have expanded output every year since 2021 while Europe, Japan, and South Korea each contracted over the same period
- **Mexico now produces more vehicles than Brazil, Argentina, and Colombia combined**, cementing its role as Latin America's automotive anchor and the dominant export platform serving the United States and Canada

## Mexico's role in the North American value chain



### Largest manufacturing employer

2.1 million direct jobs, including ~883,000 in auto parts



### #1 supplier of auto parts to the United States

42.5% of all US auto parts imports, ahead of China, Canada, and Japan



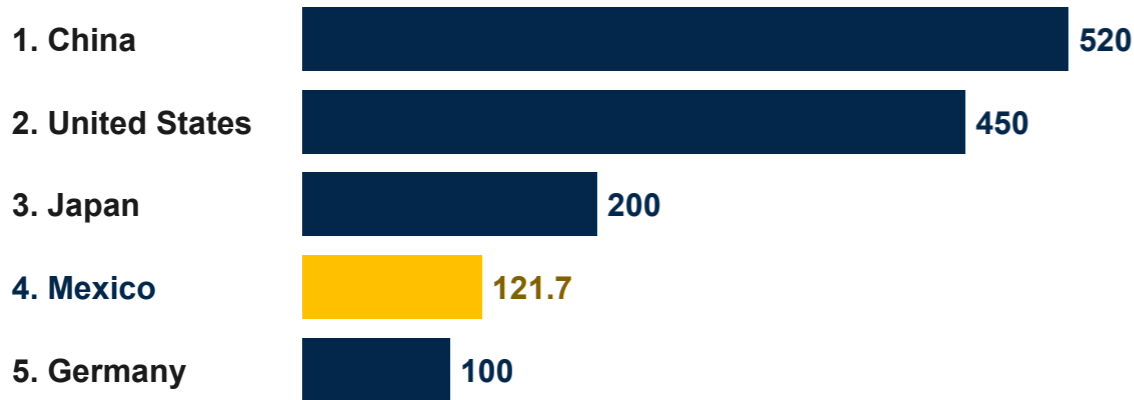
### Top foreign-exchange generator

Sector revenue exceeds remittances and tourism combined by ~22%

Source: OICA — World Motor Vehicle Production Statistics 2024; INA, Automotive Industry in Mexico Overview (Sep 2024), based on INEGI; US International Trade Administration, Mexico Country Commercial Guide (Feb 2026); AMIA.

# Mexico is the world's fourth-largest auto parts producer and the single largest supplier of components to the United States

Top 5 global auto parts producers  
2023, BUSD



**121.7 BUSD**

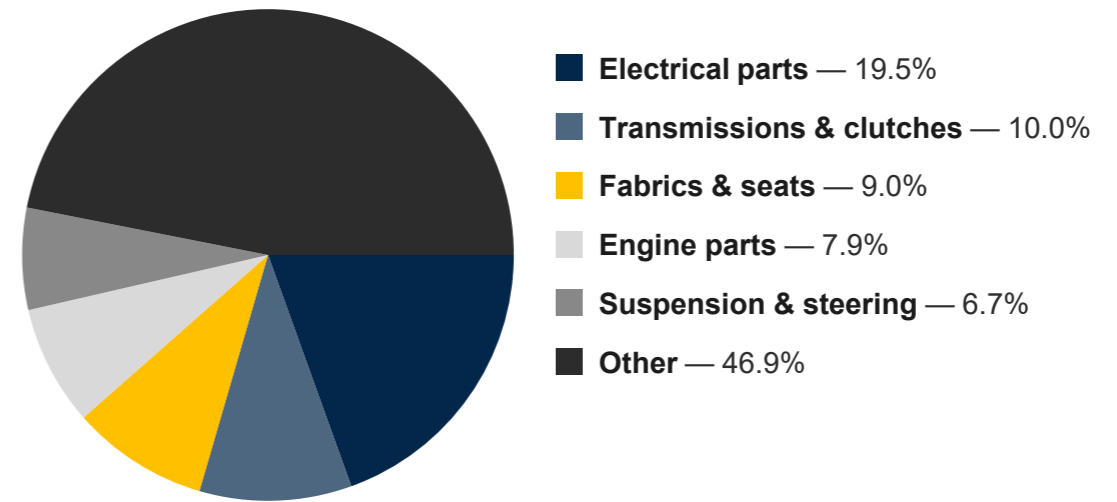
Total production, 2024

**106 BUSD**

Auto parts exports, 2024

- **2024 was a historic peak**, auto parts production reached 121.7 BUSD, with exports at 106 BUSD, both all-time highs and a 17% jump vs. 2022
- **Mexico is the #1 supplier to the United States**, accounting for 42.5% of all US auto parts imports in 2023, ahead of China, Japan, and Germany in the US market specifically
- **Mexico consolidated its #4 global position**, trailing only China, the United States, and Japan in total auto parts production worldwide

Auto parts production by subsector,  
2024 (Share)



- **Top 5 subsectors account for 53.1% of total production**, electrical parts lead at 19.5%, followed by transmissions & clutches (10.0%), fabrics & seats (9.0%), engine parts (7.9%), and suspension & steering (6.7%)
- **Wiring harnesses, body parts, seats, combustion engines, and catalytic converters dominate US-bound shipments**, together representing 55% of all Mexican auto parts exports to the United States
- **Electrical parts lead production and are the fastest-growing subsector**, driven by rising demand for wiring harnesses, sensors, and electronic control units as both ICE and electric vehicles increase their embedded electronics content per unit

Source: INA — Industria Nacional de Autopartes (via Cluster Industrial, March 2025); US International Trade Administration — Mexico Automotive Industry Country Commercial Guide (Feb 2026); SINDIPECAS, EUROSTAT, ACMA (for global ranking via INA).

# Automotive FDI hit a record 6.9 BUSD in 2024, with Japan and Germany now leading new investment into Mexico

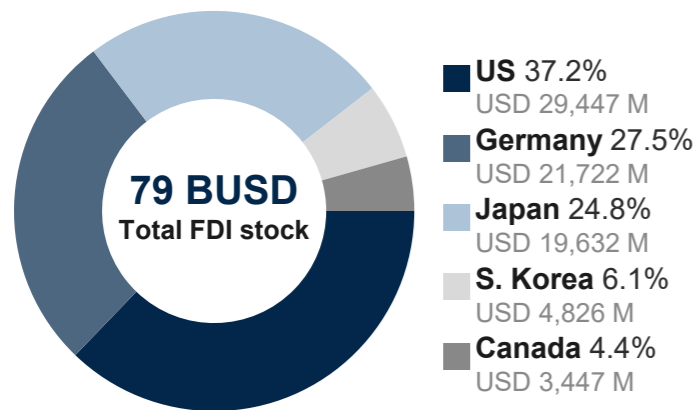
**6,925 MUSD**

FDI in vehicle manufacturing, 2024  
▲ +36% YoY, all-time record

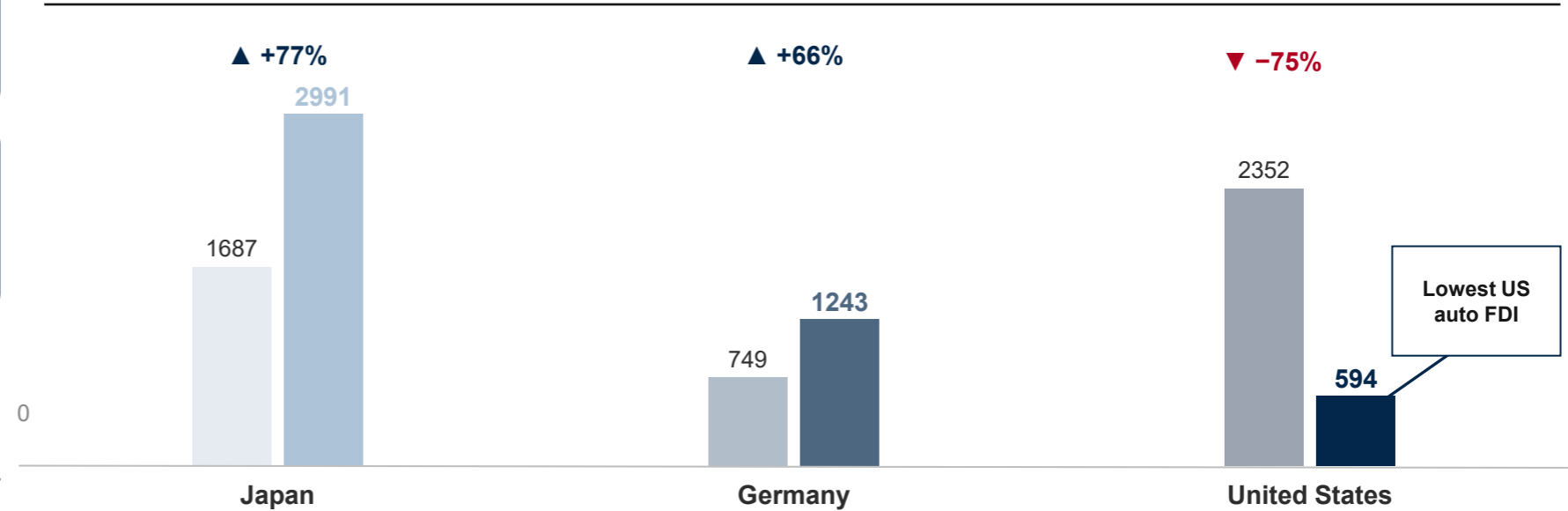
**2,467 MUSD**

FDI in auto parts, 2024  
▲ +21.5% YoY

Cumulative automotive FDI stock  
by country of origin  
2006 – Q1 2024



Vehicle manufacturing FDI by country of origin, 2023 vs 2024 (USD M)



- **Japan surged 77% to become Mexico's #1 automotive FDI investor in 2024**, rising from 1,687 MUSD to 2,991 MUSD, Japan overtook the United States for the first time in the historical series, driven by accelerating reinvestment from Japanese OEMs and Tier 1 suppliers already anchored in Mexico's Bajío and Northern clusters
- **Germany grew 66% to 1,243 MUSD, reinforcing its long-term commitment to Mexican manufacturing, up from 749 MUSD in 2023**; the increase reflects active reinvestment from BMW, whose 800 MUSD battery production center in San Luis Potosí breaks ground in 2025, and Volkswagen, which is deepening its electromobility platform in Puebla ahead of the 2026 USMCA review
- **The United States posted the sharpest reversal, collapsing 75% from 2,352 MUSD to just 594 MUSD**, the lowest US automotive FDI figure since 2016, the drop is directly attributed to investment paralysis in the run-up to the April 2025 Section 232 tariff action, with US companies pausing new commitments while awaiting clarity on the cost structure of cross-border production

Source: Secretaría de Economía (via La Jornada, March 2025); INA — Automotive Industry in Mexico Overview (September 2024), cumulative stock from Ministry of Economy; Cluster Industrial (February 2025); Mexico Industry analysis of SE data (August 2024)

# Plan México anchors the sector in a national strategy to deepen local content, attract investment, and capture the nearshoring opportunity

## Plan Mexico



### WHAT IS PLAN MÉXICO

- **Federal industrial policy launched 13 January 2025**, by President Claudia Sheinbaum to coordinate Mexico's response to nearshoring, supply-chain reshoring, and US trade-policy pressure
- **Automotive is a priority value chain**, alongside aerospace, electronics, and pharmaceuticals — the four sectors with the greatest scope to lift domestic content and capture nearshoring inflows
- **Four operational instruments**, Decreto Nearshoring for relocations, Polos de Bienestar industrial zones with fiscal benefits, IMMEX 4.0 streamlined export-manufacturing, and a tax-deduction decree
- **Headline 2030 targets for the sector**, USD 100 B annual FDI, 1.5 M high-value jobs, 50% domestic sourcing in priority chains, and 15% national content in vehicles

### INSTRUMENTS

**DECRETO NEARSHORING**  
Facilitates the relocation of foreign companies to Mexico, streamlined permits, customs procedures, and sector-specific support for firms expanding North American footprint

**POLOS DE BIENESTAR**  
Designated industrial priority zones with fiscal benefits and infrastructure investment, concentrating new capacity in the Bajío and northern auto corridors

**IMMEX 4.0**  
Modernised maquila and export-manufacturing certification, VAT relief on imported inputs and faster certification for OEMs and Tier 1 suppliers exporting to USMCA markets

**TAX-DEDUCTION DECREE**  
Immediate accelerated depreciation on new fixed assets, 41–91% in 2025–2026 and 35–89% in 2027–2030, capped at MXN 30 B with MXN 1 B reserved for SMEs

Source: Jones Day (Feb 2025); Covington & Burling (Jan 2025); Hogan Lovells (Mar 2025); Mexico Business News (Jan 2025); Secretaría de Economía via La Jornada (Mar 2025); INA Overview (Sep 2024); Banxico via Mexico News Daily (Feb 2025)

# Well-curated meeting programs including workshops with industry associations and conglomerates will be setup across each target city as part of the study visit

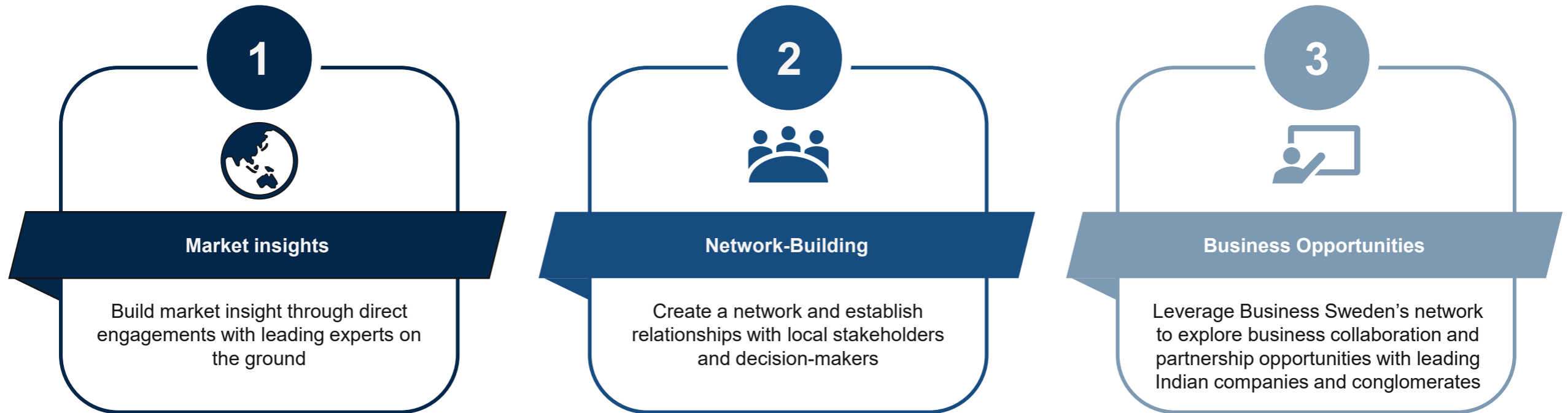
## THE 4-DAY SME DELEGATION PROGRAM 2026



\* We recommend arriving at least a day prior to the start of program activities.

\*\* Tentative – Individual sessions subject to change \*\* Engage Business Sweden consultants to dive deeper into selected market/s to validate your business potential. Key questions to be discussed and agreed upon beforehand. Export Validation projects should not previously have been granted during 2025.

# Focus Mexico SME Study Trip will help you in (1) gain market insights, (2) Network Building and (3) Explore business collaborations and partner opportunities



## Participation fee

**15 000 SEK**

*Participation fee*

*per company · excl. VAT  
and taxes*

### Included:

- **Participation: 1 representative per company**  
(+5 000 SEK for each additional participant)

### Not included:

- **Out of the program transport; accommodation** (Est. additional costs for five days ~12 000 SEK pp\*)

**Registrations:** <https://events.business-sweden.com/events/cedc13a942>

**For more information, please contact:**  
[sofia.calvo@business-sweden.se](mailto:sofia.calvo@business-sweden.se)

**Note:** Delegation pricing exclusive of VAT and taxes. \* Estimated additional cost - To be determined once participants are confirmed



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