



# Department of Commerce

**MEXICO**

**MONTHLY ECONOMY AND POLITICS BRIEF**

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**Prepared by:** Business Development Partners, S.A. de C.V.  
Av. Nuevo León 95, desp. 4  
Col. Hipódromo Condesa  
06170 México, D.F.  
Tel. (52-55) 5286-9002  
Email: [info@bdp-americas.com](mailto:info@bdp-americas.com)  
Web: [www.bdp-americas.com](http://www.bdp-americas.com)

## ECONOMY AND INDUSTRY

- Mexico's exports totaled approximately US\$409.5 billion in 2017, representing a new record high, the Mexican government reported. Total exports in 2017 rose 9.5% for the year over 2016. *(El Financiero, January 29, 2018)*
- International tourism to Mexico grew 60% from 2012 through 2017, in terms of both number of visitors and money spent, Mexico's Tourism Ministry (Sectur) reported. Revenues from international tourism totaled approximately US\$21 billion in 2017. *(El Financiero, January 19, 2018)*
- The number of formal jobs in Mexico grew by 4.3% in 2017, the highest rate in 20 years, the Mexican Social Security Institute (IMSS) reported. The mark is approximately twice the GDP growth rate projected for Mexico for the same year. *(El Financiero, January 11, 2018)*
- The Mexican auto industry produced 3.77 million automobiles in 2017, a new historic high for the sector. Exports jumped 12.1% over the previous year, with the United States market accounting for 75.3% of all Mexican-made autos shipped abroad. *(Citibanamex Reporte Económico Diario, January 9, 2018)*

## ECONOMIC ACTIVITY OF NOTE

- Construction: Mexican developer Vinte plans investment of approximately US\$158 million in housing construction this year, the company reported. The company plans to build 600- and 700-unit middle class complexes in the cities of Pachuca and Monterrey, respectively. *(El Financiero, January 25, 2018)*
- Gas stations: French oil and gas multinational Total reported plans to open up to 100 filling stations in Mexico this year under its own brand. The amount of investment was not specified for the expansion, which will be concentrated generally in the central region of the country. *(El Financiero, January 18, 2018)*
- Chemicals: Dutch chemicals multinational AzkoNobel is projecting approximately US\$14.6 million in investment to support Mexico operations during the current year. Projects include expanding production capacity and upgrading the company's organic peroxides plant in the central State of Mexico. *(El Financiero, January 18, 2018)*
- Manufacturing: U.S. consumer goods giant Kimberly-Clark plans investment of approximately US\$100 million in Mexico operations in 2018, the company reported. Resources will primarily support expansion of production capacity, improvements to products and cost reduction strategies. *(El Financiero, January 22, 2018)*
- Wind power: Italian renewable energy developer Enel Green Power initiated construction on a new wind power plant in the northeastern state of Tamaulipas. The US\$120 million site is projected to have generation capacity of 93 MW. *(Milenio, January 19, 2018)*

- **Entertainment:** Mexican entertainment operator Grupo Diniz, creator of the Recórcholis chain of children's entertainment centers, reported plans to construct a new site in Mexico City under the Kataplum brand. The estimated US\$29 million center will be located in a shopping mall and reportedly include a roller coaster. (*El Financiero, January 17, 2018*)
- **Retail:** U.S.-based DIY retailer The Home Depot is projecting investment of approximately US\$90 million in 2018 to support Mexico operations. Plans include upgrading omnichannel sales infrastructure and logistics and opening two to three new stores, the company reported. (*Reforma, January 17, 2018*)
- **Airlines:** Mexican passenger airline Volaris announced it will purchase 80 airplanes from European aerospace manufacturer Airbus through 2026. The US\$9 billion investment will focus on Airbus' 320 single-aisle class of aircraft. (*El Financiero, January 2016, 2018*)
- **Commercial real estate:** Mexican developer Nexxus reported plans to build a US\$370 million mixed-use complex in the central zone of the northern industrial city of Monterrey. The development is projected to include apartments, retail space, 12 movie theaters, two hotels and parking for 4,400 vehicles. (*Reforma, January 15, 2018*)
- **Casual dining:** Mexican casual dining operator Fibonacci, master franchise operator of U.S. pizza chain Papa John's, reported plans to open 150 pizzerias in Mexico through 2021 at a cost of approximately US\$48 million. Fibonacci also operates 80 locations of the Las Alitas chicken wings chain. (*El Financiero, January 10, 2018*)
- **Glass:** U.S. drinks giant Constellation Brands and U.S. glass packaging producer Owens-Illinois are projecting investment of approximately US\$140 million at the bottle factory they operate jointly in the northern Mexican state of Coahuila. Upgrades will include a fifth glass furnace at the site, the companies reported. (*Reforma, January 9, 2018*)
- **Shopping malls:** Mexican developers are completing at least five large scale shopping mall projects set to open in 2018. The major new retail and entertainment complexes are under construction in cities including Puebla, Mérida and Mexico City via combined investment of approximately US\$400 million. (*El Financiero, December 28, 2017*)
- **Mining:** Over US\$1 billion worth of new mining development projects are in the works for 2018, the Mexican Mining Chamber (Camimex) reported. Plans include major expansions of gold extraction operations in the northern states of Sonora, Zacatecas and Durango. (*Reforma, January 1, 2018*)

## **POLITICS AND SOCIETY**

- The U.S. Department of Agriculture finalized regulations that will permit pork from all Mexican states to be imported into the United States. The ruling was based on an assessment determining that the risk of Classical Swine Fever (CSF) from Mexican pork is negligible. (*Farm Journal, January 15, 2018*)