

**SECRETARIAL BUSINESS DEVELOPMENT MISSION TO MEXICO**  
**November 18-23, 2013**

**I. MISSION DESCRIPTION**

United States Secretary of Commerce Penny Pritzker will lead a senior-executive Business Development Mission to Mexico from November 18-23, 2013. This business development mission will promote U.S. exports to Mexico by helping export-ready U.S. companies launch or increase their business in a number of key industry sectors including: advanced manufacturing, information and communications technology (ICT) goods and services, and health IT goods and services and medical devices. The mission will make stops in Mexico City and Monterrey.

Participating firms will gain market information, make business and government contacts, solidify business strategies, and/or advance specific projects. In each of these targeted sectors, participating U.S. companies will meet with prescreened local partners, agents, distributors, representatives, and licensees. The agenda will also include meetings with high-level national and local government officials, networking opportunities, country briefings, and seminars.

The delegation will be composed of representatives of 20-25 U.S. firms in the mission's target sectors. Representatives of the United States Trade and Development Agency (USTDA), the Export-Import Bank of the United States (Ex-Im) and the Overseas Private Investment Corporation (OPIC) will be invited to participate to provide information and counseling regarding their suite of programs and services in Mexico.

**II. COMMERCIAL SETTING**

***Overview***

Mexico is the United States' second-largest export market (after Canada) and third-largest trading partner (after Canada and China). In fact, the United States exports more to Mexico than to Brazil, Russia, India and China (BRIC) combined. With a World Bank Ease of Doing Business rank more favorable than that of any of the BRIC countries, this fast growing market, right on our doorstep, offers a wealth of opportunities for U.S. companies. Twenty-two U.S. states depend on Mexico as their first or second destination for exports and more than \$1.25 billion in goods and services are traded between the United States and Mexico every day, supporting millions of jobs in both countries. Mexico and the United States together with Canada comprise one of the most competitive and successful regional economic platforms in the world.

To further elevate and strengthen this dynamic bilateral commercial and economic relationship, President Obama and President Peña Nieto established a High Level Economic Dialogue (HLED). The HLED, which will be led at the cabinet level, is envisioned as a flexible platform intended to advance strategic economic and commercial priorities central to promoting mutual economic growth, job creation and global competitiveness.

Mexico's 2012 real GDP growth rate of 3.9% is expected to continue to climb in the coming years as labor, financial, education, telecom and energy reforms are implemented by the Mexican government.

Mexico is the most populous Spanish-speaking country in the world with a population of 115 million, over half of whom are members of the upper and middle class. With a shared Western and Hispanic culture, U.S. producers find it easier to market and sell their services and products in Mexico than markets with different cultures. This may account for the fact that more than 18,000 U.S. companies have operations in Mexico, investing \$150 billion in Mexico since 2000 and more than 54,000 U.S. companies currently export goods to Mexico.

### ***Mexico City***

Mexico City is one of the largest cities in the world with over 20 million people. It is the political capital and financial center of Mexico. Mexico City ranks 8th in terms of GDP globally with more than a third of the total Mexican economy concentrated here.

The size of Mexico City's economy is \$315 billion, compared to \$1.1 trillion for New York City and \$575 billion for Chicago. Mexico City is the wealthiest city in Latin America, with a GDP per capita of \$25,258 and is home to the Mexican Stock Exchange.

Mexico City is also a manufacturing and distribution powerhouse and is centrally located near major industrial areas including Toluca, Puebla and Queretaro. These industrial areas are responsible for the production of automobiles and automotive products, agricultural products, food processing, metals and machinery, paper products, chemicals and aeronautics.

### ***Monterrey***

Monterrey is the third largest city in Mexico and the capital of the state of Nuevo León. Despite having only 4% of Mexico's population, the Nuevo León economy generates over 8% of the country's total GDP. It is the commercial, industrial, educational, and transportation hub of northern Mexico with GDP per capita almost twice that of the national average. There are over 2,600 international companies operating in Nuevo León – 1,600 from the United States. Within a two-hour drive to the U.S. border, the Monterrey business community maintains strong business and cultural affinity for the United States and for U.S. products and services. Ranked by the OECD as the most productive state in Mexico, Nuevo León offers a business climate very open to both U.S. trade and investment.

## **III. INDUSTRY SECTORS**

### ***Advanced Manufacturing***

“Advanced manufacturing” is a broad term that encompasses a variety of sectors, products and technologies. Generally speaking, advanced manufacturing is taken to mean the production of high value goods with complex specifications that create demand for both raw materials and intermediary components, as well as financial services, transportation, software and the like. Mexico boasts many of the most developed manufacturing sectors in Latin America, and exports more manufactured goods than the rest of Latin America combined. Manufacturing accounts for one third of Mexico's GDP. Mexico has established production chains in many sectors, and has systems, infrastructure, labor, and an established supplier base to support continued growth in advanced manufacturing. Advanced manufacturing is also an area of particular interest to the Mexican government.

The United States has been Mexico's largest supplier of machinery and equipment for many years, with potential for continued, solid growth, and for companies participating in the trade mission, immediate market results. We see the best opportunities in plastic-injection molding and metal-mechanics, used by the electrical and electronics, aerospace, automotive, and consumer durables industries.

### ***Information and Communications Technology (ICT)***

ICT development is one of the core objectives of Mexican President Peña Nieto's Administration and improved competition in telecommunications and information technologies will drive demand for core network and other infrastructure solutions.

### ***Telecommunications Equipment and Services***

The recently enacted telecommunications reform includes three components that will create numerous opportunities for U.S. ICT companies: universal access to telecom services, accelerated competition, and strengthening of the telecom regulator. Projects stemming directly from the reform such as the mandated development of a national trunk network using the recaptured 700 MHz band, along with others resulting from enhanced competition, will generate demand for telecommunications infrastructure products and services. Greater broadband penetration, the development of a national mobile 4G network, a new L and Ku band satellite system for national security and civil communications, and government programs to promote digital literacy will in turn fuel demand for a wide array of telecommunications equipment and services. Telecom service providers will also see increased opportunities to enter the Mexican market as caps on foreign investment are removed from fixed telephony and satellite communications and as competition is enhanced in the wireless segment.

### ***IT Products and Services***

The main opportunities for IT solutions (products and services) are in those sectors that are intensifying the use of IT, including: healthcare, transportation, security, manufacturing, energy, retail and financial services. Both public and private organizations are good targets of for these opportunities.

E-commerce between organizations and companies, either business to business (B2B) or government to business (G2B), has been developing much faster than e-commerce with consumers (B2C). Companies and the Mexican Government are investing heavily in their IT infrastructure to promote e-commerce between clients, suppliers, government, and individuals. Given that this market will grow in the future, there are great opportunities for suppliers of specialized and segmented solutions based on economic activity. The biggest market is enterprise solutions to help companies integrate and automate their communications within their organizations as well as with business partners (clients and suppliers).

Government is the largest consumer of ICT in Mexico and is responsible for approximately 33% of the sales of large technology companies in the country. Opportunities in the public sector for eGovernment solutions and other technologies have been further enhanced by the Peña Nieto Administration's focus on ICT. A division within the Office of the President is coordinating the development of a Mexican National Digital Strategy and Digital Government Program to align

government ICT at federal, state, and municipal levels, as well as to enhance the government's digital interface with citizens in order to improve efficiency and transparency. Some of the strongest programs lie in the public safety, health, education and transportation sectors and include citizen access, digital platforms for procedures and services, asset management, database integration, and other IT services. Furthermore, government efforts –including potential policy initiatives- to improve digital literacy and increase the penetration of ICT at all levels of society and the economy, are originating programs to increase the population's access to technology and communications services, such as equipping schools in remote locations with tablets and computers.

In the private sector, the IT services market continues to show great opportunities in all types and sizes of organizations. Mexico is an attractive market for U.S. technology products in the IT services industry and is also developing strong IT clusters that offer software development, call center, data center, high-tech manufacturing and engineering services. Alongside a strong economy, these trends create demand and partnership opportunities for U.S. companies offering business and data management, data center, business intelligence and business process solutions.

### ***Health IT and Medical Devices***

The Mexican healthcare sector offers excellent opportunities for both Health IT and Medical Devices in both the public and private sectors.

#### ***Health IT***

The Mexican Health IT sector is an emerging market as healthcare institutions have begun identifying, seeking out and implementing technologies to become more efficient and competitive. Currently, the most popular IT applications include electronic health records (EHR), telemedicine, patient control, electronic filing, supplies inventory control, pharmacy inventory and services management, and security systems. Potential clients for IT in Mexico's healthcare sector are mostly large public and private hospitals with resources to purchase sophisticated technologies to automate patient services, administrative processes and supplies control systems.

In the public sector there are 1,578 hospitals of which, only 310 have more than 120 beds. In the private sector, of the 3,140 hospitals, only 80 have over 50 beds. Most of these hospitals offer highly specialized healthcare services and are located in medium and large Mexican cities. There are also some medium-sized private hospitals that offer specialty services and focus on high income, insured patients.

#### ***Medical Devices***

U.S. medical products are highly regarded in Mexico due to their high quality, after sales service, and price point compared to competing products of similar quality. Consequently, U.S. medical equipment and instruments have a competitive advantage and are in high demand in Mexico. In 2012, total imports of medical equipment, instruments and other medical devices reached \$4.3 billion. Of these imports 48 %, or \$2 billion, were of U.S. origin. With the clarification and pronouncement of regulations for medical technologies, Mexico is expected to become an even more attractive market for U.S. companies.

#### ***Other Products and Services***

The foregoing analysis of export opportunities in Mexico is not intended to be exhaustive, but illustrative of the many opportunities available to U.S. businesses. Applications from companies selling products or services within the scope of this mission will be considered and evaluated by the United States Department of Commerce. Companies whose products or services do not fit the scope of the mission may contact their local United States Export Assistance Center (USEAC) to learn about other business development missions and export promotion services that may provide more targeted export opportunities. Companies may call 1-800-872-8723, or visit the website: <http://www.export.gov> to obtain such information.

#### **IV. MISSION GOALS**

This mission will demonstrate the United States' commitment to a sustained economic partnership with Mexico. The mission's purpose is to support the business development goals of U.S. firms as they construct a firm foundation for future business in Mexico and specifically aims to:

- Assist in identifying potential partners and strategies for U.S. companies to gain access to the Mexican market for the target industry products and services.
- Confirm U.S. government support for the promotion of U.S. exports to Mexico and activities of U.S. business in Mexico, including advocacy for major projects, and provide access to senior Mexican government decision makers.
- Listen to the needs, suggestions and experience of individual participants so as to shape appropriate U.S. government positions regarding U.S. business interests in the Mexico.
- Organize private and focused events with local business and association leaders capable of becoming partners and clients for U.S. firms as they develop their business in Mexico.

#### **V. MISSION SCENARIO**

The mission will stop in Mexico City and Monterrey, Mexico. In each city, participants will meet with pre-screened potential agents, distributors, and representatives, as well as other business partners and government officials. They will also attend market briefings by United States Embassy officials, as well as networking events offering further opportunities to speak with local business and industry decision-makers.

#### **VI. PROPOSED TIME TABLE**

<i>Monday November 18, 2013</i>	<i>Mexico City</i>	<i>Orientation U.S. Government Trade Finance Programs Briefing Commercial Opportunity Overview Welcome Dinner</i>
<i>Tuesday November 19, 2013</i>	<i>Mexico City</i>	<i>Industry Briefings / Roundtable Discussions Individual Company Business Appointments Government Meetings Networking Reception</i>
<i>Wednesday November 20, 2013</i>	<i>Mexico City</i>	<i>Industry Briefings / Roundtable Discussions Individual Company Business Appointments Government Meetings</i>

	<i>Monterrey</i>	<i>Travel to Monterrey Working Dinner</i>
<i>Thursday November 21, 2013</i>	<i>Monterrey</i>	<i>Commercial Opportunity Overview Industry Briefings / Roundtable Discussions Individual Company Business Appointments Government Meetings Networking Reception</i>
<i>Friday November 22, 2013</i>	<i>Monterrey</i>	<i>Government Meetings Individual Company Business Appointments Government Meetings Wrap-up Discussion Closing Dinner</i>

## **VII. PARTICIPATION REQUIREMENTS**

All parties interested in participating in the Secretarial Business Development Mission to Mexico must complete and submit an application package for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. Approximately 20-25 companies will be selected to participate in the mission from the applicant pool. U.S. companies doing business in Mexico, as well as U.S. companies seeking to enter the Mexican market for the first time, may apply.

### ***Fees and Expenses:***

After a company has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The fee schedule for the mission is below:

- \$9,600 for large firms
- \$8,000 for a small or medium-sized enterprises (SMEs)<sup>1</sup>
- \$2,500 each additional firm representative (large firm or SME)

The cost of the flight from Mexico City to Monterrey is included in the participation fee. Expenses for all other air travel, lodging, some meals, and incidentals will be the responsibility of each mission participant.

### ***Conditions of Participation:***

An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications. Each applicant must also:

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<sup>1</sup> An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see [http://www.sba.gov/services/contracting\\_opportunities/sizestandardtopics/index.html](http://www.sba.gov/services/contracting_opportunities/sizestandardtopics/index.html)). Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing reflects the Commercial Service's user fee schedule that became effective May 1, 2008 (see <http://www.export.gov/newsletter/march2008/initiatives.html> for additional information).

- Certify that the goods and/or services it seeks to export through the mission are either produced in the United States, or, if not, contain at least 51% U.S. content. If the applicant is unable to make this certification, the applicant must explain the nature of the goods and/or services to be promoted and business opportunities to be pursued through participation on the mission. The applicant must further specify how the promotion and pursuit of those business opportunities will further the mission goals identified above, especially how those business opportunities expand U.S. exports or otherwise benefit the U.S. economy.
- Certify that the export of the products and services that it wishes to export through the mission would be in compliance with U.S. export controls and regulations;
- Certify that it has identified to the Department of Commerce for its evaluation any business pending before the Department of Commerce that may present the appearance of a conflict of interest;
- Certify that it has identified any pending litigation (including any administrative proceedings) to which it is a party that involves the Department of Commerce; and
- Sign and submit an agreement that it and its affiliates (1) have not and will not engage in the bribery of foreign officials in connection with a company's/participant's involvement in this mission, and (2) maintain and enforce a policy that prohibits the bribery of foreign officials.

***Selection Criteria for Participation:*** Selection will be based on the following criteria, listed in decreasing order of importance:

- Suitability of a company's products or services to the Mexican market and the likelihood of a participating company's increased exports to or business interests in the target markets as a result of this mission;
- Demonstrated export experience in the Mexico and/or other foreign markets or explanation of export-readiness;
- Consistency of company's products or services with the scope and desired outcome of the mission's goals;
- Current or pending major project participation; and
- Rank/seniority of the designated company representative.

Additional factors, such as diversity of company size, type, location, and demographics, may also be considered during the review process.

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

## **VIII. TIMEFRAME FOR RECRUITMENT AND APPLICATIONS**

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register (<http://www.gpoaccess.gov/fr>), posting on ITA's business development mission calendar (<http://export.gov/trademissions>) and other Internet web sites, press releases to general and trade media, direct mail, broadcast fax, notices by industry trade associations and

other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows.

Recruitment will begin immediately and conclude no later than Friday, September 13, 2013. The Department of Commerce will evaluate applications and inform applicants of selection decisions as soon as they are made. Applications received after the September 13<sup>th</sup> deadline will be considered only if space and scheduling constraints permit.

**HOW TO APPLY:**

Applications can be completed online or downloaded from the business development mission website (<http://export.gov/MexicoMission2013>). You may also request an application by contacting the Office of Business Liaison.

**CONTACTS:**

General Information and Applications:  
The Office of Business Liaison  
1401 Constitution Avenue NW, Room 5062  
Washington, DC 20230  
Tel: 202-482-1360  
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