Inside Mexico: Understanding Mexico’s Current and Future Automotive Industry

“Focus on the Future”
UM Automotive Research Conferences

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MexicoNow

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Inside Mexico: Understanding Mexico’s Current and Future Automotive Industry

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  - Powertrains
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- Conferences
  - 5 Annual Conferences
Automotive Futures
Affiliate Program

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## Automotive Futures
### Affiliate Program

### Affiliates Members and Research Partners

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**Sources:**  
[UMTRI](https://www.umtri.org)
Automotive Futures
Affiliate Program

New Affiliates Members

Argonne National Labs
BorgWarner
Valeo
ITS America

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Automotive Futures
Current Research Programs

- Powertrains
  - 2014 Powertrain Strategies for the 21st Century Survey (Sponsor: Affiliates)
    - Survey will be sent out this month
    - Sponsorship still available

- Total Cost of Ownership: Comparing Diesel and Gas Vehicles (Bosch)
  - Based on resale value of 30K vehicles sold through Mannheim auctions in 2012 / 2013
  - Report due in early Spring
Automotive Futures
Current Research Programs

• ITS
  • Integrated Mobile Observations: Micro-level weather reporting using cell phones in MDOT vehicles (Sponsor: MDOT and FHWA)
    • Continuing data collection through October, 2015
  • Roadway Evaluation Project: Measuring road roughness via accelerometers in cell phones mounted in MDOT vehicles
    • Final report draft at MDOT
  • Deploying Safety Technologies in Commercial Vehicles
    • Familiarity and penetration currently and in the future of: Forward Collision Warning / Lane Departure Warning / Blind Spot Detection / ESC / Vehicle Communications
    • Final report in progress (Sponsor: ITS America)
Upcoming UMTRI-AF Conferences

• July 22, 2015 (Wednesday): *Powertrain Strategies for the 21st Century.* Our 7th annual conference provides insight into how manufacturers and suppliers are managing their resources to meet the needs of consumer while meeting government requirements.

• September 16, 2015 (Wednesday): *New Mobility: The Future of Freight.* A new conference that examines the major changes IT-enabled goods movement will have on the freight movement industry.
Upcoming UMTRI-AF Conferences

• November 11, 2015 (Wednesday): *Inside China: Understanding China’s Current and Future Automotive Industry*. Our 8th annual conference provides insight into the Chinese auto industry from experts in specific areas of the industry including the Chinese market, suppliers, trade, Chinese manufacturers, labor, and marketing.

• February, 2016: *The Business of IT: How IT is Changing the Corporation and the Vehicle*. Our annual IT conference will examine the future of IT within the corporation and the vehicle.
Presenters and Schedule

• **Caesar Ochoa**, Partner, EC Legal

• **Guillermo Rosales**, General Director, National Automobile Dealer Association

• **Daron Gifford**, Strategy Consulting Partner, Plante Moran

• **Salomon Noble**, CEO, Intermex

• **John Paul McDaris**, Director of Business Development, Entrada Group
Presenters and Schedule

- **Jorge Vallejo**, Director of Foreign Affairs and Government Relations, Nissan Mexicana
- **Break**: 10:40-11:00am
- **Gabriel Magana**, Director General of Investment, Promotion, and Trade, Ministry of Economic Development, Government of the State of Yucatan
- **Manuel Fernandez**, Director of the Guanajuato Investment Office, Government of the State of Guanajuato
Presenters and Schedule

- **K. Alan Russell**, President and CEO, Tecma Group
- **Rafael McCadden**, Director Industrial and Logistics, Colliers International
- **Guido Vildozo**, Associate Director of North American Automotive Research, IHS
- **Ed Juline**, Partner, Mexico Representation
- **Silvia Gomez**, Mexico Research Manager, J.D. Power
Presenters and Schedule

1:00 to 2:20pm  Lunch
2:30 to 4:30pm  B2B Meetings
Conference Questions

• What are the local, state, and federal governments in Mexico doing to support its automotive industry?
• What are the biggest challenges facing Mexico from a manufacturing perspective?
• How has Mexico’s numerous trade agreements affected its attractiveness to manufacturing?
• What has caused the sudden growth in auto manufacturing in Mexico?
Conference Questions

- What has been the path of automotive sales in Mexico?
- What challenges do Mexican dealers face?
- When should we expect to see the Mexican market grow substantially more than it is currently? What will cause the growth?
- Will Mexico be able to continue to keep its manufacturing wages at their current low level?
- Will Mexico be able to develop its middle class while keeping its wages low?
Conference Questions

- What is the current status of security issues in Mexico? In what ways does it affect manufacturing, if at all?
- What role do the shelter services play for both auto manufacturers and suppliers in Mexico?
- How successful have the shelter companies been in supporting Mexican manufacturing?
- What is determining what types of vehicles manufacturers build in Mexico? Are there specific vehicles designed for the Mexican market?
Conference Questions

• How do manufacturers and their suppliers choose a manufacturing site in Mexico?
• What are the most important decisions manufacturers must make in locating in Mexico?
• Are there Mexican-based suppliers developing along with its manufacturing growth?
• How does the Mexican auto industry compare to other emerging markets in terms of production and sales?
Conference Questions

- What trends in production and sales should we expect in the near term for Mexico?
- What does the Mexican auto buyer expect from their new vehicle? Is it different than US buyers?
- Is vehicle quality of vehicles sold in Mexico different than in the US? If so, in what way?
- What affect does the “Grey Market” of used vehicles sent to Mexico have on new vehicle sales? Is this expected to change?
How Changes in the US Auto Industry Affect Mexico
Manufacturing: Value Added in Percentage of GDP

Source: World Bank
Unemployment: Percentage Change

Source: World Bank
Annual Percentage Growth in GDP

Source: World Bank

Automotive Futures
Percentage of Inflation of Consumer Prices

Source: World Bank
US Auto Production

Production in Units

Source: Automotive News
Mexican Auto Production

Source: Automotive News
US Auto Sales

Sales in Units

Source: Automotive News
Mexican Auto Sales

U.S. about 800 vehicles per 1000 people compared to Mexico with about 275 vehicles per 1000 people

Source: Automotive News
Mexico-US Auto Production

Source: Automotive News
Mexico-US Auto Sales

Source: Automotive News
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Link to Presentations Will Be Emailed This Weekend