



Desarrollo  
Económico



# Welcome!

## Invest in Jalisco

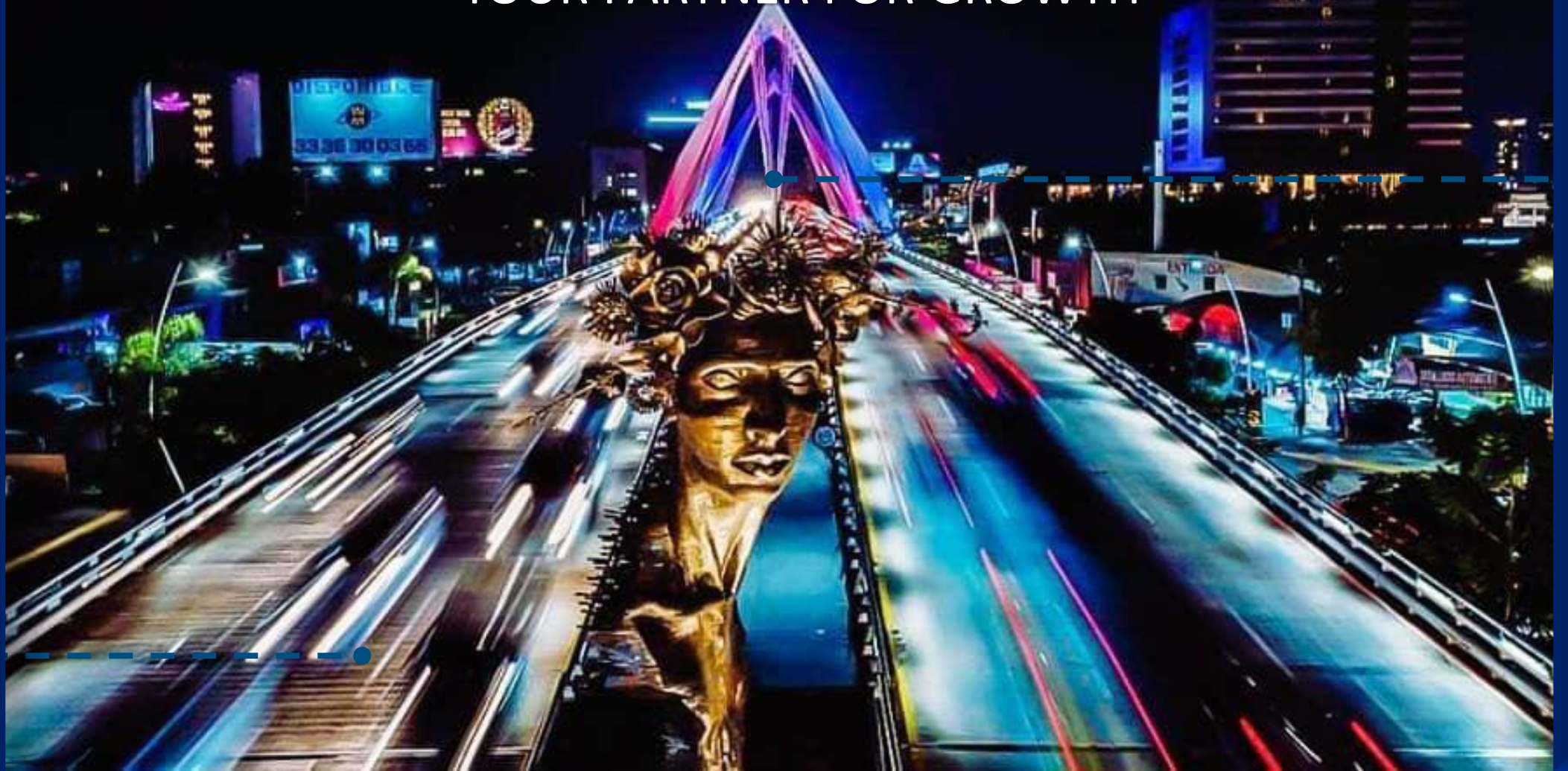
### WEBINAR





# JALISCO

YOUR PARTNER FOR GROWTH



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# WHY JALISCO?

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# JALISCO LOCATION



## **Economy & population**

**JALISCO (2019)**

3th largest economy in Mexico

7.2% National GDP

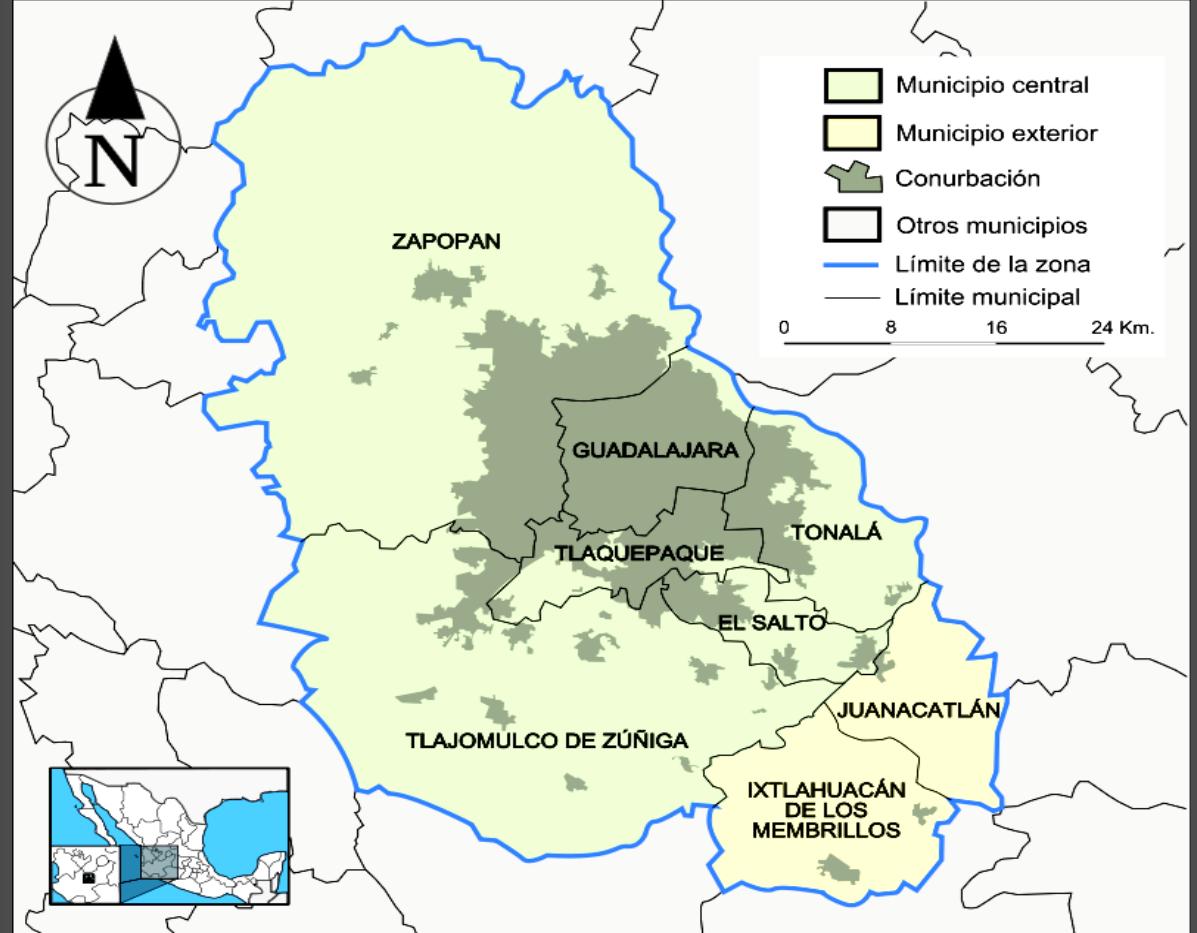
3.7% annual growth

Population 7.9 million

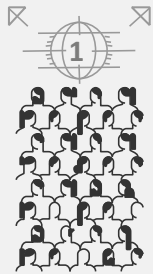
Average 30 years old



# METROPOLITAN AREA



# STRENGTHS



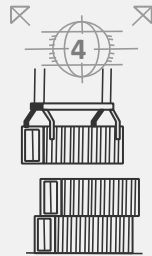
**Demography**



**Productivity**



**Technical careers**



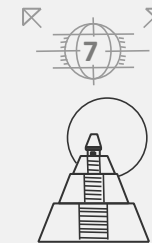
**Export State**



**High tech Exports**



**Attractiveness  
DFI**



**Tourist  
Destination**



**Young  
population**



**IT  
SERVICES**

- Software Engineering
- Software Development
- Shared Services
- BPO/KPO/ITO
- Logistic Hub

**MANUFACTURING**

- Electronics & Telecommunications Equipment
- Automotive
- Metal-mechanic
- Plastic
- Textile
- Aerospace
- Medical devices
- Furniture
- Jewelry
- Renewable Energy

**AGRO  
FOOD  
BEVERAGES**

- Dairy
- Agave/Tequila
- Poultry & Eggs
- Greenhouse crops
- Pork
- Confectionary

**JALISCO  
INDUSTRY**



# JALISCO

## Main exports

Jalisco export  
markets

972 Different  
products

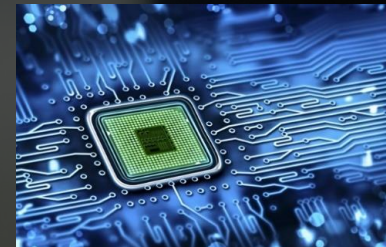
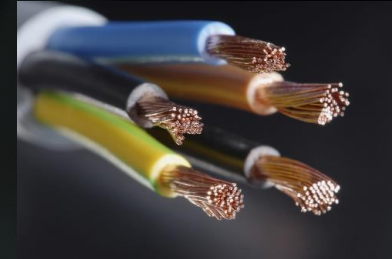
19 Industrial sectors

181 Destination  
countries





# Main foreign investors



# JALISCO INTERNATIONAL STATE





# TALENT & INNOVATION



# TALENT DEVELOPMENT

## The key for success

Labor force 3.7 million people

Availability of high skills personnel

Excellent technical and engineering programmes

45 years of experience

- ✓ 13 World class universities
- ✓ 1,135 High schools
- ✓ 5 International schools (American, German, Canadian, French and Japanese)
- ✓ 127 Postgraduate programmes
- ✓ 3 Major business schools
- ✓ 2 Technological Universities
- ✓ 16 Technological institutes
- ✓ 584 Job training centres
- ✓ 50 Technical colleges



ITESO, Universidad Jesuita de Guadalajara





# IMPROVING TALENT

TOTAL ENROLLED STUDENTS

**3,500,000**

STUDENTS IN HIGHER EDUCATION

**280,200**

**+15,000 ENGINEERS**

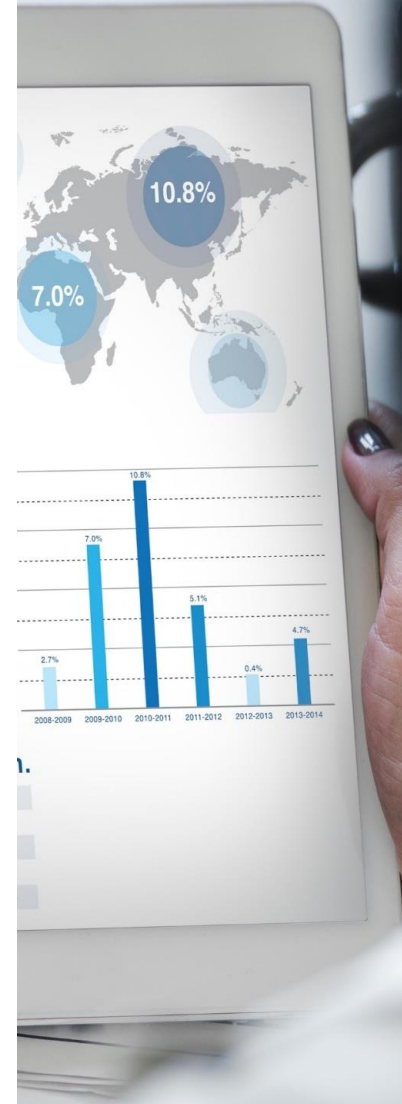
GRADUATE PER YEAR (2019)

**+6,500 ENGINEERS**

SPECIALISED IN HIGH TECH (2019)

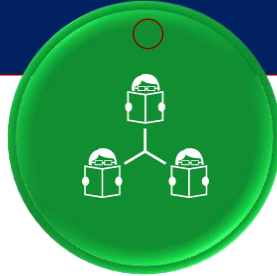
1st State Ministry for Innovation Science and Technology with 16 technical institutes

# JALISCO R&D



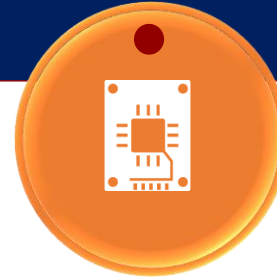
# JALISCO Innovation model

## COORDINATION



### HIGHER EDUCATION, RESEARCH & POSTGRADUATE

- Innovation in education, cooperative with industry, quality human capital.
- Regional economic and social development hub.
- Linking productive sectors.



### SCIENCE & TECHNOLOGY DEVELOPMENT

- Developing technology through platforms
- Commercializing technology through clustering
- Developing an intellectual property culture



### BUSINESS & SOCIAL INNOVATION

- Promoting the creation of High Tech Companies
- Linking productive sectors
- Fostering social entrepreneurship
- Smart cities
- Creative Industries



# JALISCO Innovation culture

## Entrepreneurship, innovation & technology

### First steps

Fablab@school  
Network



**Stanford**  
GRADUATE SCHOOL OF  
EDUCATION



First Fablab in a  
Latin-American  
High school

### Communities

+ 70 communities



HACKERS / FOUNDERS



SOCIAL  
VALLEY



### Triggers

Massive events  
+50,000  
participants

**epicentro**  
FESTIVAL DE INNOVACIÓN



### Linking

Platform to link  
entrepreneurs,  
SMEs and  
investors



StartUpLinks

# JALISCO TALENT LAND 45,000 participants

- Keynotes
- Panels
- Hackathons
- Recruitment talent



# LOGISTICS



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# JALISCO NEARSHORE



# JALISCO ROAD INFRASTRUCTURE



## DISTANCES

FROM:	TO:	KM:
GUADALAJARA	AGUASCALIENTES	225
GUADALAJARA	CD. JUAREZ	1,520
GUADALAJARA	NUEVO LAREDO	977
GUADALAJARA	MEXICO CITY	546
GUADALAJARA	MANZANILLO	296
GUADALAJARA	NOGALES	1,715
GUADALAJARA	MONTERREY	740
GUADALAJARA	TAMPICO	750
GUADALAJARA	TEPIC	227
GUADALAJARA	VERACRUZ	775





# JALISCO RAILROAD



**KMS COVERED**

4,674

7,930

1,886

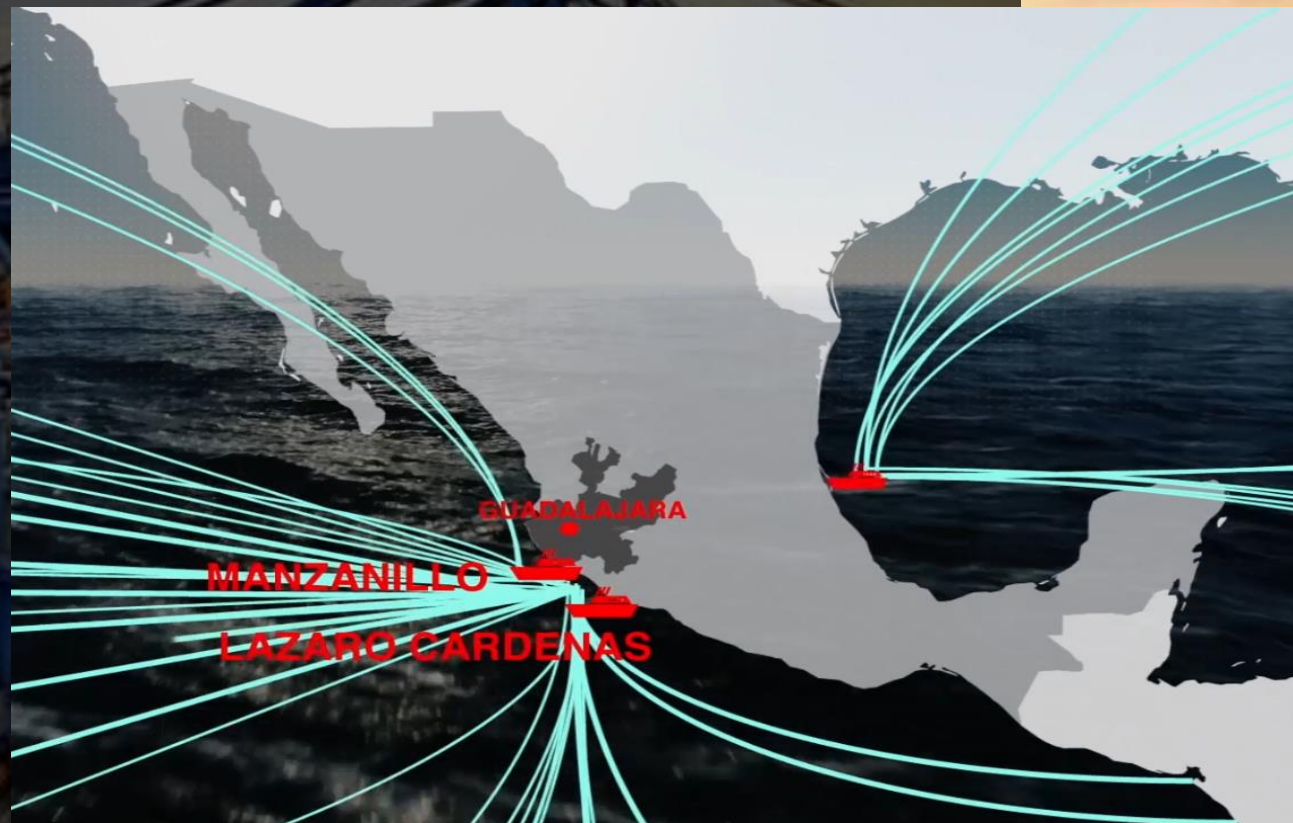


## DISTANCES

FROM:	TO:	KM:
GUADALAJARA	ALTAMIRA TAMPICO	994.8
GUADALAJARA	CD. JUAREZ	1,874
GUADALAJARA	NVO. LAREDO	1,291
GUADALAJARA	LAZARO CARDENAS	878
GUADALAJARA	MANZANILLO	355
GUADALAJARA	MEXICO CITY	613
GUADALAJARA	MONTEREY	1,416
GUADALAJARA	NOGALES	1,732
GUADALAJARA	VERACRUZ	1,062



# JALISCO SEAPORT



# JALISCO AIRPORTS





**2,300 INTERNATIONAL FLIGHTS PER MONTH**

**3<sup>RD</sup> MOST IMPORTANT AIRPORT IN MEXICO**

**JALISCO  
VERY WELL  
CONNECTED**

- ✓ Los Angeles
- ✓ Orlando
- ✓ Las Vegas
- ✓ San José
- ✓ San Francisco
- ✓ Houston
- ✓ Phoenix
- ✓ Chicago
- ✓ Detroit
- ✓ Salt Lake City
- ✓ San Antonio
- ✓ Atlanta
- ✓ Seattle
- ✓ Oakland
- ✓ Dallas
- ✓ Panamá

**14.850,000 PASSENGERS IN 2019**



# JALISCO AIR-CARGO

## USA

### 63 WEEKLY FREQUENCIES

- FedEx
- ABX cargo
- Cargo Lux
- Atlas air
- Mass Air
- DHL
- Aerounion
- UPS

## ASIA

### 15 WEEKLY FREQUENCIES

- Korean Air
- Cathay Pacific
- Qatar Cargo
- Emirates Cargo

## EUROPE

### 7 WEEKLY FREQUENCIES

- Air france
- Lufhtansa
- Panalipina
- Cargo Lux

## CENTRAL AMERICA

### 7 WEEKLY FREQUENCIES

- Copa Airlines

**92 WEEKLY FREQUENCIES**

**1ST IN VOLUME 2ND IN INTERNATIONAL OPERATIONS**

# INDUSTRIAL AND TECH INFRASTRUCTURE

• 60 INDUSTRIAL PARKS

• 2 TECH DISTRICTS

• 1 MULTIMEDIA PARK

• 3 TECHNOLOGY PARKS

• 1 SOFTWARE CENTER

• 1 AUTO PARK



# QUALITY OF LIFE

- More than 31,000 hotel rooms
- **Touristic developments**
- Recreational & commercial areas
- **Cultural activities**
- International selection of restaurants
- **Competitive medical services**
- Wide choice of housing
- **Diverse entertainment**
- Corporative building & offices
- **16 Golf clubs in Guadalajara Metro Area**
- Host of International events







# JALISCO QUALITY OF LIFE



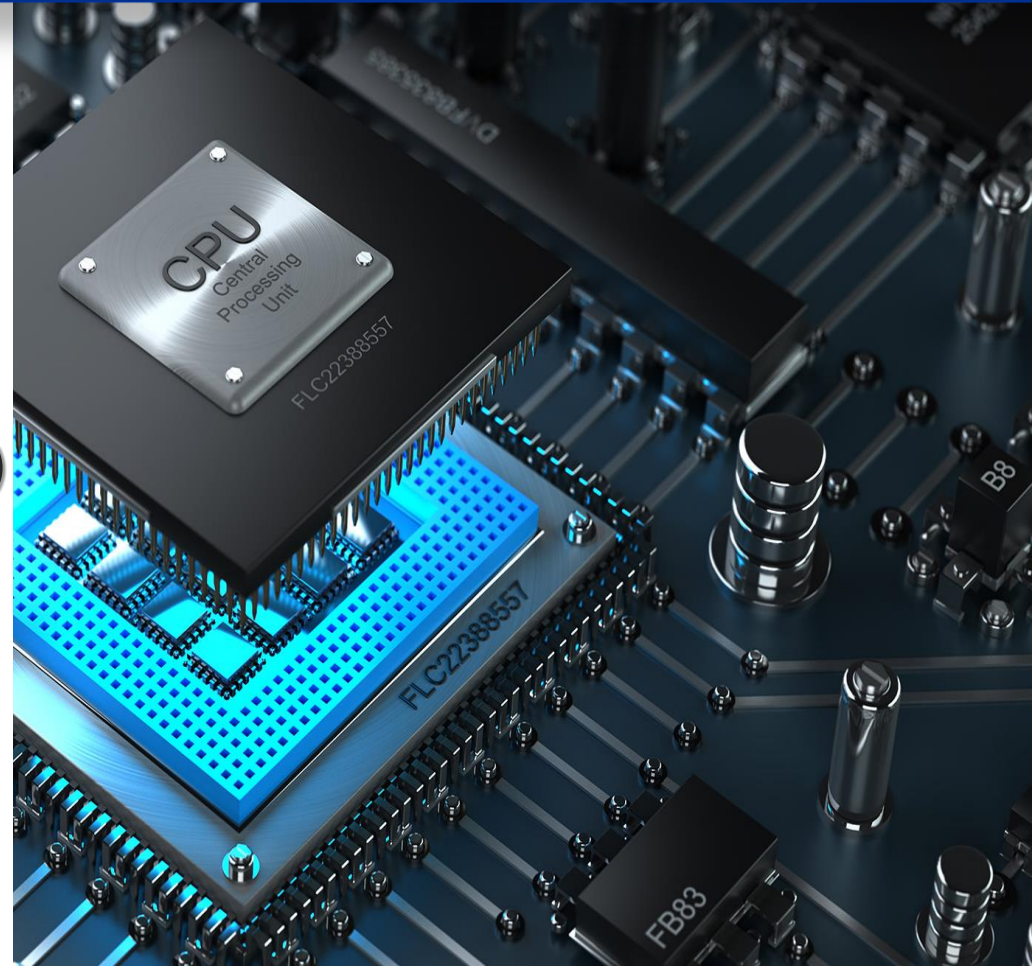


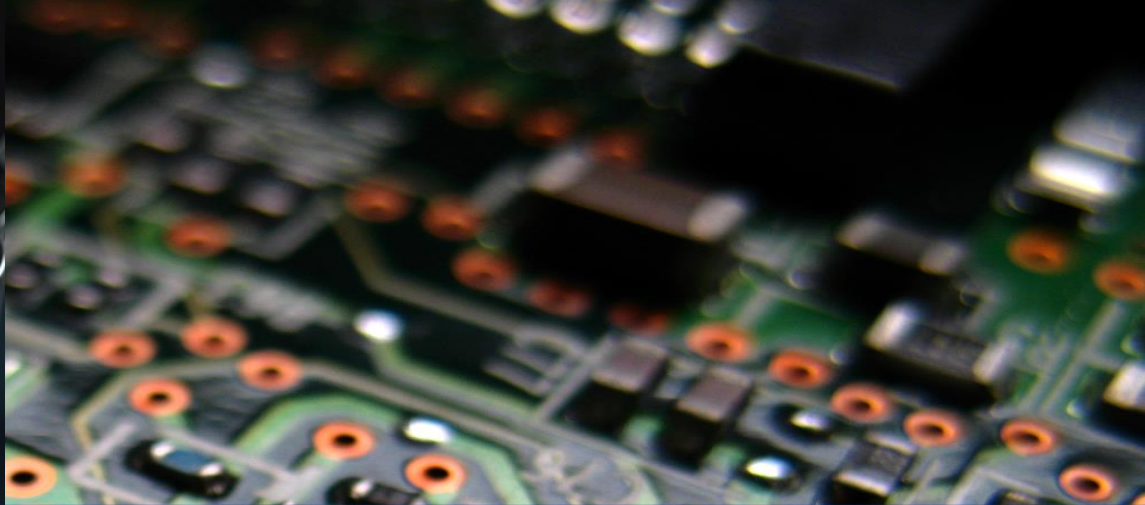
# BUSINESS OPPORTUNITIES



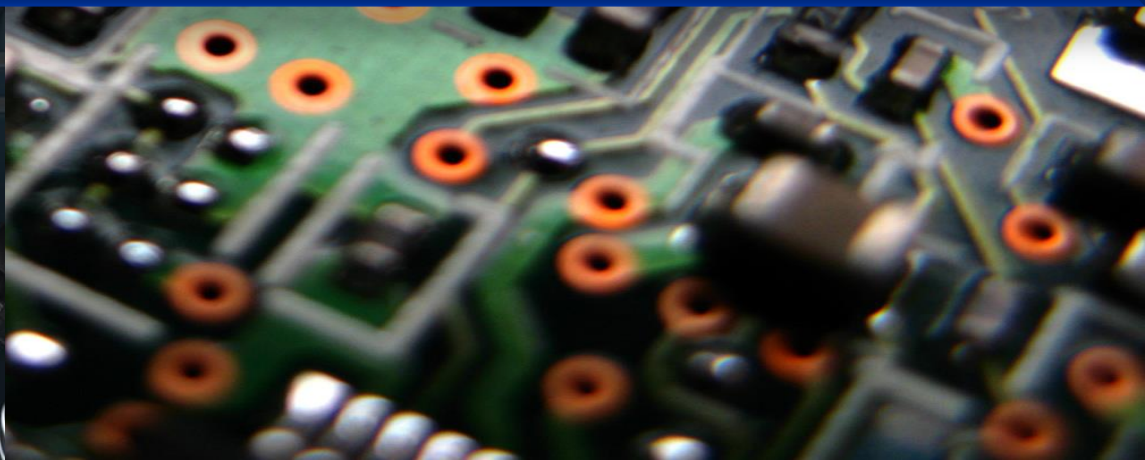
# JALISCO STRATEGIC PROJECTS

- **HIGH TECH** (software development, hardware, IoT, VR, AR, machine learning, AI and animation)
- **PHARMACEUTICAL AND MEDICAL DEVICES**
- **AERO-BUSINESS** (aerospace, aeronautical and drones)
- **METALMECHANICS-AUTOMOTIVE**
- **E-MOBILITY / EV**
- **RENEWABLE ENERGIES** (solar and aeolic)





# JALISCO HIGH TECH ECOSYSTEM





**VENTURE CAPITAL**

**INCUBATORS & ACCELERATORS**

**TOP 500**

**EMS**

**IT**

**BPO**

**DESIGN**

**CREATIVE INDUSTRY**

**HIGH TECH SME**

**UNIVERSITIES & RESEARCH**

**SUPPORTING ORGANIZATIONS**

**+1,000**  
HIGH TECH  
COMPANIES

**+300**  
STARTUPS

**+2,200**  
RESEARCHERS  
IN HIGH TECH

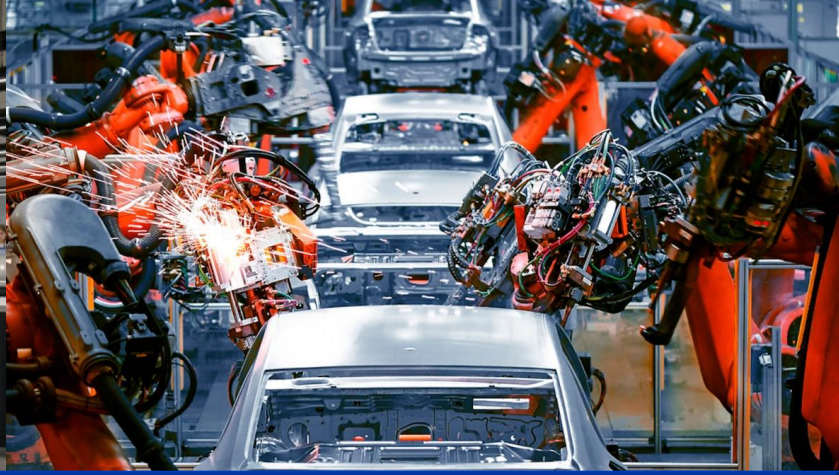
**+150,000**  
HIGH TECH  
JOBS

**+16,500**  
ENG. & SCIENCE  
STUDENTS

**+20%**  
ANNUAL  
GROWTH RATE

**\$30 B USD**  
ANNUAL  
EXPORTS





# JALISCO

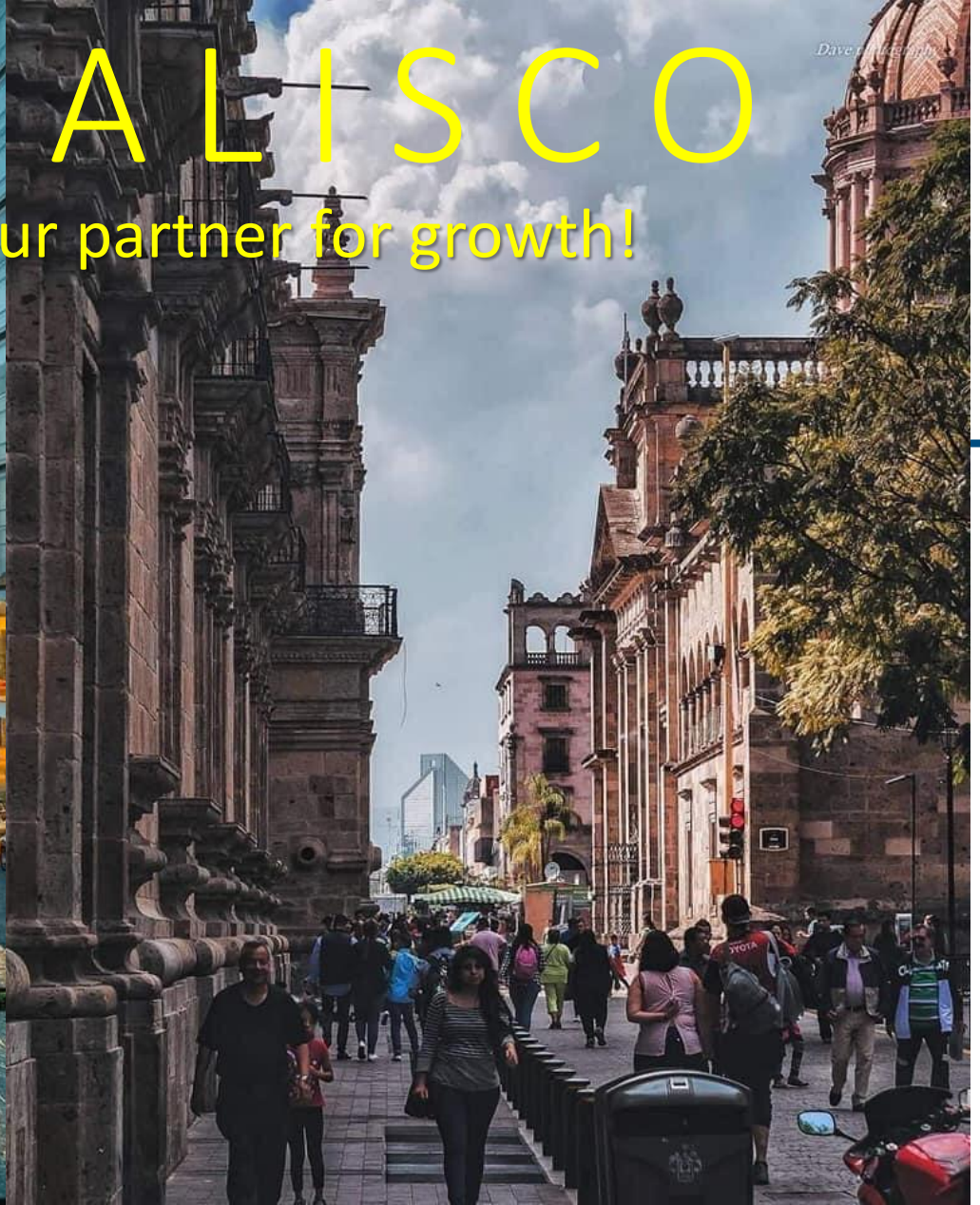
## OTHER KEY INDUSTRIES





# JALISCO

Your partner for growth!



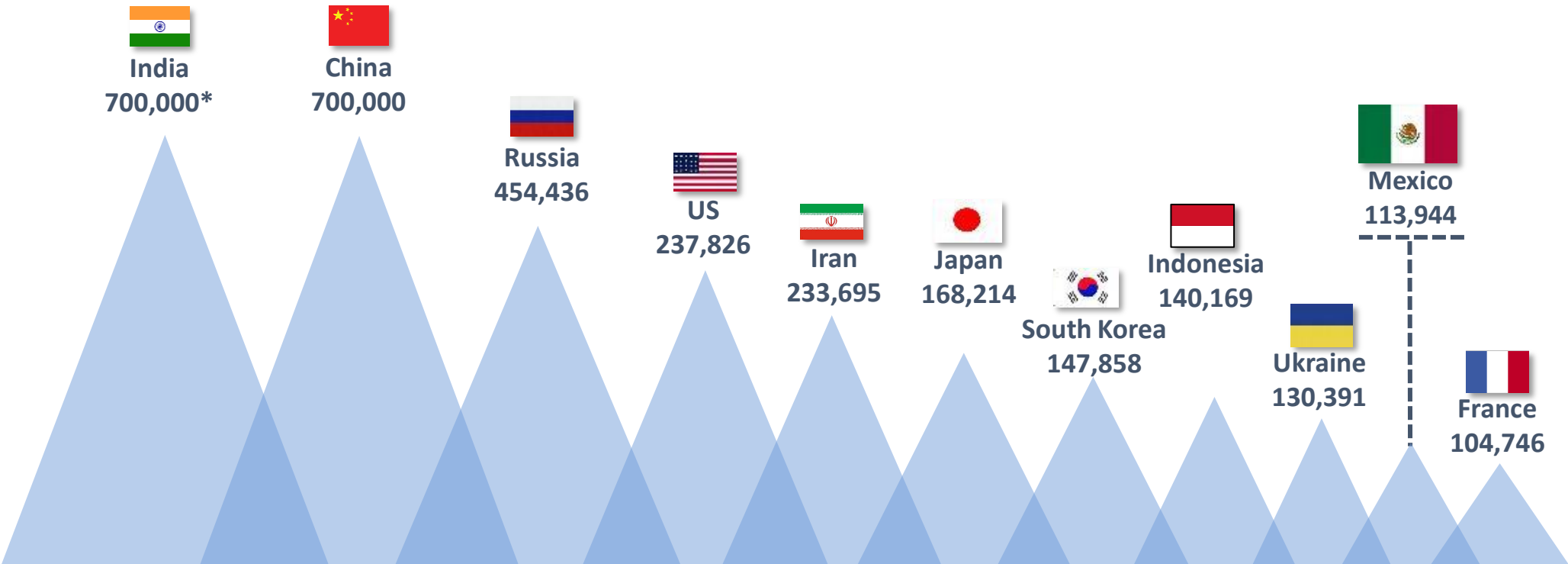


# **A quick look at the IT industry in Jalisco**



# There is a deficit of 5 Million Engineers in the world

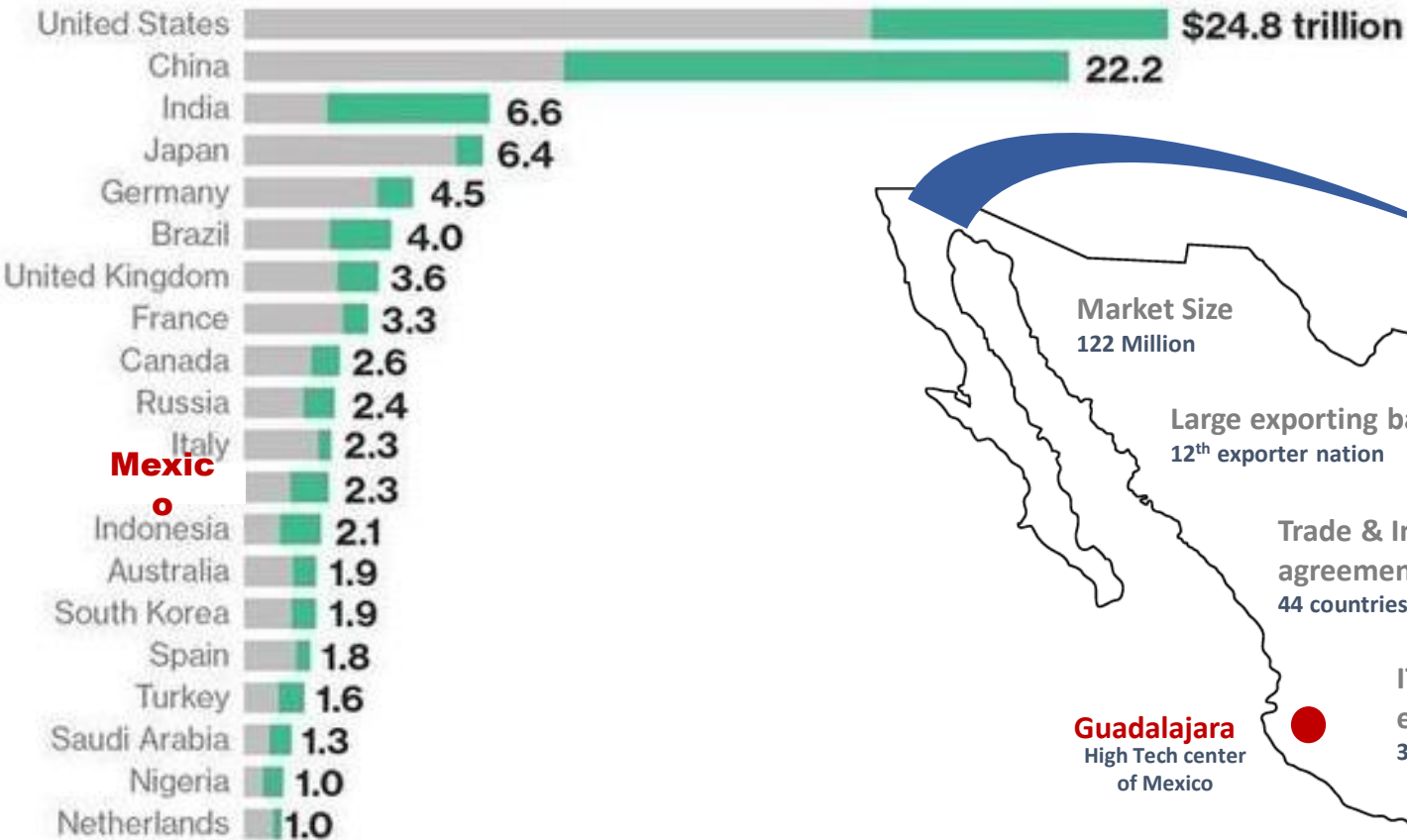
And Mexico is in the Top 10 for engineering graduates



\*Data not available from World economic forum. Estimation based on The Economic Times, IIT, NIT,



# World's 20 largest economies in 2030



# Jalisco High-Tech

### VENTURE CAPITAL

### INCUBATORS & ACCELERATORS

### TOP 500

### EMS

### IT

### BPO

### DESIGN

### CREATIVE INDUSTRY

### HIGH TECH SME

### UNIVERSITIES & RESEARCH

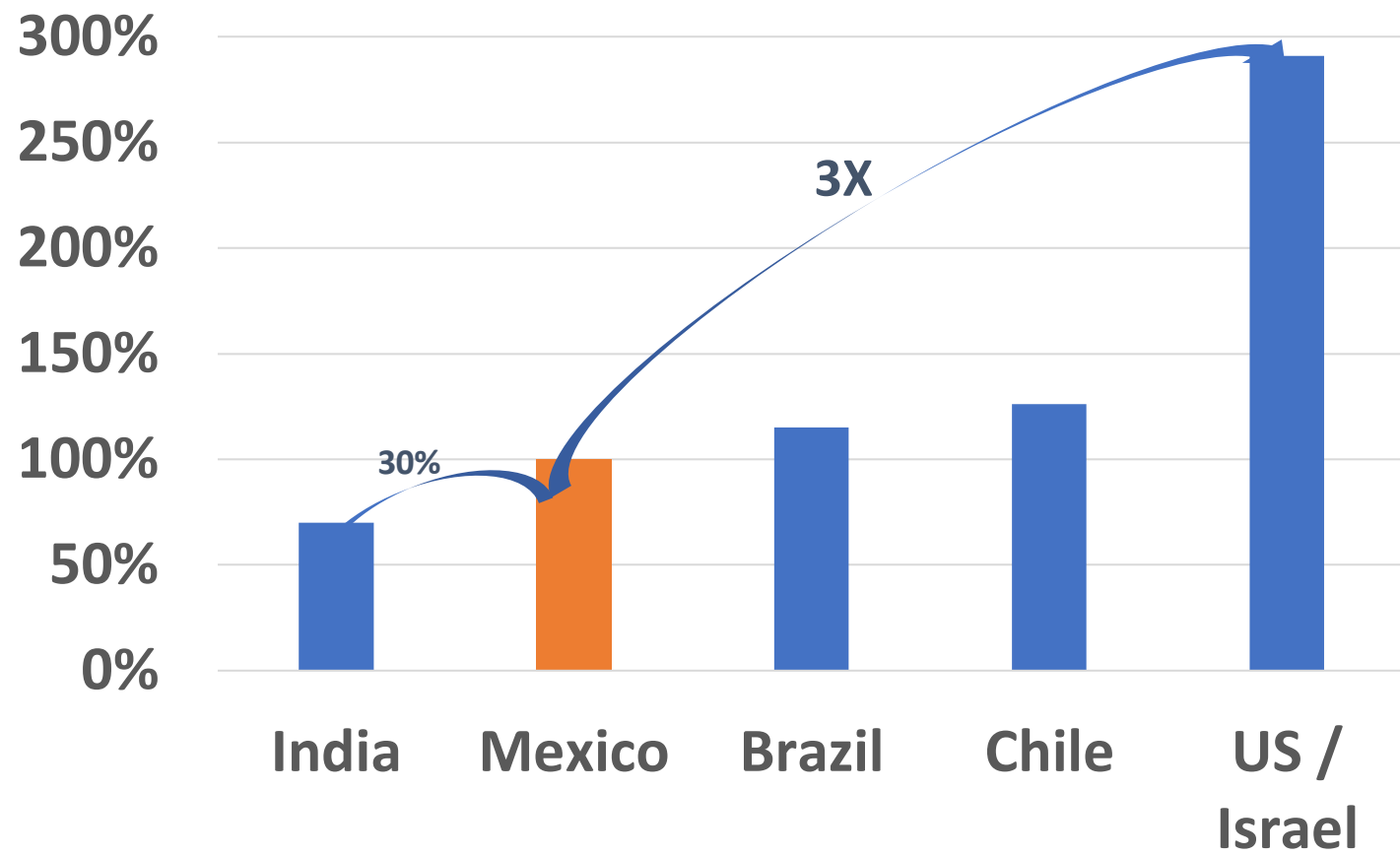
### SUPPORTING ORGANIZATIONS

**+1,000** HIGH TECH COMPANIES    
 **+300** STARTUPS    
 **+2,200** RESEARCHERS    
 **+150,000** HIGH TECH JOBS    
 **+16,000** STEM STUDENTS    
 **+20%** ANNUAL GROWTH RATE    
 **\$32 B USD** ANNUAL EXPORTS





# A very competitive value



- Cultural affinity
- Technical expertise
- Spanish for LA
- English for Nearshore
- Ease of Travel
- Time Zone
- Scalability

# Strategic objectives

Information

Talent

IT companies

Cluster

Brand

R&D

Self-sustainment

**IJALTI**  
CLUSTER MANAGER

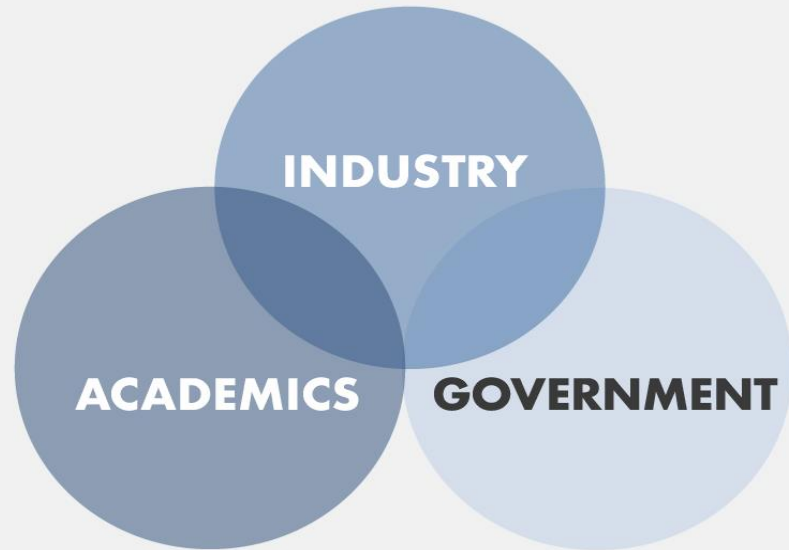


# JALISCO: The Silicon Valley of Mexico





Our steering committee is integrated by  
**INDUSTRY, GOVERNMENT  
AND ACADEMICS**



## UNIVERSITIES



## SUPPORT ORGANISMS



## COMPANIES



## GOVERNMENT





[www.ljalti.org.mx](http://www.ljalti.org.mx)  
lgarcia@ljalti.org.mx



# Softlanding in Mexico thru Shelter Services



# Nearshoring or Offshoring in Mexico?



*Did you know you can establish  
a manufacturing or distribution facility in Mexico*

***without the need to:***

- Establish a mexican legal entity
- Pay VAT on imports / VAT on local purchases
- Worrying about administrative activities

# Why Mexico?

Think strategically about where to invest in new manufacturing capacity



**Competitive Peso Currency**

The peso trends to remain undervalued / export-invest friendly



**Competitive Labor Cost / highly skilled labor force**

High productivity / 1.3 million new jobseekers per year / 110,000 engineers



**Consider nearshore production to the largest economic block to improve market response and reduce inventory**



**Industry Cluster**

Government – Academy - Suppliers



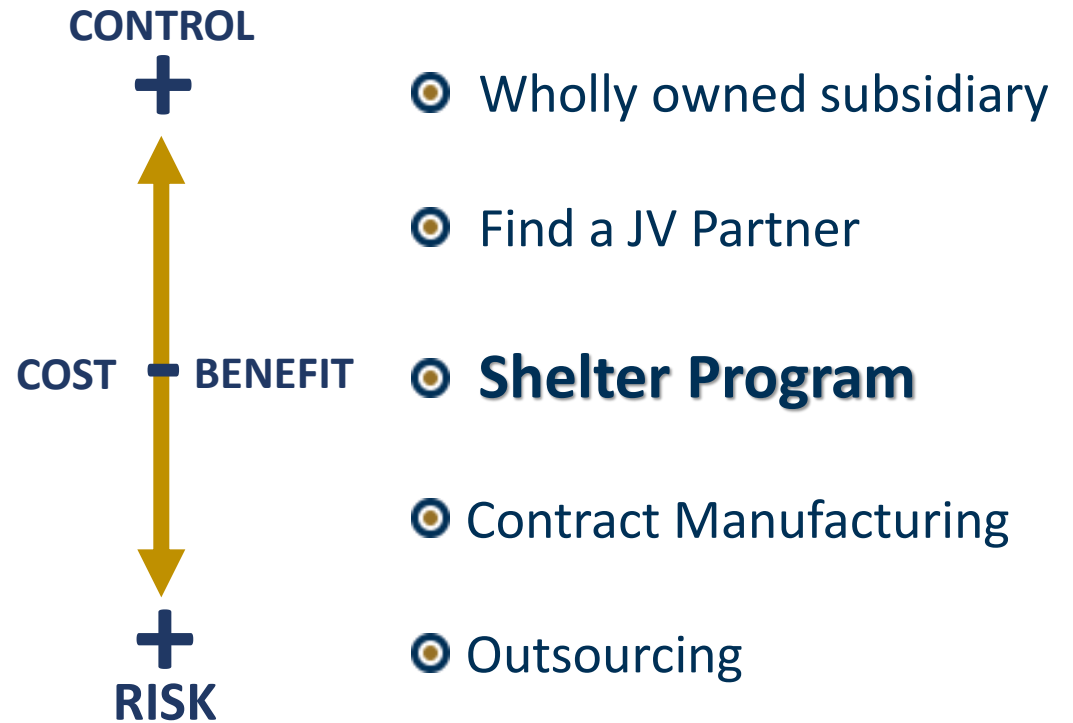
**Certainty in trade policies / Commercial Agreements**

New USMCA / 11 FTA's (46 countries) / 32 IPPA's (33 countries) / 9 ECA's

# Options to setting up in Mexico



Which business model better fit your needs





# Shelter Concept

+ Reduce  
Risks  
Optimize  
Costs  
Accelerate  
Start-up  
Focus  
your business

## What is *not* a Shelter?

- A Contract Manufacturer
- A limited consultancy service
- An outsourcing or staffing service

A *Shelter Services Provider* is exclusively that one that holds a Shelter (Albergue) IMMEX license that allows a foreign investor to operate under their name and legal entity.

# Services Covered

## Under AI Shelter Program



- All industrial sectors
- All size projects

In this model....



The  
importer



The  
employer



The  
lease

is the shelter company

# Setting up operations in Mexico:

## Facilitation process





# Basics of this model



- It is a great option to try new markets or start operations reducing risks to the minimum.
- The investor can change the model at any time.
- Facilitate to local driving-force companies the development of foreign technologies suppliers with local production and/or distribution.
- Allows to import merchandise into Mexico in temporal basis without paying 16% VAT and reducing other taxes and duties.
- It is designed to produce in Mexico products that will be exported mostly.
- Allows the transfer of materials and products among IMMEX companies and OEMs.
- Guarantees the right performance of the administrative functions
- Allows the investor to keep the income in his country of origin.
- Requires the foreign company to pay income tax in Mexico.
- There is not time limit for this model.
- Does not allow to invoice in Mexico.



## ¿What if you need to have your own legal entity?

Then we can offer the same administrative services for your own legal entity in Mexico since the incorporation either you require an IMMEX program or not.

This way you can assure an accompaniment and a simpler and more efficient start-up process.

# About

## *American Industries*<sup>®</sup>

*American Industries*<sup>®</sup> is a private Mexican company that has helped over 200 international companies to successfully start up and grow their distribution and manufacturing operations throughout Mexico since 1976 through our 2 Business Units:



### Shelter Services

Administrative support  
for your operation



### Industrial Real Estate

Ideal space solutions



*American Industries*<sup>®</sup>



# CLIENTS: + 50



HC: +16,000 employees



Industrial Parks: 15



Buildings: +125 / 14 M ft<sup>2</sup>  
Tenants: 149



Trade transactions (yr):  
+30,000 trouble-free



# Our Mission

To provide high quality services, value added products and services that facilitates the successful establishment and operation of international companies in Mexico

## Shelter Concept

“You bring your manufacturing expertise, we Provide you with a comprehensive package of administrative functions required for your business to succeed in Mexico”

Focus on your core business,  
**We'll take care of everything else!**

# Our Clients



## [ Aerospace ]



## [ Automotive ]



## [ Other Industries ]





**Thank You**

[americanindustriesgroup.com](http://americanindustriesgroup.com)

Partner for Success<sup>®</sup>

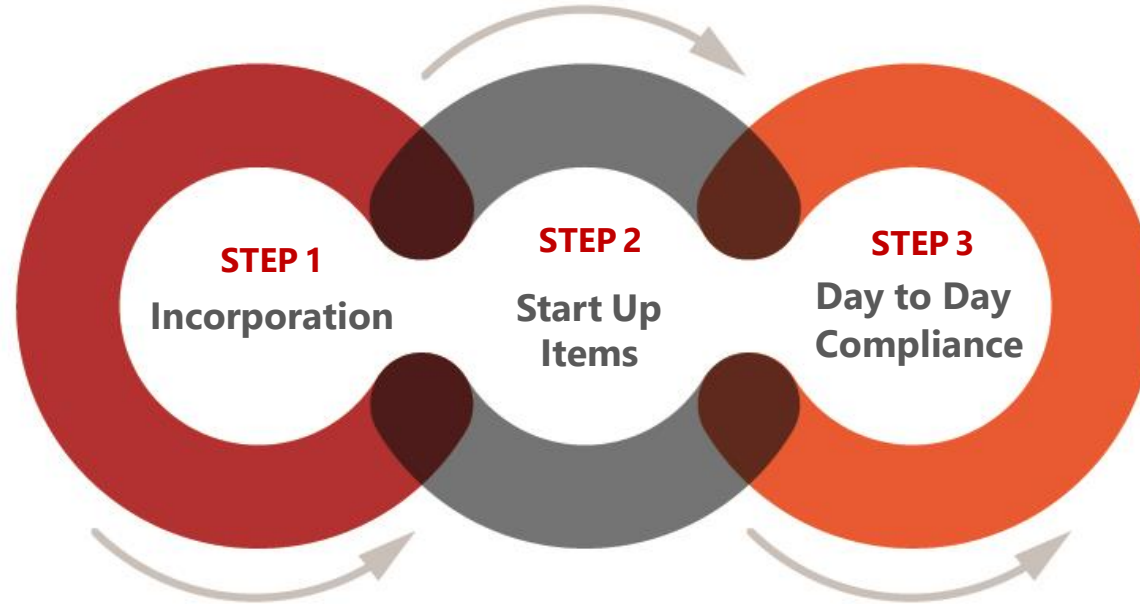


# Invest in Jalisco

By Bernardo del Río  
Partner director JA Del Río

# Incorporating a Mexican Entity

## Incorporation Process



**Proper tax structure is very important before you set up, and a due diligence if buying a going concern.**

## Timing: How long does it take to have an operating company in MX? Are there false expectations?

There are many differences between opening an entity in USA and MX. One to three months to have an entity up and running is good time frame.



It takes approximately 1 to 3 months to have a fully functional company

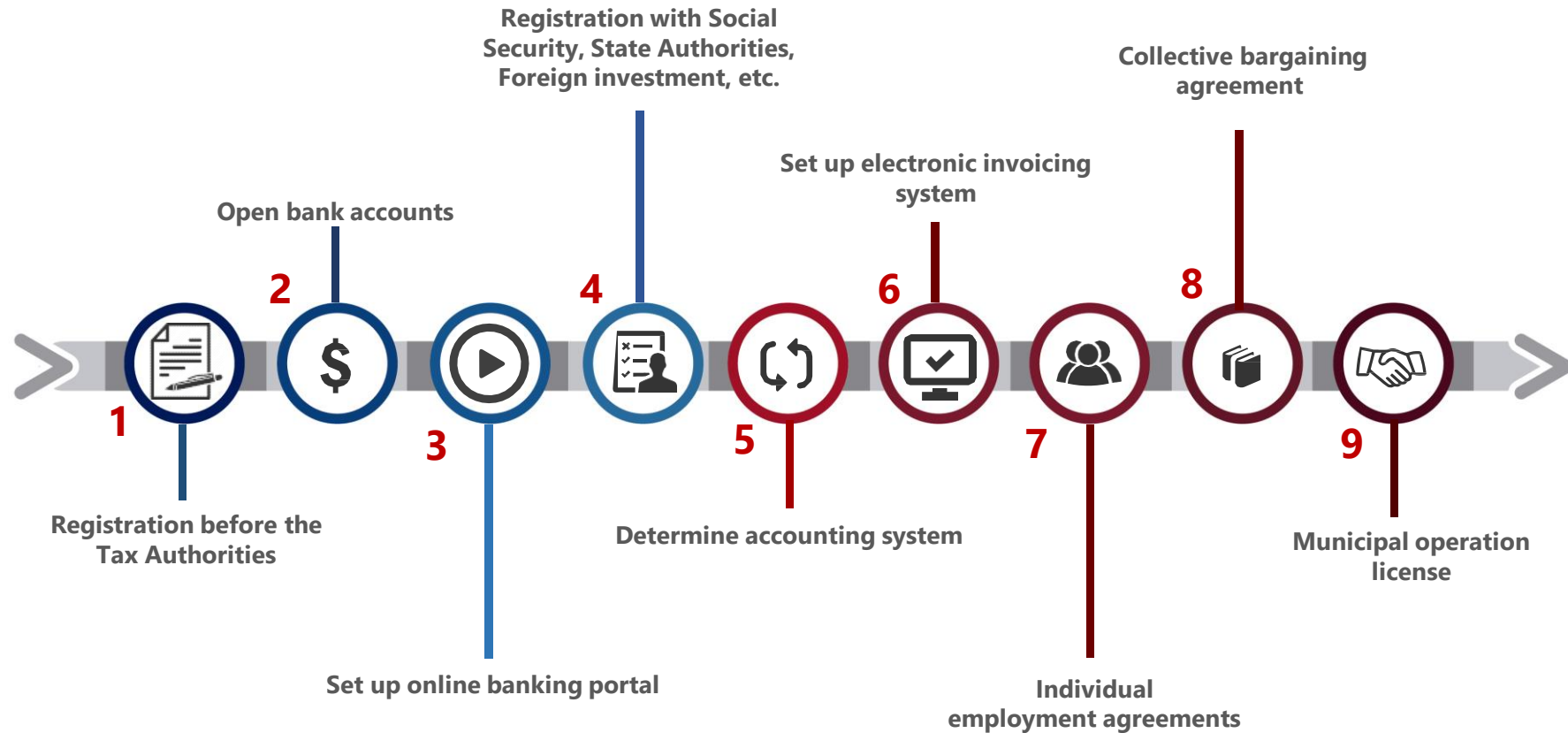


## What to keep in mind when it comes to employees:

- **Severance, 3 months plus twenty days.**
- **Christmas bonus, 15 days by law.**
- **Vacation premium.**



# Start Up Items



## What is Electronic Accounting? Do all ERPs comply with MX regulations?

There are plenty of options that can work, but it is important to find the correct one depending on the company's needs and with a qualified CPA firm.

Different ERP's that can be adapted to your needs, which include, amongst others:



Professional advice is very important.





# Let's talk

**Bernardo Del Río**

Managing Partner

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**Alejandra Campero**

Client Success

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[www.jadelrio.com](http://www.jadelrio.com)





# APIJ

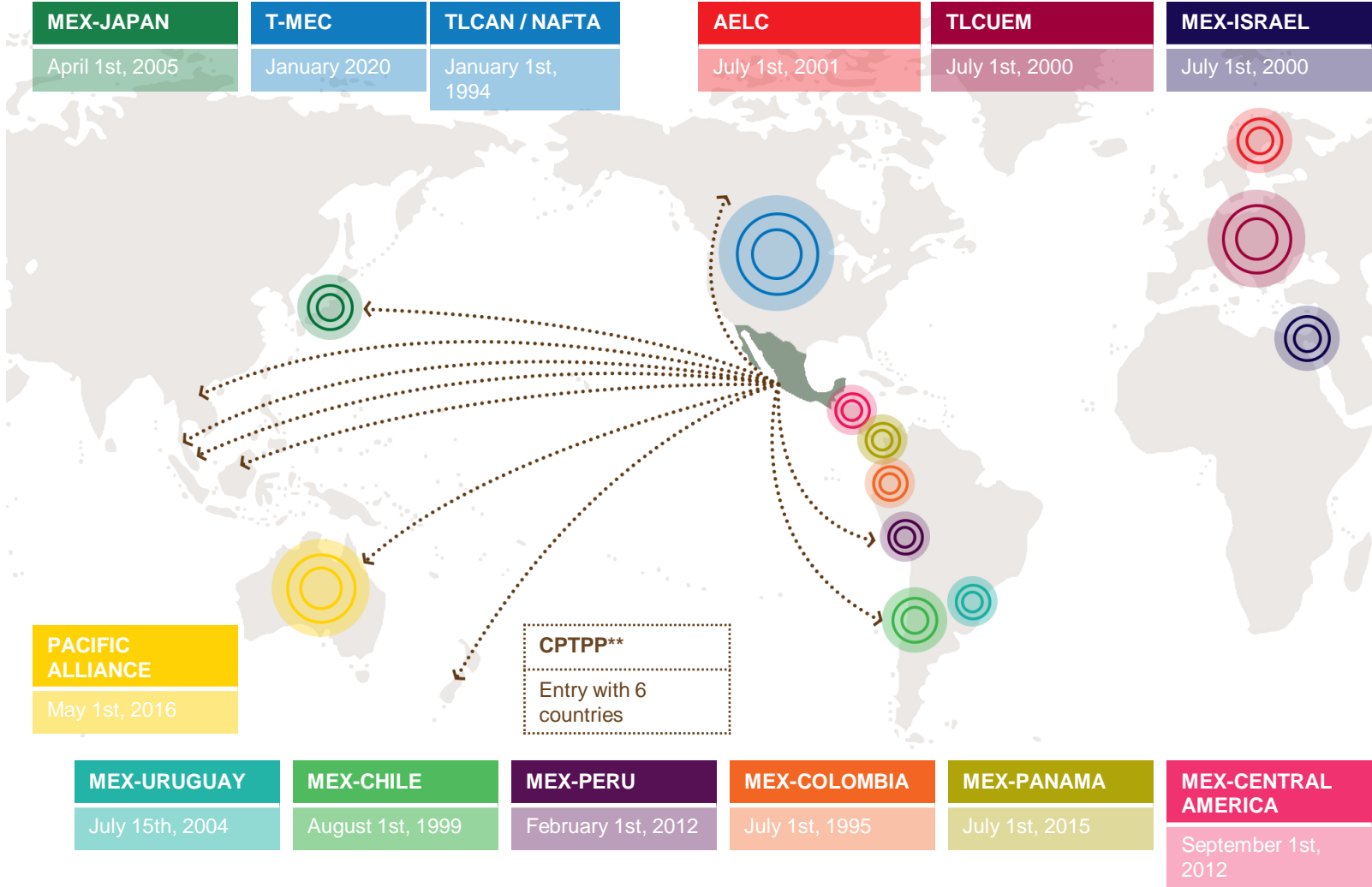
INDUSTRIAL PARKS

ASOCIACIÓN DE PARQUES INDUSTRIALES DEL ESTADO DE JALISCO

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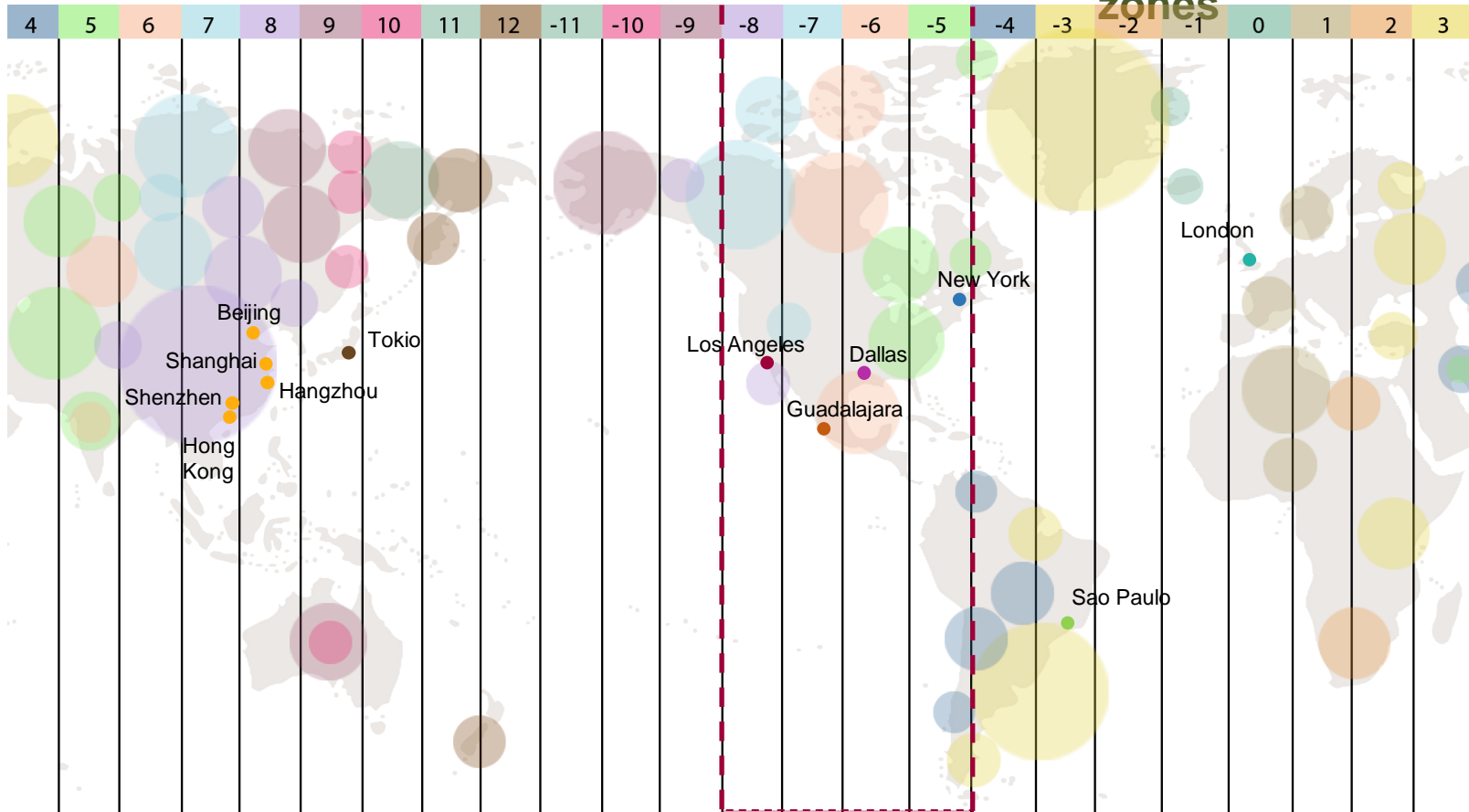
# Business platform

12 Free Trade agreements with 46 countries





## Time zones



**NAFTA:**

- Geographical proximity
- Same time zone

Los Angeles:  
-2 hours

New York:  
+2 hours

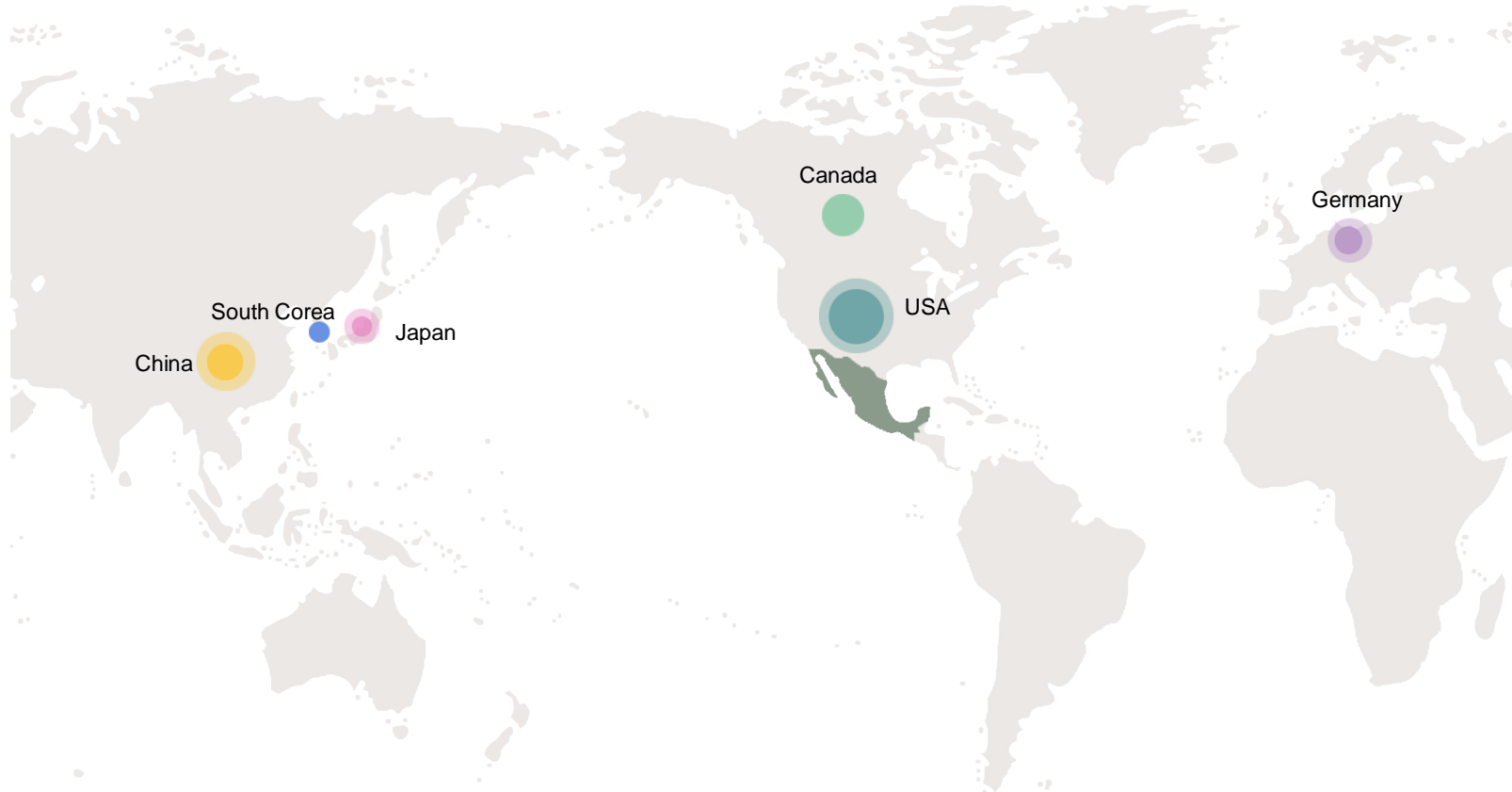
China:  
+13  
hours

Tokio:  
+14  
hours

Sao Paulo:  
+2 hours

London:  
+6 hours

# Mexico main business partners



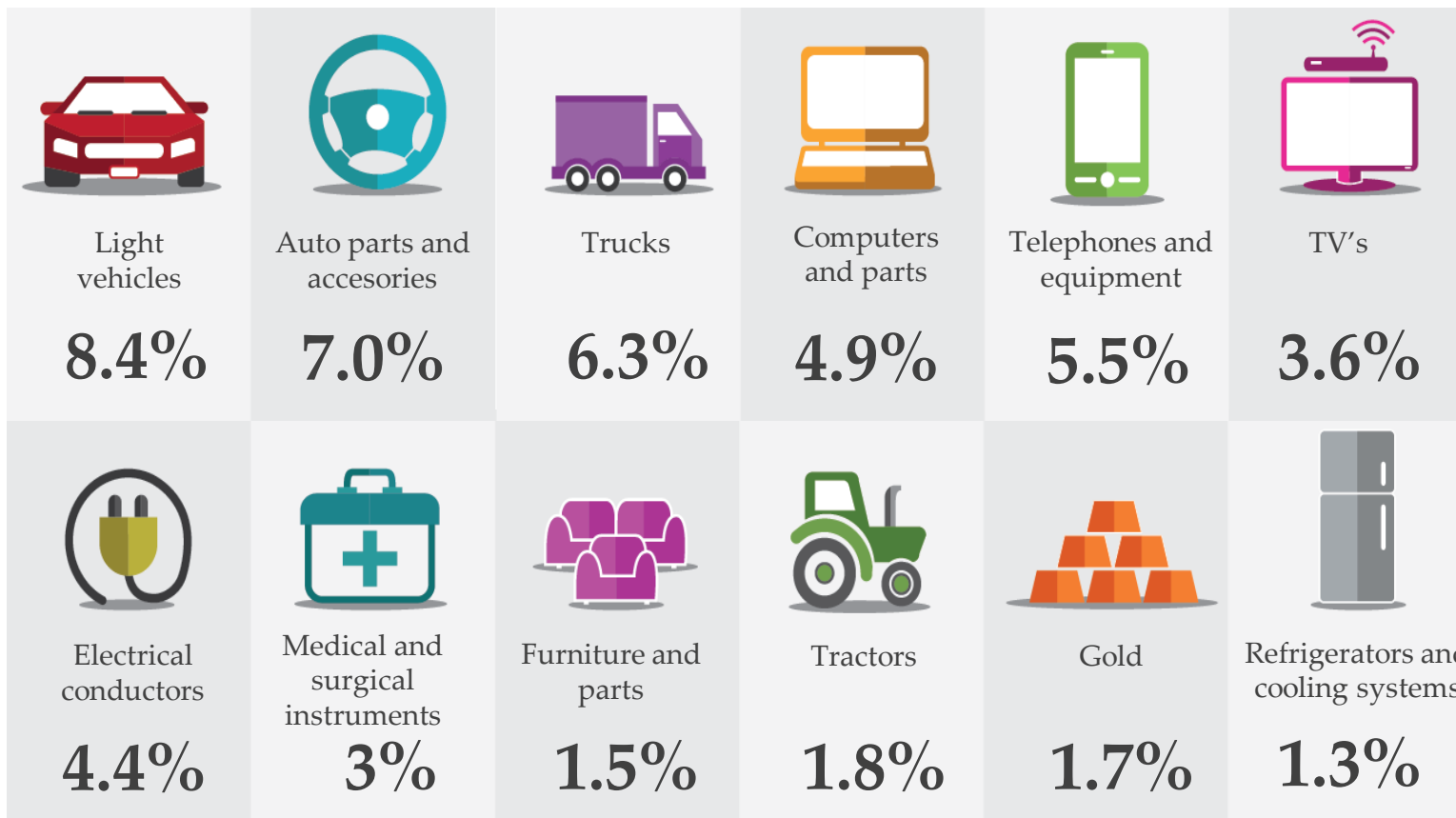
**EXPORT**  
\$418 BILLION

<b>1. USA</b>	<b>2. CANADA</b>	<b>3. CHINA</b>	<b>4. GERMANY</b>	<b>5. JAPAN</b>	<b>OTHERS</b>
73.44%	5.26%	2.15%	2.11%	1.33%	15.71%

**IMPORT**  
\$356 BILLION

<b>1. USA</b>	<b>2. CHINA</b>	<b>3. GERMANY</b>	<b>4. JAPAN</b>	<b>5. SOUTH COREA</b>	<b>OTHERS</b>
50.84%	14.63%	4.18%	14.15%	3.06%	15.71%

## 12 Main Mexican exports



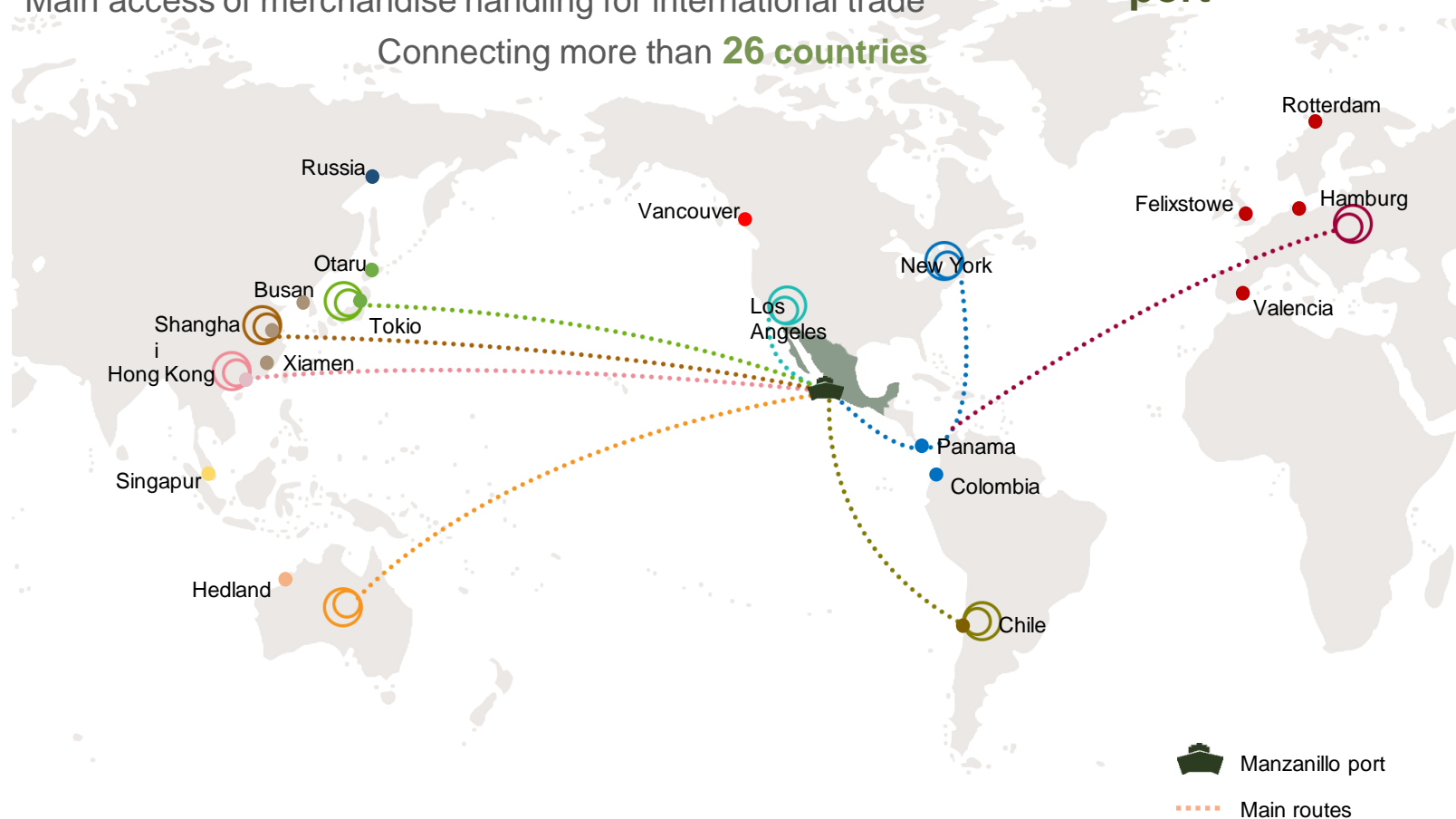
This information do not consider petroleum exports.  
Source : ProMéxico with information of INEGI, 2017.



## Manzanillo sea port

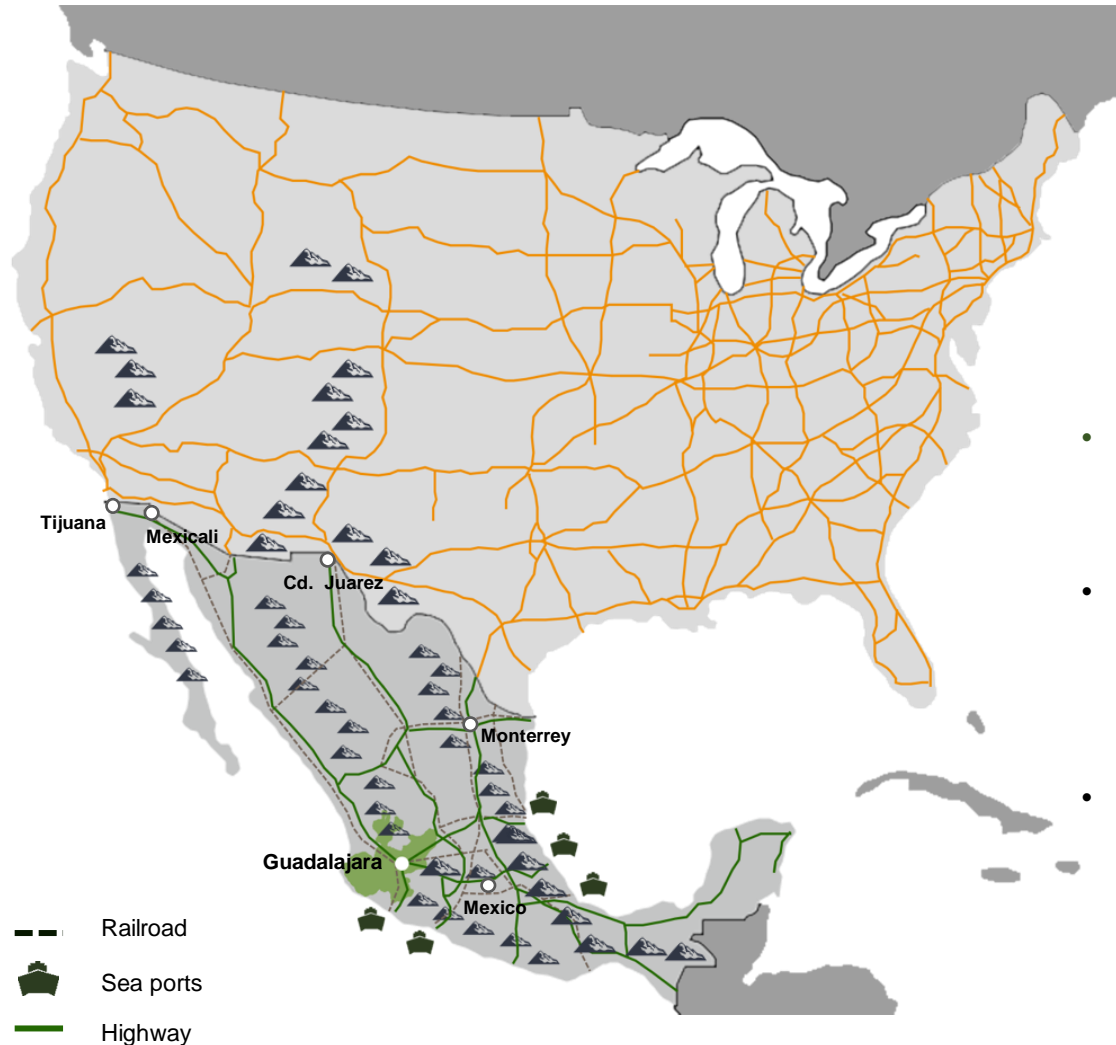
Main access of merchandise handling for international trade

Connecting more than **26 countries**



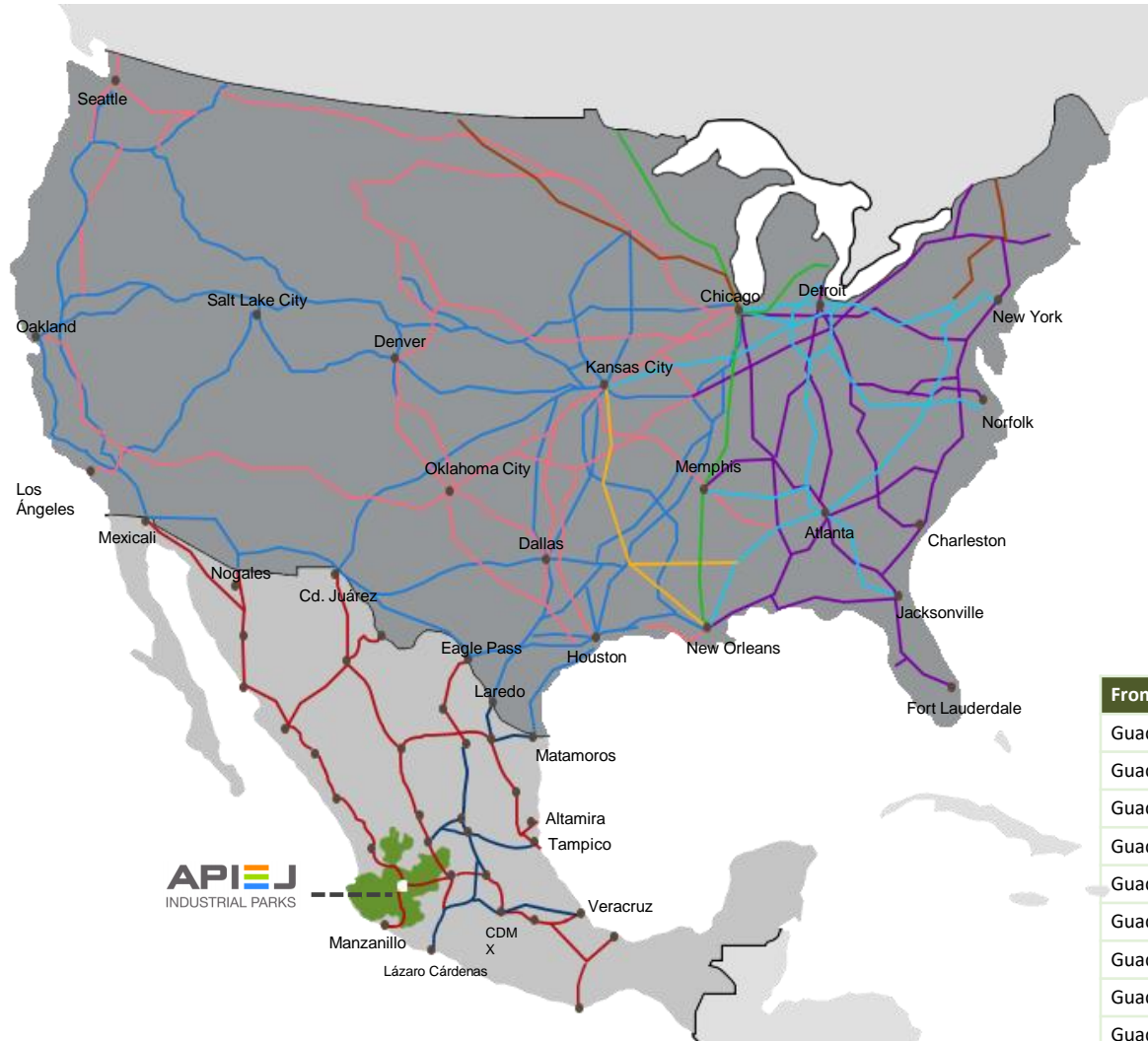
- Guadalajara Jalisco is the closest industrial city in the country to the Port of Manzanillo.
- Main container access, with a **46%** share in the whole country.
- Its international influence is oriented towards the **North American market**.

# Highways and Orography



- **Jalisco** is located in the Central Region of Mexico.
- The central region is the most populated area in the country.
- Mexico is divide by two mountain range crossing all the country from north to south.

# Export railroad routes



- FERROMEX
- KANSAS CITY SOUTHERN MEXICO
- UNION PACIFIC
- KANSAS CITY SOUTHERN
- CSXT
- BNSF

From:	To:	Km:
Guadalajara	Altamira Tampico	994
Guadalajara	Cd. Juárez	1,874
Guadalajara	Nuevo Laredo	1,291
Guadalajara	Lázaro Cárdenas	878
Guadalajara	Manzanillo	355
Guadalajara	Ciudad de México	613
Guadalajara	Mexicali	2,145
Guadalajara	Nogales	1,732
Guadalajara	Veracruz	1,062

# Direct flights USA destinations



**2 International airports**  
Guadalajara & Puerto Vallarta

300 + International flights per week

65 International cargo flights per week



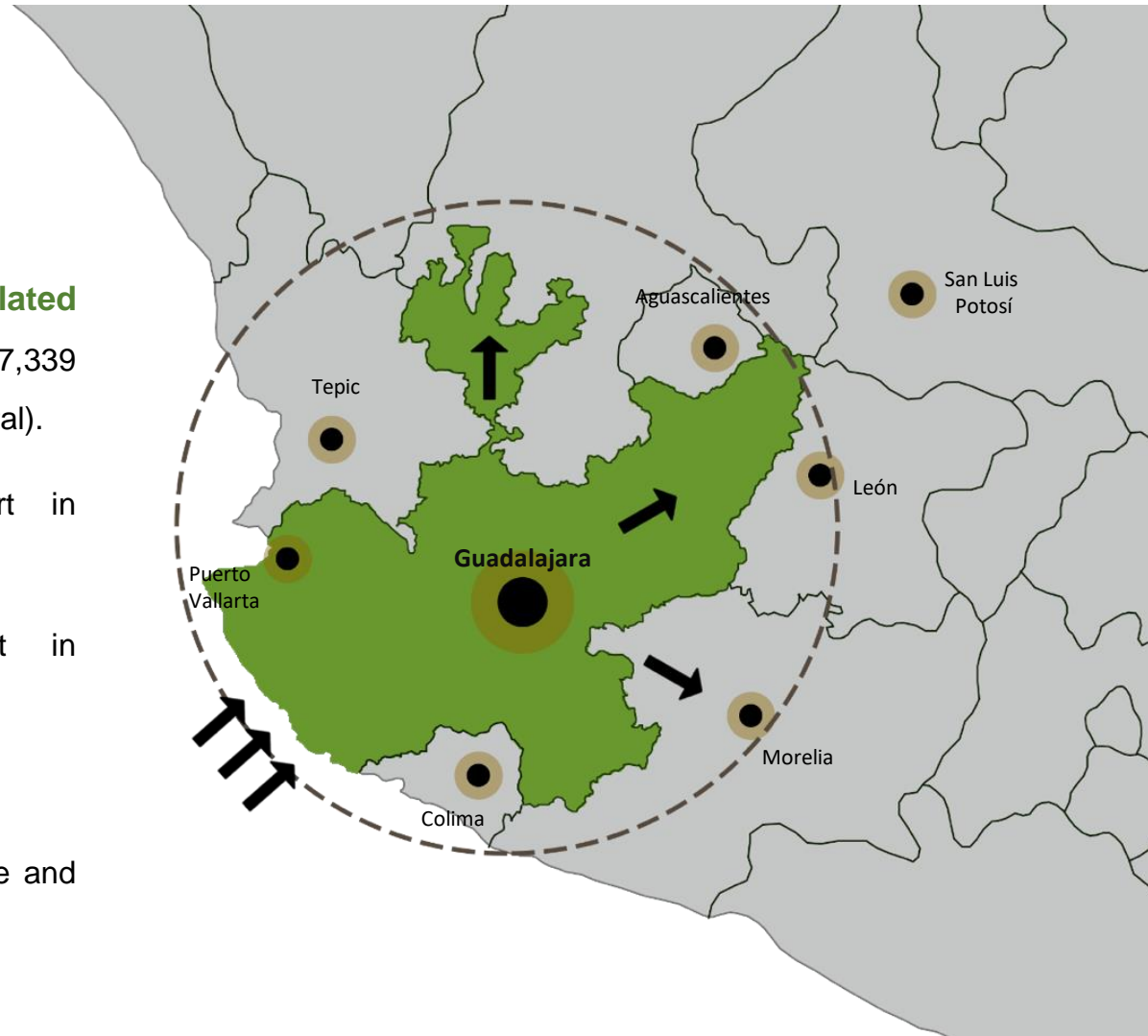
# Cargo Flights



Ranked number **One in volume and number Two** in total international trade operations

In between a radius of **200km** is found:

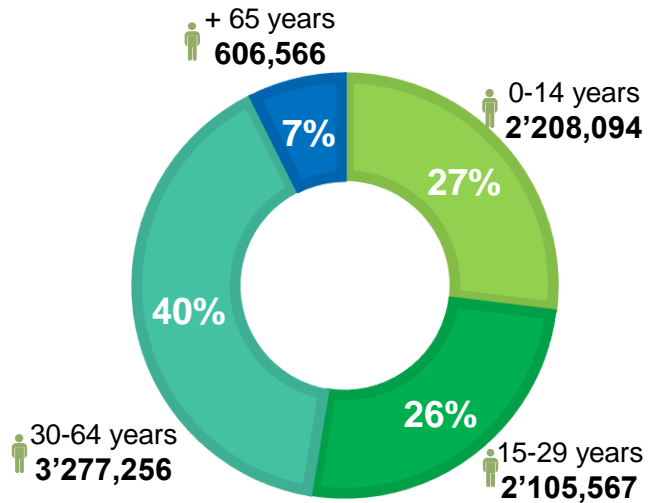
- **2nd largest populated area** in Mexico; 13'247,339 inhabitants (10% of total).
- Most important port in Mexico: Manzanillo.
- 3rd largest airport in number of flights.
- 2nd largest air cargo.
- High trained workforce and executives.



# Jalisco's population

 **8,197,483**

**GD**  
**66.2 Billion USD STATE**  
**9,259 USD (2015) PER CÁPITA**



Guadalajara's Metropolitan Area  
concentrates **65% of the population** of  
the State of Jalisco

### *Quality of life*

- Touristic developments
- Recreational & Commercial areas
- Cultural activities
- Competitive Medical services
- Wide choice of housing
- Tradeshow and Convention Centers
- 16 Golf fields
- Corporate buildings and offices





## Universities and technical schools

**13** world-class public and private Universities

**18** Technological schools

**53** Technical schools

**571** Job training centers



**3,373,766**  
Total students

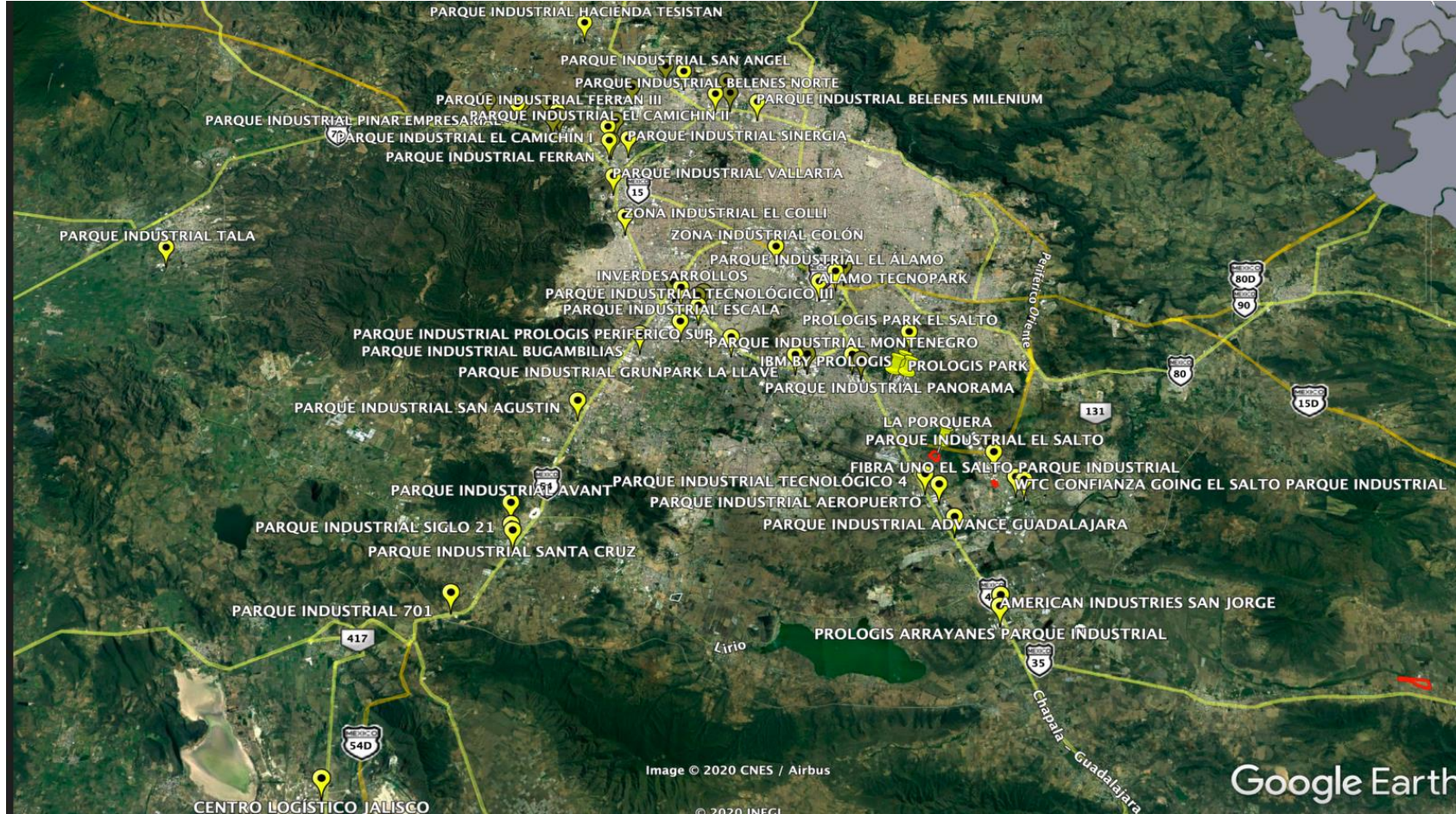
Over **10,166** engineering and technical graduates per year

# Industrial Parks in Guadalajara's surroundings





# +37 Industrial Parks in Guadalajara surroundings





# APIJ

INDUSTRIAL PARKS

ASOCIACIÓN DE PARQUES INDUSTRIALES DEL ESTADO DE JALISCO

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# INVEST IN JALISCO

“Discover Business Opportunities in Mexico’s Sillicon Valley”

by Hugo Cuesta L.

**Cuesta Campos<sup>®</sup>**

**CC**

# MEXICO `S INTERNATIONAL TRADE VISION



**Where do  
we stand?**

- 12 Free Trade Agreements with 46 countries.
- Access to 500 million people.
- Open to foreign investment.
- Largest trade partner with US (USMCA).
- Potential beneficiary of US-China trade.

# NEGOTIATION *PROCESS* OF USMCA



- ✓ **May 2017** - US Notified congress intention to **renegotiate**.
- ✓ Expectation of 3-5 months of negotiation in **7 rounds**.
- ✓ **18 months** of intense negotiation.
- ✓ **Nov 2018** - US / MX / CA signed agreement at G-20 summit.
- ✓ **Negotiation teams** (Next Door Room).

# ¿RE-NEGOTIATION OR MODERNIZATION?



**Priorities:** *Politics / Trade / Economy*

- Increase regional competitiveness.
- Strengthen regional trade.
- Promote investment & Trade.
- Legal certainty (Rule of Law).
- Avoid trade War.

**Instructions:**

**Always negotiate on the best interest of Mexico.**



A photograph showing two microphones on a stage with two American flags in the background, slightly out of focus.

# BENEFITS OF MODERNIZATION

- Expand free trade access to USMCA region.
- Modernize custom & Trade facilitation.
- Protection of IP rights.
- Transparency & Anticorruption.
- Digital economy.
- E-Commerce.
- Investment & Dispute Resolution (improved).

# RISKS & CHALLENGES

- International trade worldwide environment (Nationalism).
- Peso exchange rate.
- Current administration policies.
- Post pandemic recovery.
- Outcome of US election & Impact in relationship with Mexico.

# RECOMMENDED ACTIONS

- ✓ New game on international trade.
- ✓ Verify compliance of internal process & Document with USMCA & National laws and regulations.
- ✓ Review import-export documents.
- ✓ Review employment documents to comply with labor laws.
- ✓ Review your specific industry regulations (Self Assessments).
- ✓ Choose a pro-business state.

# Cuesta Campos®



# Thank You!

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# Got questions?



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# Thank you!



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