



# THE AUTOMOTIVE INDUSTRY IN MEXICO

PRODENSA





## THE AUTOMOTIVE INDUSTRY IN MEXICO

Over the last several decades, the automotive industry in Mexico has emerged as a significant player on the global stage. Today, it plays a pivotal role in the world economy. With a strategic location, a skilled workforce, and a favorable business environment, Mexico has become a key hub for automotive manufacturing.

Mexico's trade liberalization efforts mean that the market is one of the most open and competitive in the world. Mexico is a global leader in automotive manufacturing.

### AUTOMOTIVE INDUSTRY QUICK FACTS

 <p><b>7th</b> largest manufacturer of passenger vehicles</p>	 <p><b>2nd</b> largest exporter of passenger vehicles to the U.S.</p>	 <p><b>4th</b> Largest manufacturer of automotive parts</p>	 <p><b>1st</b> in automotive parts exports to the U.S.</p>
 <p><b>6th</b> largest manufacturer of heavy trucks</p>	 <p><b>1st</b> in exports of heavy duty trucks to the U.S.</p>	 <p><b>2nd</b> largest export market of U.S.-made heavy-duty trucks.</p>	 <p><b>+15</b> passenger car OEMs* produce in Mexico</p>

Sources: bea.gov, Auto Innovators, Business Roundtable, Brookings Institute, trade.gov, AMIA  
\*Includes the announced Tesla factory (trade.gov)

The Mexican Automotive Industry Association (AMIA) estimates that Mexico will become the **5th largest global vehicle producer by 2025**. The Mexican automotive industry employs over 1 million professionals, includes 300 R&D Centers, and 87% of all automotive production is destined for export markets. Of Mexico's automotive exports, 79% of them go to the United States.

Mexico is a key ally and asset to U.S.-based high-technology manufacturing including semiconductors and electric vehicles, contributing to the construction of **resilient supply chains in North America**.



## INSIGHTS - EVOLUTION OF THE AUTOMOTIVE INDUSTRY

During the 3 decades since NAFTA, Mexico's light vehicle production more than tripled - from 1.1 million units in 1994 to 3.7 million in 2023. Exports by Mexico increased from 579,000 to just over 3.3 million over the same period (Federal Reserve Bank of Chicago).

Alongside the auto assembly plants came secondary industries like autoparts and materials. These built up smaller communities and created hubs in Mexico that facilitated infrastructure developments and services. This represented prosperity through honorable jobs in Mexico.

Education in engineering and technical skills increased as more advanced manufacturing facilities invested in Mexico. Today, we see a secondary influx of Research & Development, including technical and software centers that establish alongside manufacturing operations in Mexico.

The Mexican automotive industry has always been very tied and reliant on the U.S. consumers. A great impact was felt in Mexico as well as the United States with the 2008 economic crisis and bankruptcies. After some market volatility related to the pandemic and

semiconductor chip shortage, we see the industry at a shifting point again.

Per new agreements like the USMCA and the U.S. Inflation Reduction Act, the industry has sped forward in its transition to electromobility. This has impeded investment and reinvestment in automotive production and assembly facilities in Mexico. Ford, General Motors and Stellantis have announced plans to grow their production of electric vehicles in Mexico. Tesla has announced the construction of their Gigafactory as well.

Additionally, Chinese automakers are making a great effort to bring their products to the Mexican market. China has focused on improving their manufacturing quality. Their models offer better technology at their price point than other brands. Today in Mexico, it is not uncommon to see Chinese car brands like Geely, JAC, SAIC Motor, Chery, Omoda, or BYD, among others. There are at least 2 Chinese OEMs being established in Mexico as well. This follows a trend since about 2015 of large investments from Japanese and Korean automotive supply chains following the Mazda and KIA investments.

### Carlos Alvarado

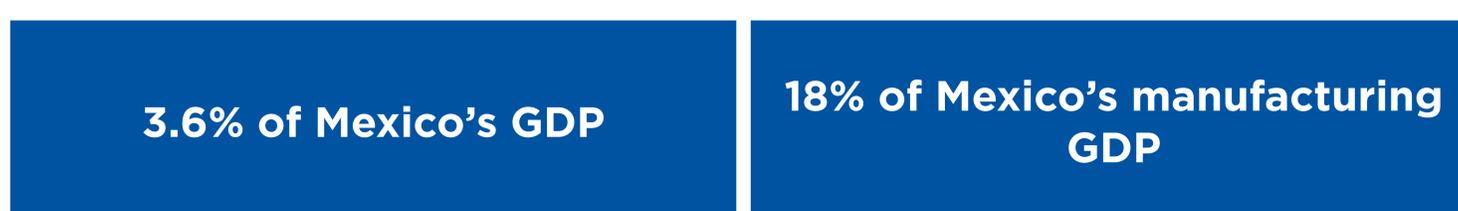
VP & SR. PARTNER, STRATEGIC ADVISOR





# GLOBAL MARKETPLACE AND THE AUTOMOTIVE INDUSTRY IN MEXICO

In recent years, Mexico has solidified its position as a significant player in the global automotive industry. As of 2022, the country accounts for a substantial percentage of the world's automotive production. According to data from the International Organization of Motor Vehicle Manufacturers (OICA), Mexico consistently ranks among the top ten countries in total vehicle production, with a share that has steadily increased over the past decade. It is an integral component of the Mexican domestic economy. It accounts for:



Source: AMIA, 2022

Mexico is the 4th largest vehicle exporter globally after Germany, Japan and the United States. Mexico is also the 7th largest manufacturer of vehicles in the world. Over 95% of the automotive production in Mexico is light (passenger) vehicles and 5% heavy trucks.

## PASSENGER VEHICLE INDUSTRY IN MEXICO (BILLIONS)

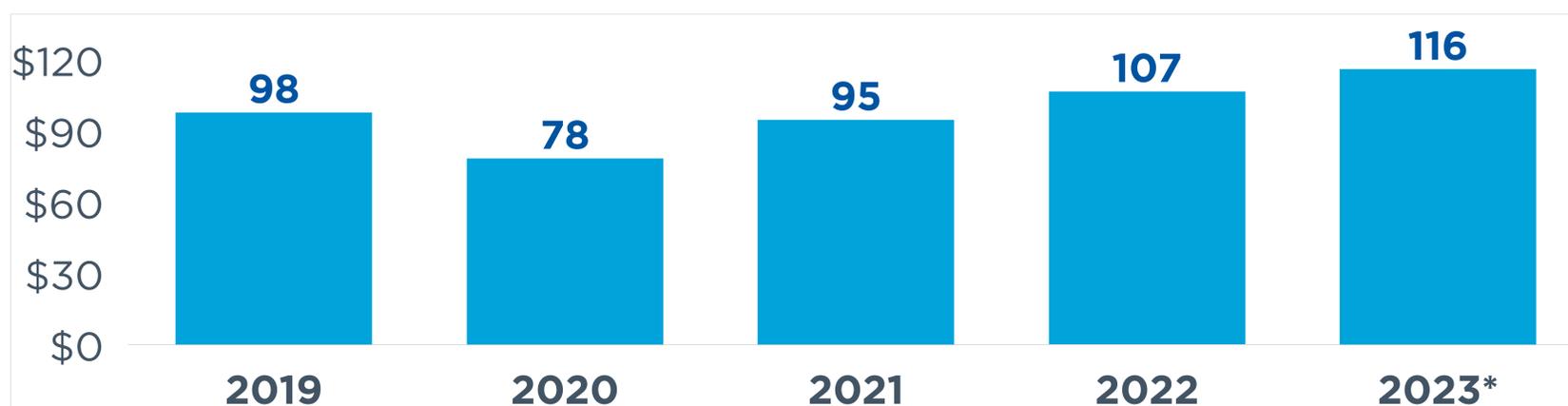
	2019	2020	2021	2022	2023*
Total Local Production (units)	3.811	3.040	2.979	3.308	3.526
Total Market Size (\$US)	\$83.2	\$75.1	\$76.5	N/A	N/A
Total Exports (units)	3.388	2.681	2.706	2.865	3.071
Export Market Size (\$US)	\$58.3	\$47.7	\$51.2	N/A	N/A
Total Imports (units)	.907	.765	.991	1.176	1.360
Import Market Size (\$US)	\$42.6	\$32.0	N/A	N/A	N/A

Source: INEGI, AMIA via [trade.gov](https://trade.gov) \*Data not yet published, estimate. Market size = (total local production + imports) - exports



Mexico is the 4th largest producer of autoparts in the world, and the 1st to the United States. More than half of the imported autoparts to Mexico are destined to compliment the local manufacturing lines. Much of this is then exported back to its original country. The primary countries of origin include the United States, China, Germany and Japan.

### MEXICAN AUTOPARTS PRODUCTION GROWTH (BILLIONS)



Source: AMIA, Billions of USD \*Data not yet published, estimated

### AUTOPARTS INDUSTRY IN MEXICO (BILLIONS)

	2019	2020	2021	2022	2023*
Total Local Production	\$97.8	\$78.4	\$94.7	\$106.6	\$116
Total Market Size	\$77.6	\$57.8	\$69.6	\$79.1	\$86.6
Export Market Size	\$81.0	\$64.8	\$78.5	\$89.2	\$90.3
Import Market Size	\$60.8	\$44.2	\$53.4	\$60.7	\$68.0

Source: INEGI, AMIA via [trade.gov](https://www.trade.gov) \*Data not yet published, estimate. Market size = (total local production + imports) - exports

Suppliers are beginning the pivot to EV engines, which lack integral parts of an ICE vehicle such as gas tanks, exhaust valves, transmissions, fuel pumps, and carburetors.

One of the biggest challenges for Mexico will be batteries, electronics and electrical motors. Today, much of this content is brought from China for final assembly in Mexico. Additionally, new materials are being created to serve different weight and efficiency requirements of an electric vehicle. This is creating new market opportunities for local suppliers and entrepreneurs.



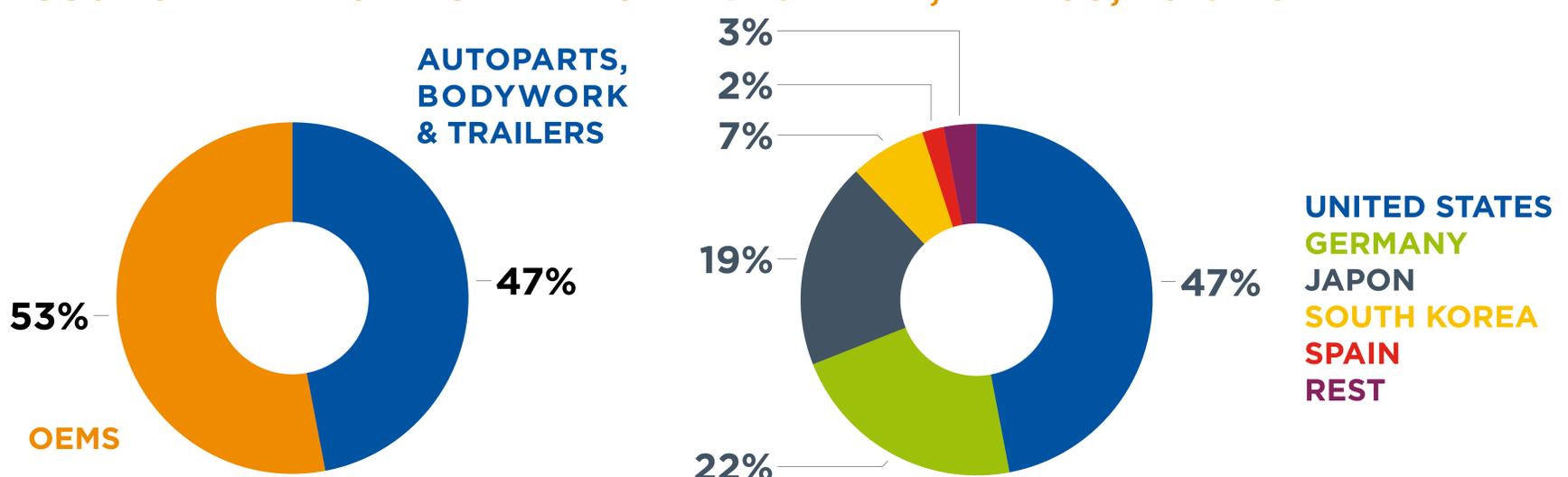
## GLOBAL TRADE AND INVESTMENT

One of the key factors contributing to Mexico's success is its network of free trade agreements. These agreements have facilitated seamless cross-border trade, creating a favorable environment for automotive manufacturers to establish operations in Mexico. The most prominent among Mexico's free trade agreements is the **United States-Mexico-Canada Agreement (USMCA)**, which replaced NAFTA. Some features of the USMCA that affect the automotive industry in Mexico include:

- **Regional Content Rules:** The USMCA includes updated rules of origin that require a higher percentage of vehicle content to be manufactured within North America to qualify for tariff-free treatment. This could incentivize automakers to source more parts locally, promoting regional economic integration.
- **Labor Provisions:** The agreement addresses labor issues, particularly in Mexico. This includes requirements for higher wages and increased workers' rights, potentially improving conditions for Mexican autoworkers.
- **Investment Certainty:** The USMCA provides certainty for investors by establishing a framework for trade and investment in North America. This stability may encourage automotive companies to make long-term investments and strategic decisions in Mexico.
- **Market Access:** The agreement preserves duty-free access to the North American market, providing Mexican automakers with continued access to the large U.S. and Canadian markets. This could be crucial for the competitiveness of the Mexican automotive industry.
- **Dispute Resolution Mechanisms:** The USMCA includes mechanisms for resolving trade disputes, which could provide a more stable and predictable environment for the automotive industry, reducing uncertainty and the risk of trade disputes.

The automotive industry is the sector with the highest proportion of Foreign Direct Investment (FDI) in Mexico. It represented 11% of Mexico's total FDI and nearly 31% of manufacturing FDI in 2022.

### ACCUMULATED FOREIGN DIRECT INVESTMENT, MEXICO, 2018-2022



Source: AMIA, Classification by destination and country of origin



## USMCA REVIEW IN 2026: WHAT'S AT STAKE?

Mexico's ascent to the top of the auto manufacturing world is undeniable. From skilled workers and competitive costs to its geographical proximity to the U.S. market, Mexico has positioned itself as a key player in the global car industry.

For the first time in history, Mexico became the largest supplier of goods to the United States, replacing China. Mexico exported \$475 billion dollars worth of goods to the U.S. in 2023. This represented a 4.6% growth over the previous year. Mexican exports represented 15.4% of the total merchandise that the U.S. purchased from its trading partners.

The USMCA, while it facilitated increased trade and collaboration, also introduced new complexities. Disputes over Mexico's energy policies and its proposed restrictions on Genetically Modified Corn have created friction with its North American partners.

Additionally, ongoing concerns remain over labor conditions in the Mexican auto sector. More than 11 cases have been filed against Mexico through mechanisms within the USMCA.

On the other hand, Mexico and Canada won a panel against the United States for

an erroneous interpretation regarding the methodology for calculating the Regional Content Value (RVD) in the automotive rules of origin. As of today, the United States has not adopted the panel's ruling, nor has Mexico responded with trade retaliation.

These simmering tensions cast a shadow on the USMCA review, scheduled for 2026. While a complete renegotiation is unlikely, the possibility of adjustments to specific rules cannot be ignored. Such revisions could potentially bridge divides or exacerbate existing disagreements. The political landscape adds further uncertainty, with the 2024 elections (U.S. and Mexico) potentially leading to a shift in trade policy direction.

In conclusion, the 2026 USMCA review is not exactly a renegotiation, but each party may bring forward recommendations for review. The actual proceedings are not yet clear. Ongoing trade disputes and frictions as well as presidential elections will be key factors moving forward.

Now, the coin is in the air. As to whether there will be a renegotiation of the agreement will also depend on who will be at the helm in the next administration in both Mexico and the United States.

**Monica Lugo**

**INSTITUTIONAL RELATIONS DIRECTOR**

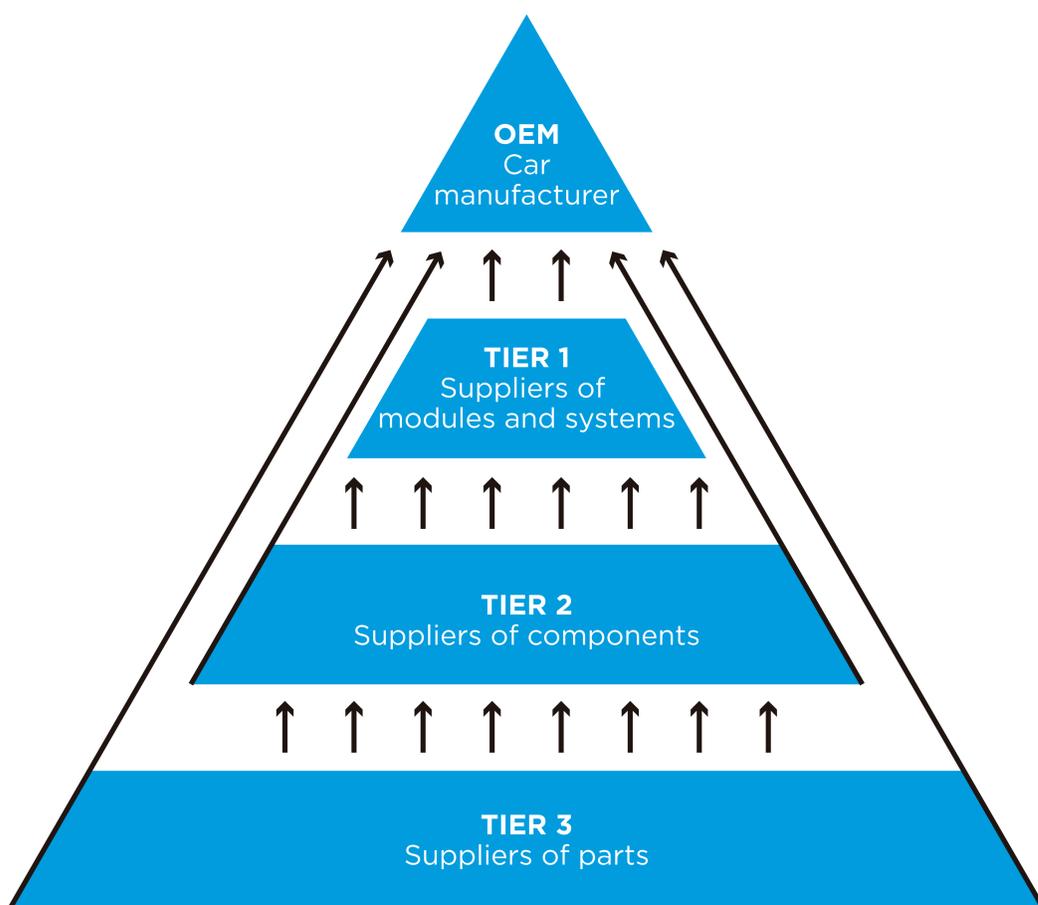




## MEXICAN AUTOMOTIVE SUPPLY CHAIN

The U.S.-Mexico partnership in the automotive sector is vital for their economic relationship. Mexico, with its cost-effective manufacturing base and abundant labor pool, has become essential for U.S. automakers. The interlinked supply chains boost the competitiveness of North American automakers globally. In 2021, the autoparts sector in Mexico contributed 8% to the country's national manufacturing GDP (INA).

Major U.S. automobile companies have invested significantly in the Mexican automotive industry, enhancing cost-effectiveness and maintaining competitiveness in the global market. Established automakers in Mexico include Audi, BMW, Ford Motor Company, General Motors, Honda, Hyundai, Jac by Giant Motors, Kia, Mazda, Mercedes Benz, Nissan, Stellantis, Toyota, Volkswagen, and Tesla (announced). In addition to major OEMs, the automotive industry in Mexico boasts a robust and intricate supplier base structured into three tiers.



**Tier 1** suppliers directly provide parts and systems to automaker original equipment manufacturers. These Tier 1 suppliers in Mexico often collaborate extensively with OEMs, offering complex components like engines, transmissions, and advanced electronics.

**Tier 2** suppliers furnish components and sub-assemblies to Tier 1 suppliers, playing a crucial role in the production chain. These entities are integral to maintaining a seamless flow of parts to the final assembly line.

**Tier 3** suppliers form the foundation of the supplier network, providing raw materials, essential components, and services to Tier 2 suppliers.

Mexico's automotive industry, with its integrated ecosystem and expanding supplier network, has grown significantly. This tiered system has bolstered its position on the global stage and increased competitiveness by promoting collaboration and innovation across the supply chain.



## TECHNOLOGY ADOPTION IN SUPPLIER MANAGEMENT: 4 WHEELS

Modern supply chains are complex, global and vulnerable to disruption. Building a robust, shock-proof supply chain hinges on strategic technology adoption. Yet, many companies struggle to translate awareness into action. The “Four Wheels” methodology provides a roadmap for organizations seeking to close the gap on supply chain competitiveness in today’s world.

**Diversification.** Risk mitigation demands diversification at multiple levels - suppliers, transportation routes, and even regional production networks. Technology manages a crucial role in identifying, evaluation, managing, and optimizing a distributed supply chain footprint.

**Compliance.** Regulatory requirements are ever-evolving, in all countries, from fiscal standards to new requirements in import/export. Technology can increase visibility for time-sensitive and often critical changes, providing company focus to turn to agile adaptation.

**Visibility.** Real-time supply chain visibility is no longer a luxury, but a necessity. Additional to materials, suppliers must be mapped so a high level of communication and decision-making can be achieved. As consumers’ preferences change, so too do supply chains.

**Agility.** Supply chain agility entails flexibility at every stage, from demand forecasting and sourcing to logistics and last-mile delivery. Technology fosters responsiveness to threats to business continuity, and also provides a route to identify new opportunities.

The “Four Wheels” methodology is synergetic. Diversification without visibility leaves blind spots. Compliance without agility limits responsiveness. The time to invest in these transformative technologies is not tomorrow - its today.

[Click here](#) for information about **Cattenna**, the transparent, quality supply chain community.

**Kurt Schmidt**

VP OF CONSULTING





## EMPLOYMENT IN THE MEXICAN AUTOMOTIVE INDUSTRY

The growth of the automotive industry in Mexico has significantly contributed to the country's employment landscape. The sector has become a significant employer, providing jobs to a large, skilled workforce.

<b>There are approximately 1 million automotive workers in Mexico</b>	<b>About 22% of all manufacturing employees are auto workers</b>	<b>About 3% of all employment in Mexico is in the automotive sector</b>
<b>Nearly 100 thousand employees work in OEM's Mexico</b>	<b>There are +26 R&amp;D Centers with +15,000 engineers in Mexico</b>	<b>About 124,000 technicians and engineers graduated in 2022</b>

Sources: INA with information from INEGI and ANUIES

The workforce is not limited to assembly line workers; it includes engineers, designers, logistics professionals, and various other skilled individuals. The industry's commitment to investing in human capital has resulted in a well-trained and adaptable workforce that meets the evolving needs of the automotive sector.

During the period from 2021 to 2022, about 124,000 students graduated from engineering and technical careers in Mexico (National Auto Parts Industry). This represents about 15% of the country's total. Today there are 23 programs that offer the bachelor's degree in automotive engineering. These university engineering programs have been well-established and effective in supporting companies in this sector in Mexico. To reflect the industry shift to electromobility, additional academic e-Mobility engineering programs are graduating some of their first students into the market, growing in popularity and backed by some incentive programs.

One such example is the Monterrey Mobility Hub, the electromobility training school in the state of Nuevo León, making an alliance with Tesla to train the next generation of electromobility engineers.



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## MAJOR PLAYERS IN THE AUTOMOTIVE INDUSTRY IN MEXICO

Major automotive manufacturers have chosen Mexico as a strategic location for their production facilities. Among the prominent players contributing to Mexico's automotive success are General Motors, Ford, Stellantis, Nissan, and Volkswagen.

General Motors, for instance, has a strong presence in Mexico, operating multiple manufacturing plants nationwide. These plants produce various vehicles, including popular models catering to domestic and international markets. Similarly, Ford and Stellantis have invested significantly in Mexican manufacturing, leveraging the country's advantages to enhance global competitiveness.

Japanese automaker Nissan has made substantial investments in Mexico, establishing itself as one of the key players in the country's automotive landscape. Additionally, German automotive giant Volkswagen has a longstanding history in Mexico, with a major manufacturing facility in Puebla that produces vehicles for the global market.

Several Chinese automotive manufacturers have recently established a presence in Mexico, taking advantage of the country's strategic location and the North American market. Some Chinese automakers with operations or plans to operate in Mexico include BYD Auto Co., Ltd., JAC Motors, Great Wall Motors, and Geely.

### THE ROLE OF AMIA

The Mexican Association of the Automotive Industry (AMIA) is at the heart of the automotive industry in Mexico. Founded in 1951, AMIA plays a crucial role in representing the interests of automotive manufacturers and promoting the industry's sustainable development.

AMIA is a liaison between the government and the automotive sector, advocating for policies fostering growth, innovation, and competitiveness. The association also provides valuable industry insights, data, and analysis that contribute to informed decision-making for both government and industry stakeholders.

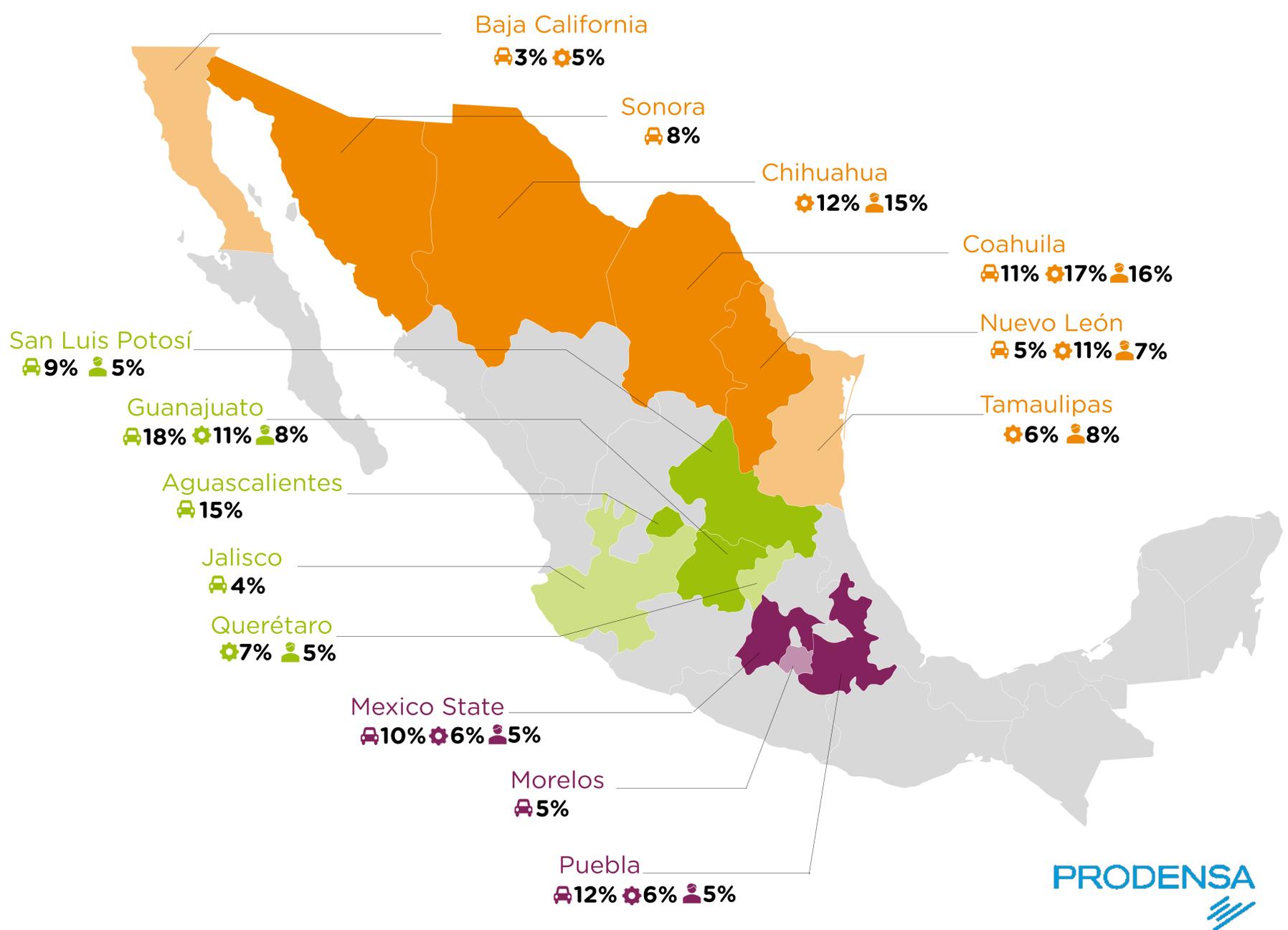
One of AMIA's essential functions is facilitating collaboration and communication among its members, fostering a sense of community within the automotive sector. Through conferences, forums, and working groups, AMIA provides a platform for industry leaders to discuss challenges, share best practices, and explore opportunities for collaboration.



# AUTOMOTIVE MANUFACTURING CLUSTERS IN MEXICO

Automotive companies are located all over Mexico. Clusters were formalized to promote joint efforts to develop more extensive local supply chains for the industry. For this illustration, clusters are defined by highest percentage of total installed production capacity, autoparts production, and industry employment.

## AUTOMOTIVE CLUSTERS IN MEXICO



-  % of Total Installed Automobile Production Capacity, AMIA, 2022
-  % of Total Autoparts Production, INA, 2022
-  % of Total Automotive Industry Employment, INEGI, 2019

Rounded numbers. Results less than 5% generally not included



## THE BAJÍO REGION

The Bajío region is considered to be the 3rd most important automotive cluster in North America. It represents nearly 50% of all vehicle production capacity in the country. Other supporting states include Jalisco (Honda) and Querétaro, home to many Tier 1 suppliers.

**Aguascalientes** – The central Mexican state of Aguascalientes is home to one of the country's most important assembly plants, Nissan. It is the 3rd largest exporter of vehicles in Mexico. This plant is supplied by 35 Tier 1 suppliers that in total employ over 20,000 workers. Automotive manufacturing represents 85% of the state's manufacturing exports.

**Guanajuato** – The state of Guanajuato in Bajío is an important automotive and logistics hub. Guanajuato's automotive cluster is comprised of automakers such as General Motors, Volkswagen, Mazda, Honda as well as over 400 Tier 1 & 2 autoparts suppliers. The automotive industry makes up about 50% of the state's manufacturing GDP, and 80% of the state's total exports. It employs over 145,000 workers.

**San Luis Potosi** – The automotive industry in San Luis Potosí generates 61,000 jobs in the state. It is home to General Motors and BMW Group, and about 120 automotive suppliers. The automotive industry represents nearly half of the state's manufacturing GDP. San Luis Potosí's automotive industry exports about \$10 billion in manufactured goods each year.

## THE NORTHERN BORDER STATES

The northern border states of Mexico represent over half of all autoparts production, a large share of them being maquiladoras. Notably, Baja California is home to a Toyota plant in Tijuana. In the Gulf state of Tamaulipas, the city of Reynosa is an important autoparts maquiladora and logistics hub.

**Sonora** – This northern border state's primary industry is automotive manufacturing. The Ford Stamping and Assembly Plant in Hermosillo has developed over 44 local suppliers as well. The state's Port of Guaymas is on the Pacific coast. Ford's engineering center has over 1,000 enrolled students. Nearly 28% of the state's exports are attributed to the automotive industry. This is growing due to Ford's production of the new models, Maverick and Bronco Sport.

**Chihuahua** – The northern border state of Chihuahua has a robust automotive presence, including Ford Engine Plant and more than 400 suppliers. They are well-known for automotive talent development, boasting 6 R&D centers. The automotive sector represents over 40% of the total manufacturing industry in the state. The border city of Juarez is a focal point of the maquiladora industry due to its location and infrastructure.



**Coahuila** - The automotive sector represents more than half of the northern border state's manufacturing production. It is home to Stellantis, Daimler Freightliner and General Motors. In fact, GM announced a \$1 billion e-mobility investment in its plant in the state. Coahuila has been a focal point of automotive investment in Mexico over the last years. Automotive exports in the state are around \$5 billion, representing about 67% of the state's total exports.

**Nuevo Leon** - The northern state of Nuevo León is considered the electromobility hub of Mexico. Home to KIA and a number of Tier 1 suppliers, the automotive industry in the state is the top employer and top exporting sector. Tesla announced a \$5 billion dollar investment in their new Gigafactory in Nuevo León. The state boasts other important automotive operations such as Navistar (heavy trucks); Mercedes-Benz Group (buses); Polaris, CF Moto and Kawasaki (ATVs). Automotive exports in 2022 were \$12 billion and growth is projected.

## CENTRAL MEXICAN VALLEY

The valley in Central Mexico around the capital of Mexico City concentrates about a quarter of the country's total population. It is an important logistics and e-commerce hub, among other things. The automotive industry is important, both as corporate headquarters in Mexico City, but also to multiple manufacturing hubs in the surrounding states. Morelos, for example, produces about 5% of the country's vehicles at their Nissan plant.

**Mexico State** - The automotive industry in Mexico State represents over 12% of GDP for the state. Three OEMs call the state home (Stellantis, General Motors, Ford) as well as more than 350 automotive companies that employ over 50,000 workers. The state is also home to automotive plants with announced investment in electric vehicles, including Ford and Stellantis. Mexico State exports over \$6 billion in automotive goods with nearly a quarter of that in vehicles.

**Puebla** - The Central Mexican state of Puebla is home to Volkswagen and Audi. Over 65,000 employees in the state work in the automotive industry. The industry represents over 40% of the state's GDP. The state is one of the top exporters of automobiles, with the majority share of their auto exports going to the United States, Germany or Canada.



## THE IMPORTANCE OF THE U.S. AUTOMOTIVE MARKET TO THE AUTOMOTIVE INDUSTRY IN MEXICO

The close relationship between Mexico and the United States in the automotive sector is an essential component of the economic relationship between the two nations. Mexico has become a crucial partner for U.S. automakers, providing a cost-effective and efficient manufacturing base and a plentiful labor pool. The integrated supply chains between the two countries are vital for the competitiveness of North American automakers in the global market.

Many major U.S. automotive companies have invested heavily in the automotive industry in Mexico, establishing production facilities that manufacture a wide range of vehicles and automotive components. This has reduced production costs and enabled these companies to stay competitive in the face of global market dynamics.

Robin Conklen, Managing Director USA at Prodensa, discusses the interdependency of the North American automotive industry.

The automotive industry is of utmost importance to the North American economies. It contributed more than US\$700 billion to the U.S. economy alone in 2021 and accounted for more than a tenth of total U.S. manufacturing output. The U.S. automotive industry is responsible for 1 million jobs, and each of those jobs creates an additional 11 jobs upstream or downstream in the supply chain.

The United States, Mexico and Canada share a population of +500 million

people, a GDP of nearly US\$30 trillion dollars, and each alone are important global economies. One of every 13 U.S. jobs is supported by trade with Canada or Mexico. In fact, about 50% of trade within North America occurs in “intermediate good” - materials or components destined for final assembly within the region.

The three countries literally build things together, and millions of jobs depend on that.

**Robin Conklen**

**MANAGING DIRECTOR USA**

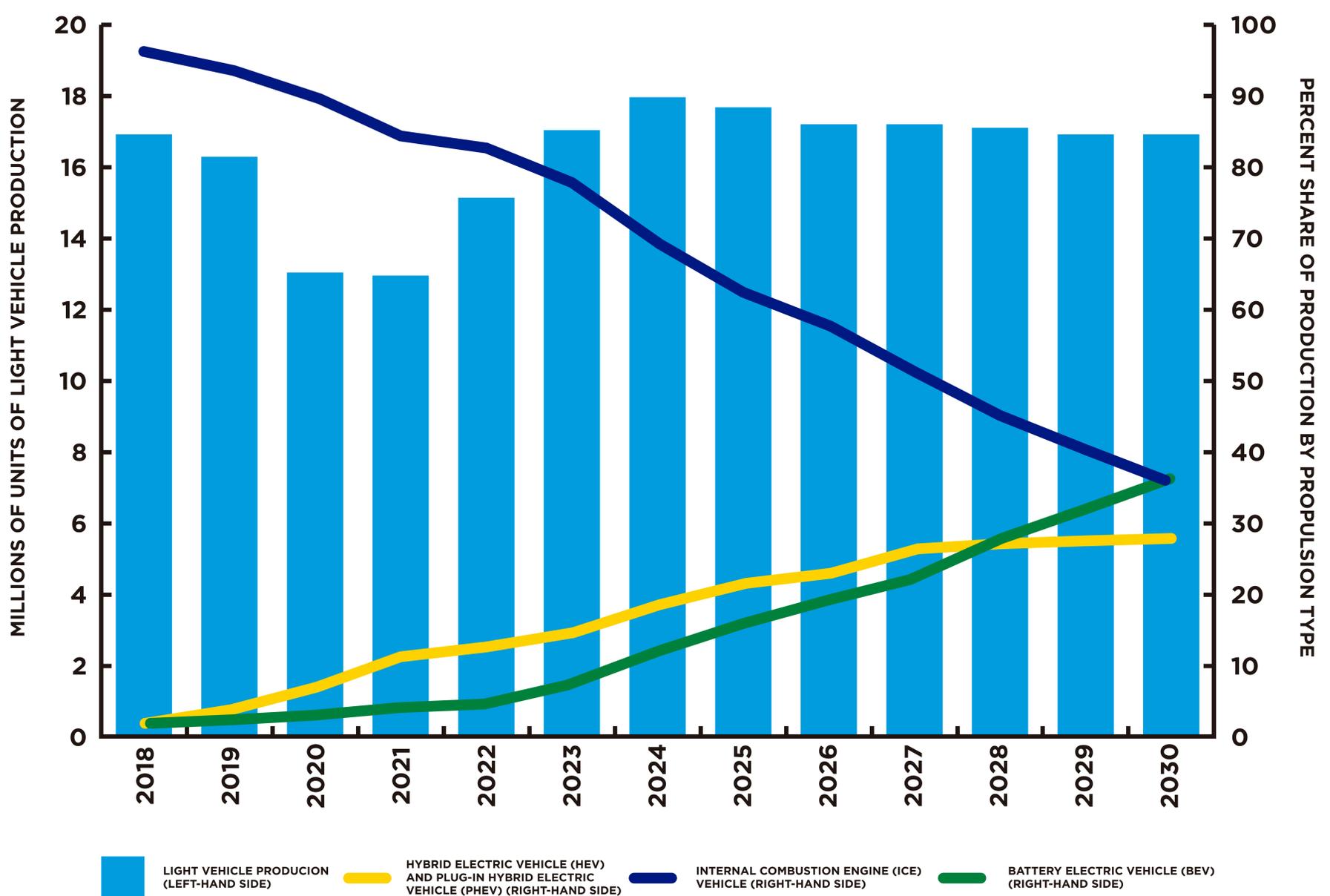




## USMCA ELECTRIC VEHICLE INDUSTRY

Fewer parts are required in an electric vehicle compared to an internal combustion engine. As the industry is in transition, so too are the production networks throughout North America. Governments and private industry are facilitating growth in the EV industry with funding and incentives. More than a dozen new incentives enacted through the Inflation Reduction Act, the Infrastructure Investment and Jobs Act, and the CHIPS Act have driven investment and announced jobs. Mexico also has electromobility initiatives that supports the USMCA goals.

**Figure 2. North American light vehicle production, 2018-30, by propulsion type**



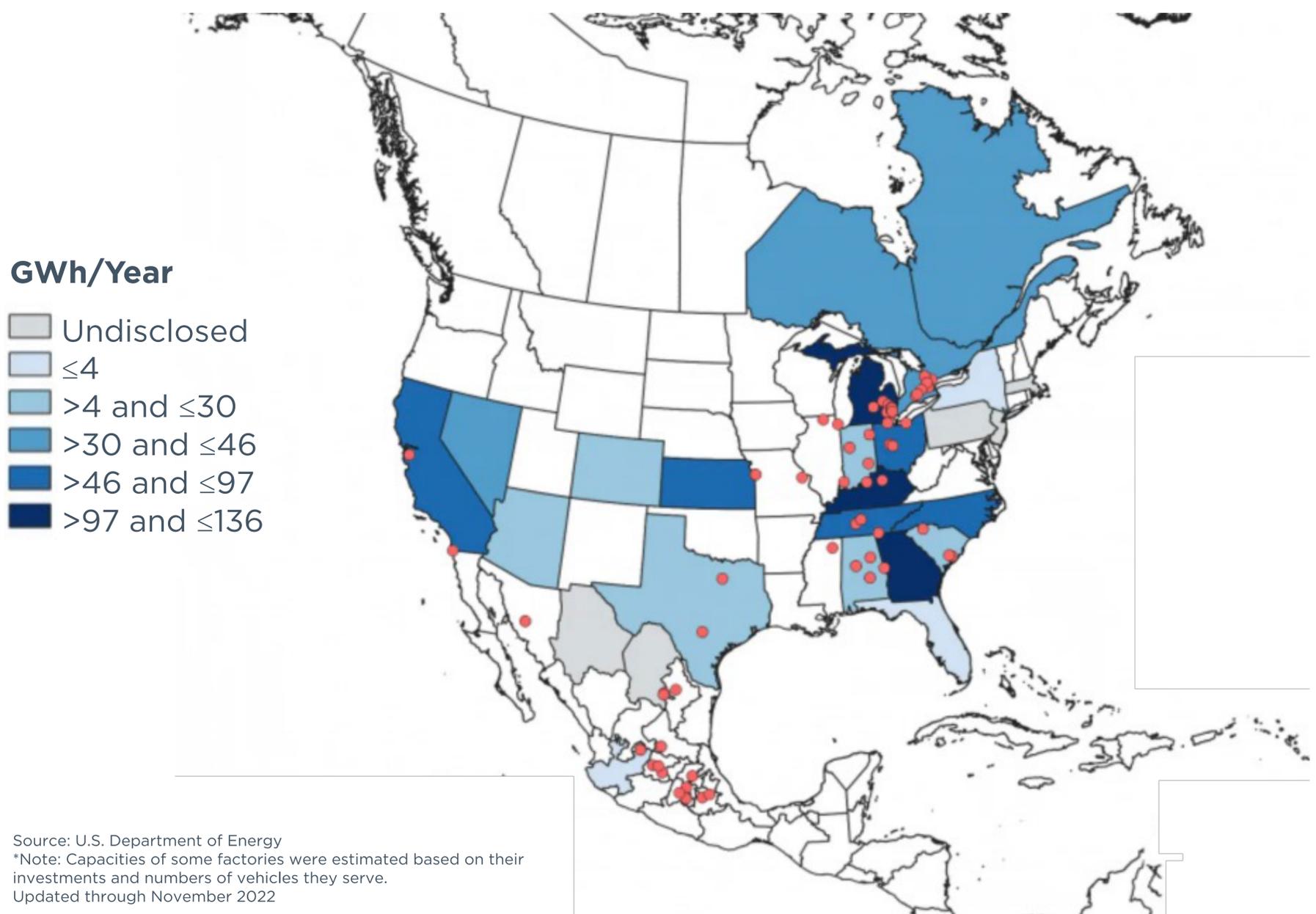
Notes: The data are as of November 2021 from IHS Markit; the data for 2018-20 are actual, while the data for 2021-30 are projections. This is a reproduction of a line and bar chart from a slide presentation by Robinet (2022).

Source: Chicago Fed - <https://www.chicagofed.org/publications/economic-perspectives/2022/5>



In 2021, two-thirds of plug-in EVs were assembled in the United States. Despite many new EV launches scheduled over the next few years, there is significant capacity gap in mining and refining battery minerals. The United States lags far behind China. The Inflation Reduction Act (IRA) will likely establish an EV supply chain for the long-term and draw large investments in EV battery capacity. By 2030, EV battery manufacturing capacity in North America will likely increase 20 times.

## NORTH AMERICAN EV BATTERY MANUFACTURING CAPACITY



**2021: 55 gigawatt hours per year**

**2030: 1,000 gigawatt hours per year**

The battery pack of an EV car is bulky and challenging to ship long distances, and accounts for about one third of the total vehicle cost. Many of these facilities will co-locate with assembly plants for EV's, similar to the ICE automotive footprint.

Mexico is preparing for this opportunity as well as others in the electromobility sector. Read more insights about the USMCA trade related to energy from Prodensa's VP of Institutional Relations in the blog, [here](#).



## MEXICAN ELECTRIC VEHICLE INDUSTRY

There are many EV models that are produced in Mexico, including the Ford Mustang Mach-E, several JAC Motors models, the Chevrolet Blazer & Equinox EVs. In 2023, more than 100,000 EV vehicles were produced by companies such as: Ford, General Motors, BMW Group, Audi, Giant Motors, Toyota. In the same year, nearly 100 investments were announced in the electromobility sector in Mexico. Among them were:

<b>BMW high voltage batteries</b>	<b>Stellantis EV minivan and pickup</b>
<b>Toyota Tacoma hybrid</b>	<b>Xusheng aluminum parts for EVs</b>
<b>WBTL auto parts for EVs</b>	<b>Bosch electric brakes</b>
<b>Vimercati Viney EV switches</b>	<b>BorgWarner electric motors</b>
<b>Tesla Gigafactory</b>	<b>Audi Q5 hybrid</b>

Source: Directorio Automotriz Mapeo de Electromobilidad en Mexico, Q3 2023

There are more than 170 providers (Tier 1&2) of electromobility and electrification components in Mexico. They range from batteries, fuel cell systems, electric drive train, EV brake systems. There are more than 43 providers (Tier 3) of materials for the EV industry.

Mexico is indicated as an important player in the transition to electric vehicles. Mexico is the best ally to the U.S. to strengthen supply chains. Its growth potential is challenged by energy supply and regulation. EV sales in Mexico are expected to grow over coming years in the Mexican market, as Mexico pushes toward electrification goals.

Impulsed by incentives, the EV industry is still very tied to consumer trends and preferences. Undoubtedly, Mexico will be an integral player in the North American landscape for electric vehicles.



**PRODENSA IS DEDICATED TO PROVIDE EXPANSION SOLUTIONS THAT DRIVE REGIONAL INTEGRATION IN NORTH AMERICA**

 <p><b>Operational Partners</b></p>	 <p><b>Trusted Advisors</b></p>
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<p>Serving Foreign Investors in the Manufacturing Industry since</p> <p><b>1985</b></p>	 <p><b>+300K</b> People Hired</p>
<p><b>Our culture the key of our success</b></p>   <p><b>= philosophy + knowledge + execution</b></p>	<p>Assisted with the start-up or expansion of</p> <p><b>+1000</b> projects in Mexico</p> <hr/> <p><b>+900</b> professionals are a part of the global team</p>

 START-UP/SHELTER OPERATIONS	 HUMAN RESOURCES	 MARKET INTELLIGENCE	 MANUFACTURING AND SUPPLY CHAIN	 ENVIRONMENTAL, HEALTH & SAFETY COMPLIANCE	 CONSTRUCTION SOLUTIONS	 INTERNATIONAL TRADE COMPLIANCE	 INDUSTRIAL REAL ESTATE	 INSTITUTIONAL RELATIONS	 CONTRACT LOGISTICS
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