

Legal Perspective of doing business in and with Mexico

London, 02 October 2019

Mexico Overview



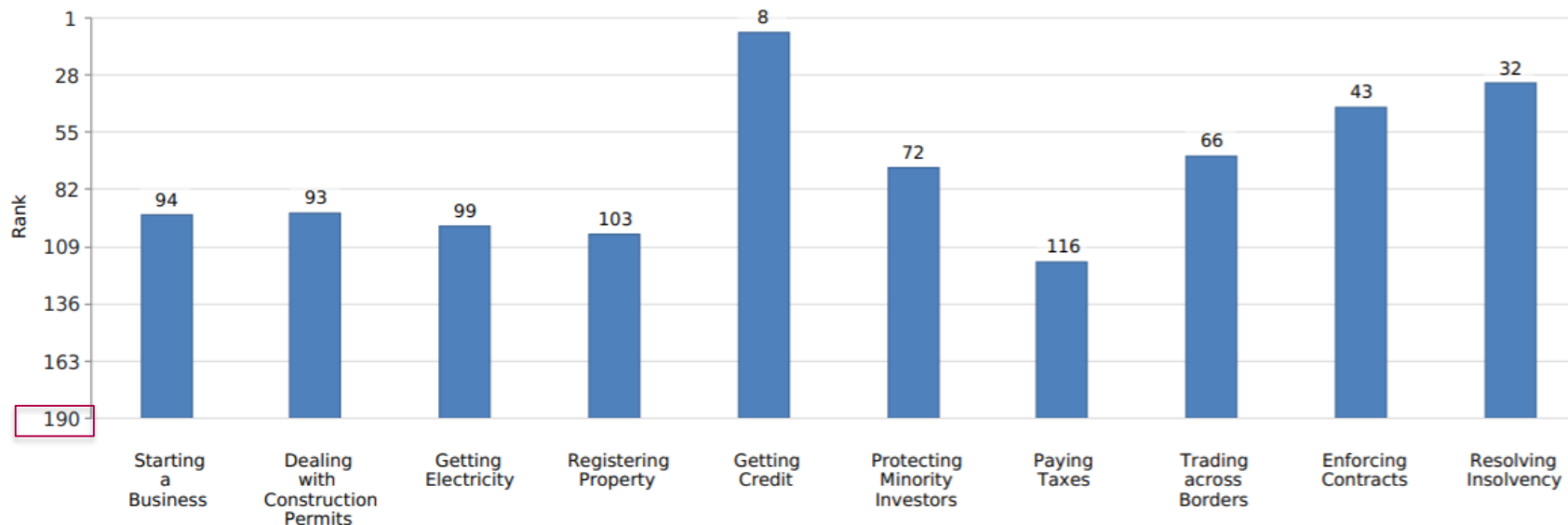
- Legal sector is highly influenced by politics and economics
- Mexico is the 9th-largest export economy in the world and the twenty-first most complex economy according to the Economic Complexity Index (ECI), and the 2nd-largest economy in Latin America.
- The Mexican economy expanded at a modest pace of 2% annually during the first half of 2018. Its potential growth is impacted by progress around the NAFTA renegotiations and the past Presidential elections.
- Exports from Mexico increased by 1.2 % year-on-year to US\$37.949 billion in June 2019. Non-oil exports advanced 2.8%, boosted by higher sales of manufacturing (2.9%), in particular machinery and equipment for industries (13%), food, alcoholic & beverages (11.7%), automotive products (4.4%) and steel products (1.1%). Oil exports declined by 20.4%
- The Mexican market is still growing each year, with a perfect strategic location for doing business with both its northern and southern partners. There are plenty of opportunities for business to reach other regional markets from Mexico, as well as enjoy a plentiful local market for their commercial activities.
- Leading sectors: Oil and gas, automotive, financial services, communications, retail commerce and tourism sectors are some of Mexico's biggest industries. They all play a significant part in the economy of the country
- The Public Sector Corruption Perceptions Index in Mexico was 28 points, so the perception of corruption among Mexicans in their country is very high.

Why Mexico?

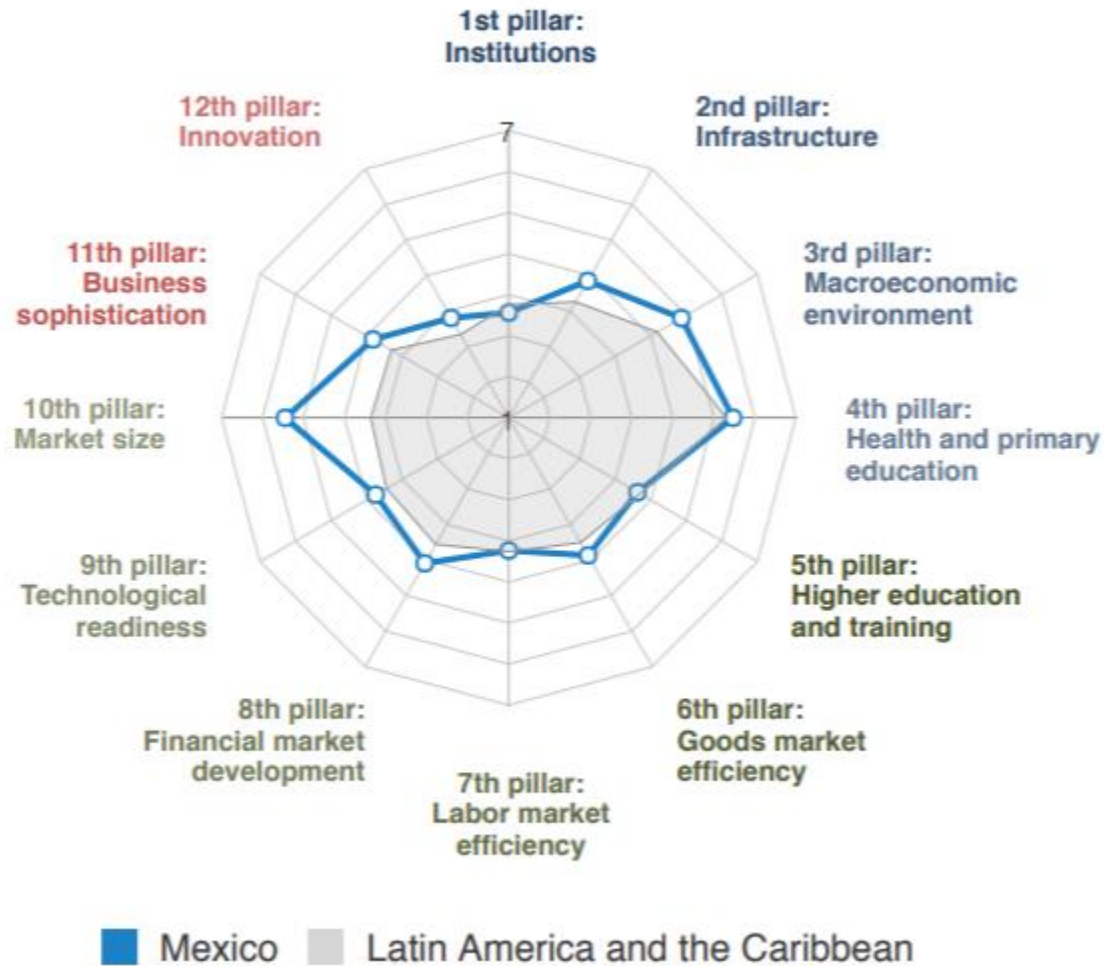
Mexico's welcoming business environment and progressive government offer several key benefits to lure investors into the country:

- ❑ Mexican law allows 100% ownership
- ❑ There are no capital controls
- ❑ Foreigners can establish a limited liability company
- ❑ Mexico has strong property laws and protections
- ❑ Mexican professionals are highly capable and have a competitive advantage over many countries
- ❑ Mexico has advantageous cost conditions in over 19 sectors, which is comparable to the US.

Rankings on Doing Business topics - Mexico

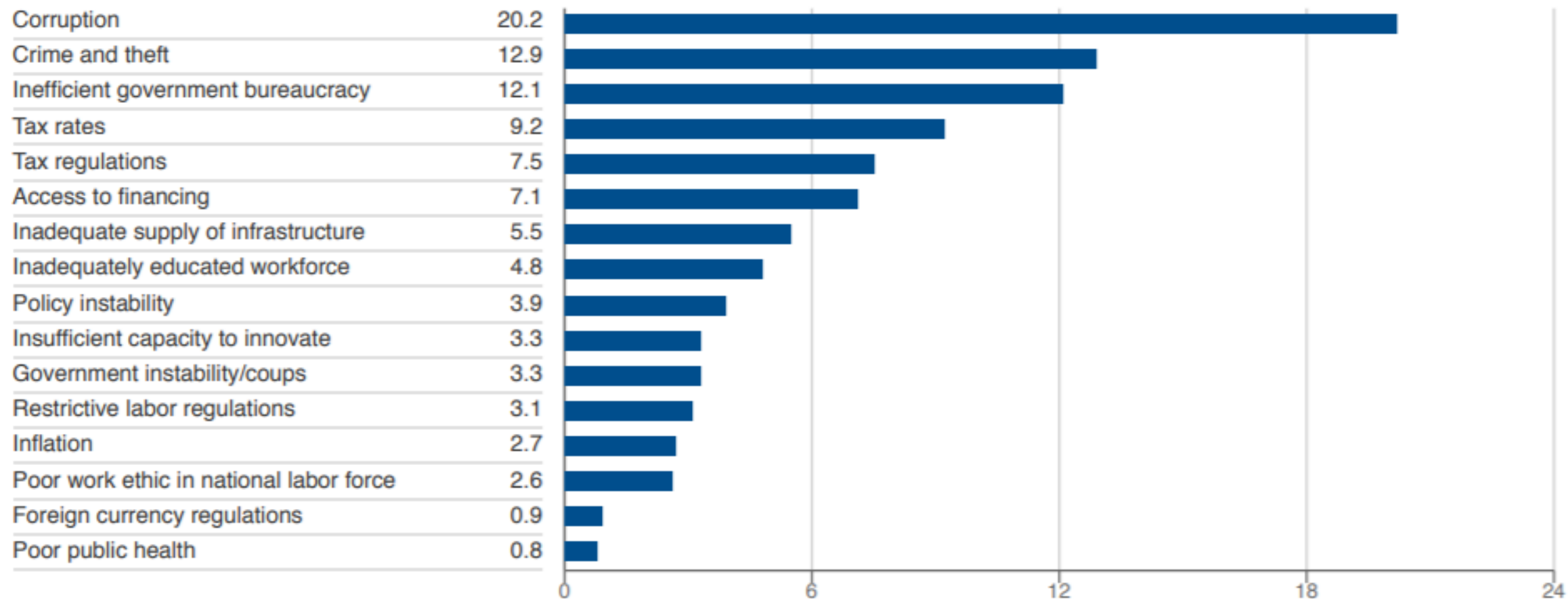


Global Competitiveness Index - 51



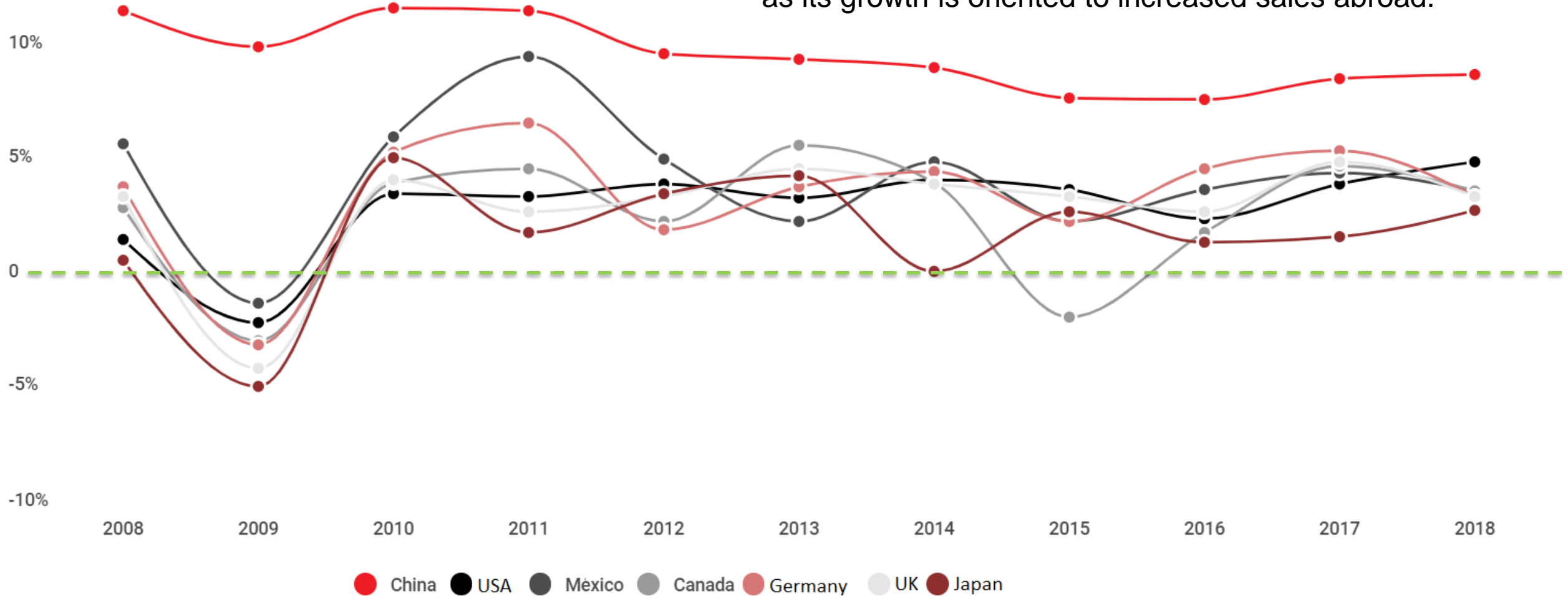
- Mexico places 51st with an overall score that increases, indicating that the country has continued to make progress but at a relatively slower rate than other countries.
- The main reduction in score is in the institutions pillar, with efficiency in government spending falling in both score and rank.
- Private institutions also worsen, with deteriorations in corporate ethics and responsibility.
- After significant efforts to implement efficiency-enhancing reforms, the slow progress this year signals the need to increase the speed and depth of reforms that will improve the allocation of factors of production and the competitive forces driving innovation and rivalry in product markets

Most problematic factors for doing business in Mexico



Percentage growth per year of the main economies

This indicator shows a significant drop in the purchase of goods and services, which affects the Mexican economy, as its growth is oriented to increased sales abroad.



What does Mexico sell to the Main Economics?



MEXICO-CHINA

There are five relevant products that together account for 81% of total sales to China. The main focus is on the sale of raw materials such as metalliferous ores, slag and ashes, followed by automobiles and land transport. Machines, electrical appliances, copper and their manufactures are other star products



MEXICO - CANADA

The product that most represents monetary value to Mexico in its relationship with Canada are automobiles and land vehicles. It is followed by machines, devices and mechanical devices with a 17.4% share.



MEXICO-UNITED STATES

Mexico's commercial relationship with its northern neighbor is the most important, since almost 80% of national exports go to the U.S., a country that mainly buys automobiles and land vehicles. It is followed by electrical and mechanical appliances, instruments and optical appliances and medical-surgical furniture with a share of 20%, 19%, 5% and 3% respectively.

What does Mexico sell to the Main Economics?



MEXICO - JAPAN

The Japanese prefer to buy land vehicles and auto parts from Mexico. Electrical appliances, meat and edible offal also stand out. Exports of mechanical devices have had an increase of 29% over 2017.



MEXICO - GERMANY

In addition to cars - which represent 62% of total exports to Germany - Mexico stands out for its sales of machines, mechanical appliances, electrical, metalliferous minerals and optical instruments.



MEXICO – UNITED KINGDOM

New partnership btw UK with Mexico aimed at boosting economic growth in the United Kingdom and in Mexico.

The agreement, will encourage greater political co-operation including on climate change.

It also promotes greater investment and trade in the sectors of advanced manufacturing, energy, financial services, health, education and green finance and technology.

Country	Overview
<p data-bbox="300 675 514 725">MEXICO</p> 	<p data-bbox="741 439 1592 1120">Consolidated Legal market with an important influence by USA to a tendency to shrink. The market is as yet as uncertain mainly for the political and economical situation. The market is leading for local transactional Firms and behind them are the international firms and Local Full-Services Firms. The specialist firms retain their role in specific markets and sectors that are highly competitive.</p>

Average per Firm (30 firms' sample):

- Lawyers: 63.9
- Partners: 15.09
- Associates: 48.81
- Leverage 3.65

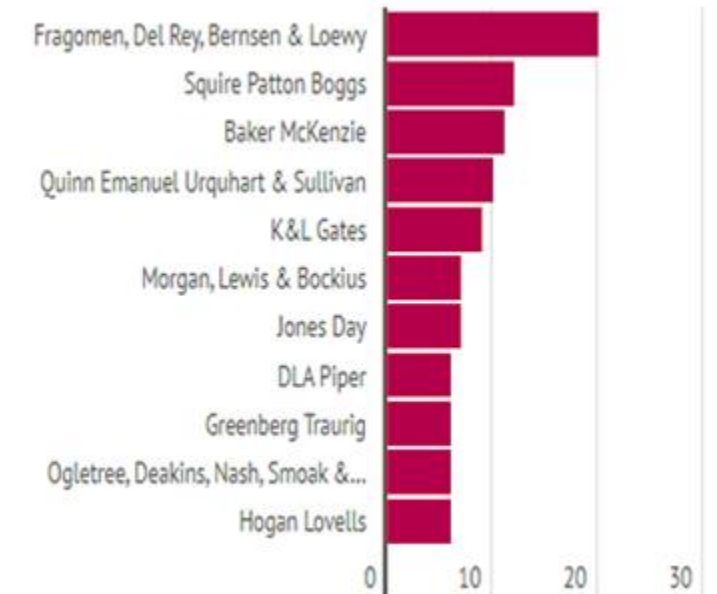
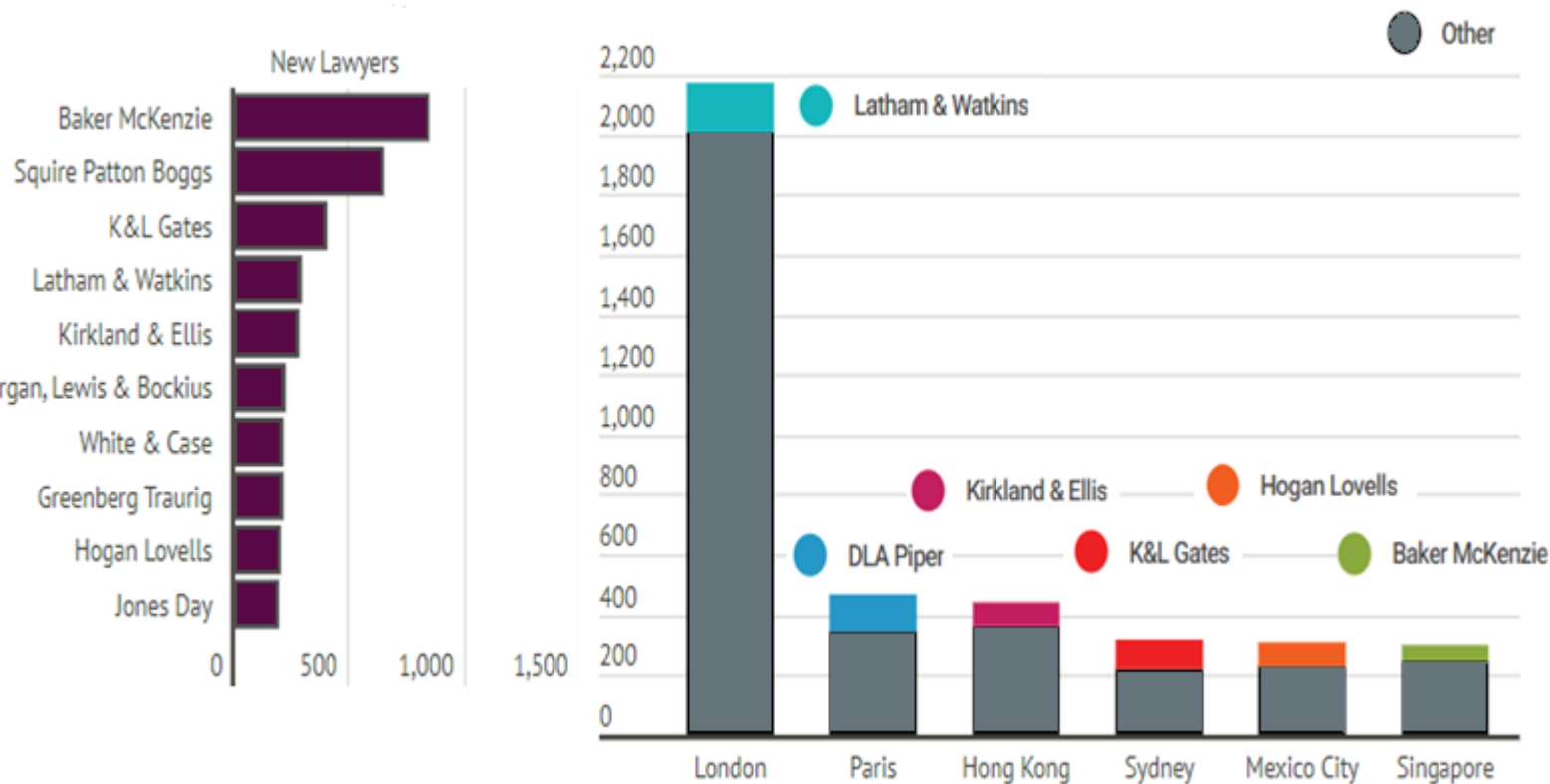


Where U.S. Law Firms Are Setting Up Abroad

U.S. firms have added thousands of foreign lawyers in the past decade. Where are they focused?

The firms adding the most lawyers
6,626 New foreign lawyers in the AMLAW 200 since 2009

The firms adding the most offices
Since 2009



Grand Openings: Where U.S. Law Firms Are Setting Up Abroad. Seal, Ben.

Mexico City has seen a **175%** increase in U.S. firms' presence, swelling to **486** lawyers. And in South America, Bogota, Lima and Rio de Janeiro have each seen over **250%** growth.



Mexico City

Miami

Guatemala

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