



**MEXICAN AEROSPACE MISION TO JAPAN 2009
NAGOYA, JAPAN,
Tuesday September 29, 2009**



This association was established in November 2007 and actually has 50 members or associates which generate exports over 3,000 millions of USD, with a steady yearly increase of more than 20% since 2002.

The aerospace has been considered one of the most important technologic establishing industries in the country, with the development of different industrial clusters in specific regions in all Mexico.

The big OEMS and tier one corporations have established these clusters asking their suppliers worldwide to take the opportunity to establish themselves close to their ensemble, manufacture and production facilities in Mexico to avoid transportation and logistic costs.

FEMIA

and the Aerospace Industry

Our Mission

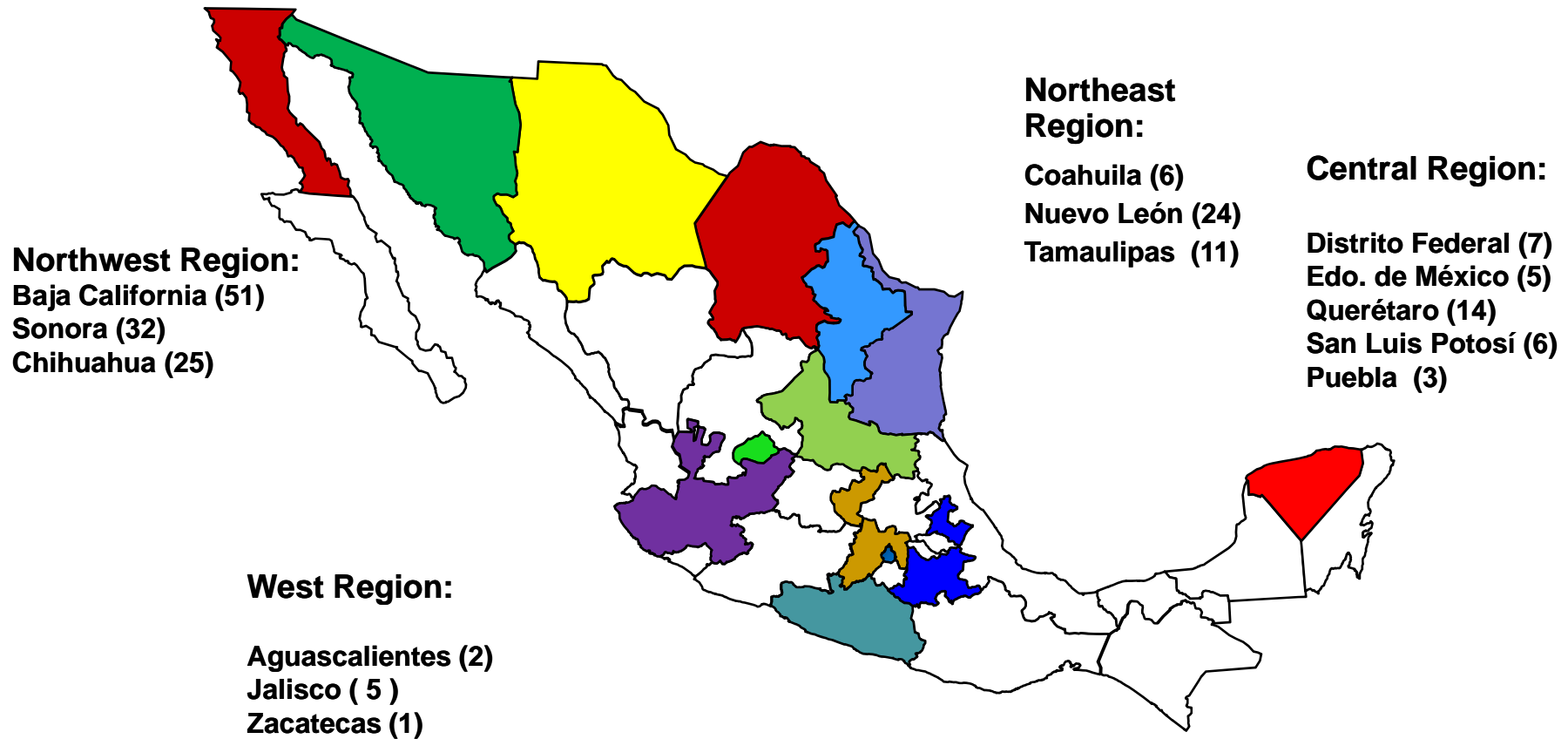
To represent all the aerospace sector in the country and be an international reference as a corporate association, always responding to all strategic challenges of the sector and obtaining the best benefits for all its members.

Our Vision

To promote and empower the aerospace sector favoring the industrial, technological and innovation developments, generating high skill labor and consolidating our sector in more value added activities.

The Aerospace Industry in Mexico

Location and Geographic Distribution



Source: Dirección General de Industrias Pesadas y de Alta Tecnología, SCT, ProMéxico y FEMIA

Corporations: 194
States: 16
Employees: over 27,000

The Aerospace Industry in Mexico



- The development of the aerospace industry in Mexico is recent and its growth has been outstanding
- Corporations: approximately 194: 79% in manufacturing, 11% in MRO and 10% in a engineering and design.
- Employment: Over 27,000 employees in 16 states of Mexico.
- Exports: 2,728 million USD. in 2007 and 3,300 million USD in 2008.
- Expecting to reach 3,400 million USD. of exports in 2009, wivery similar to what we had in 2008.
- Expecting to reach 4,050 million USD of exports in 2010.

The Aerospace Industry in Mexico

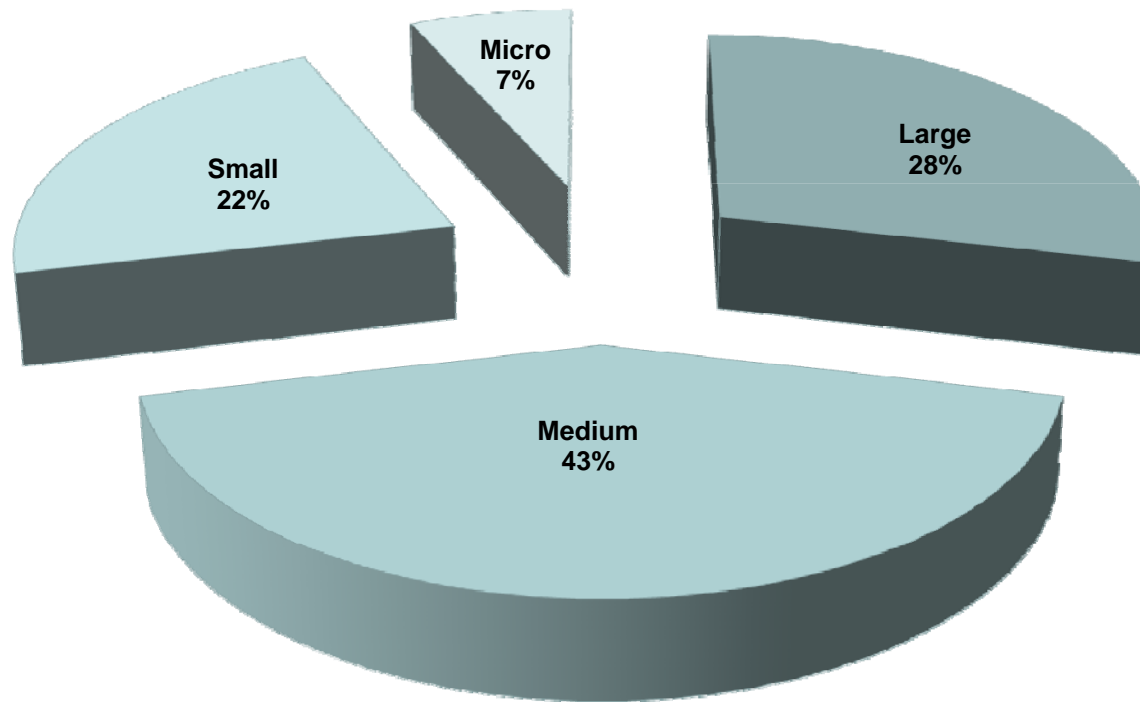
Mexican Aerospace Industry by Activity and State

STATE	(M)	(MRO)	(E&D)	TOTAL
AGUASCALIENTES	2	0	0	2
BAJA CALIFORNIA	48	1	2	51
CHIHUAHUA	25	0	0	25
COAHUILA	5	1	0	6
JALISCO	2	0	3	5
MEXICO CITY	0	5	2	7
NUEVO LEON	13	7	4	24
PUEBLA	3	0	0	3
QUERETARO	8	3	3	14
SAN LUIS POTOSI	5	0	0	5
SONORA	32	0	0	32
STATE OF MEXICO	0	5	0	5
YUCATAN	3	0	0	3
TAMAULIPAS	10	1	0	11
GUERRERO	0	1	0	1
ZACATECAS	1			1
TOTAL	152	26	18	194

(M)
Manufacturing
and Assemble
(MRO)
Maintenance,
Repair and
Overhaul
(E&D)
Engineering
and Design

Aerospace Industry in Mexico

Structure by number of Employees

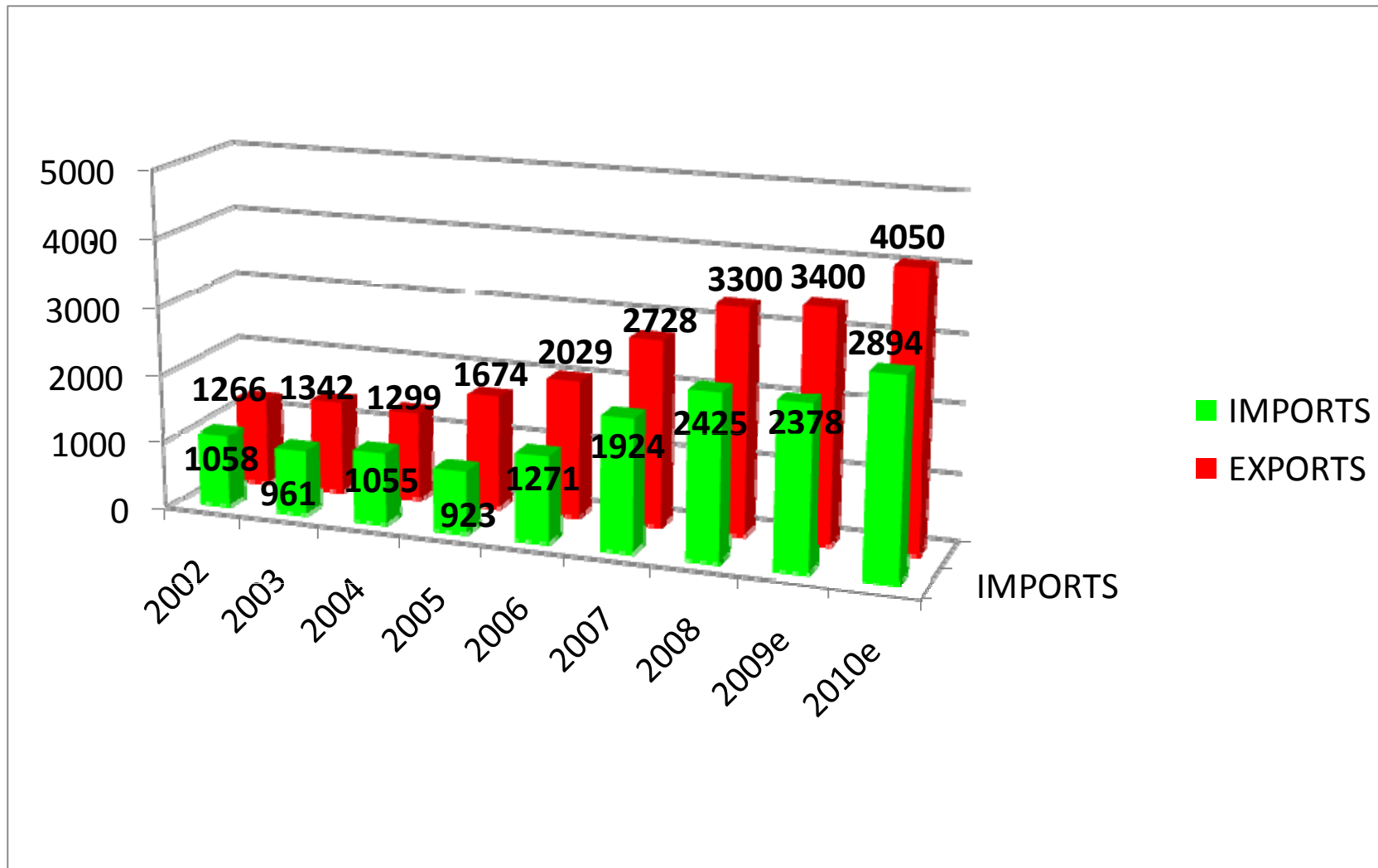


Size	No. de Employers
Micro	1 - 10
Small	11 - 50
Medium	51 - 250
Large	More than 251

Source: S.E.

15 corporations have over 500 employees, 8 in Baja California, 2 in Chihuahua, 3 in Querétaro and 1 in Choahuila and Tamaulipas.

Trade of the Aerospace Industry in Mexico



Source: DGIPAT with data from DGCE,
* Figures in millions USD.

The Aerospace Industry in Mexico

- **The estimated amount of national and foreign direct investment in the aerospace industry in Mexico is close to 3.5 billion USD, as of 2007.**
- **In 2008, Mexico increased its direct investment in this sector with 867 million USD .**
- **In 2009, we expect to receive important foreign investment programs in this sector.**
- **ITR announced a \$383 million USD to manufacture low pressure turbines, a 5 year program, stating this year with \$120 million USD.**
- **The Triumph Group will invest 208.9 million USD in its facility in Zacatecas and Aernnova announced an investment of 103 million USD in Queretaro.**

The Aerospace Industry in Mexico

- The French company Eurocopter announced a \$550 million USD investment to assemble several helicopters in Mexico.
- Another French company, Safran, also announced a 150 million USD investment to establish a plant jointly with a partner to manufacture high impact environmental products for turbines and airplane engines.
- Bell Textron and CESSNA announced a \$106 million USD investment to manufacture several parts for its helicopters and airplanes.
- Honeywell invested 32 million USD for R&D in its facilities in Mexicali for the Airbus 350 program.
- There are other two important aerospace projects to be established in Mexico in 2009 and other supply development projects.

OPPORTUNITIES for the Aerospace Industry

- ✧ **Raw materials, parts and system supplies.**
- ✧ **MRO.**
- ✧ **Design and Innovation** of parts and processes for the aerospace industry.
- ✧ **Development of local suppliers.**

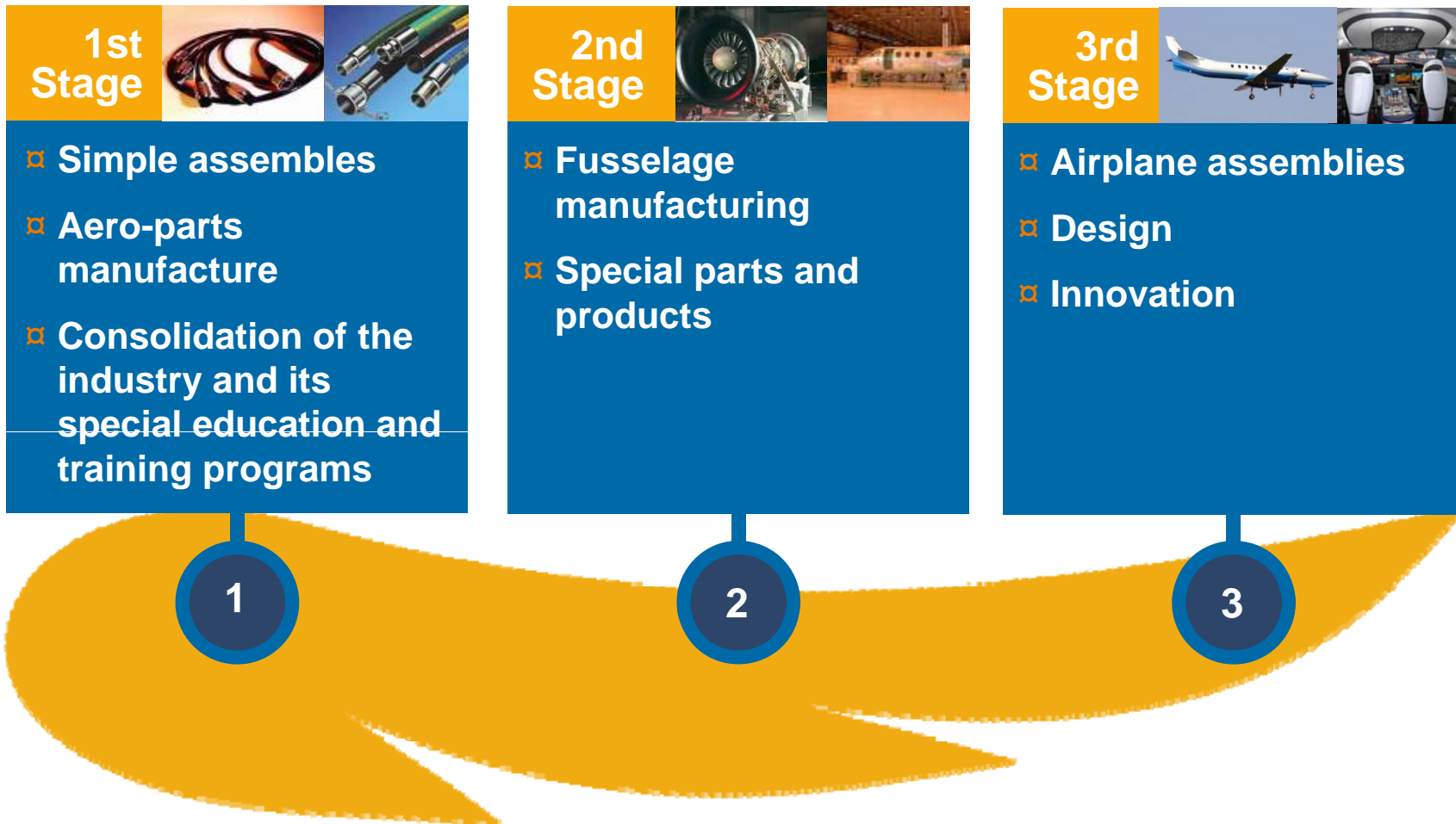
COMPETITIVITY

in the Aerospace Industry and
its main Targets

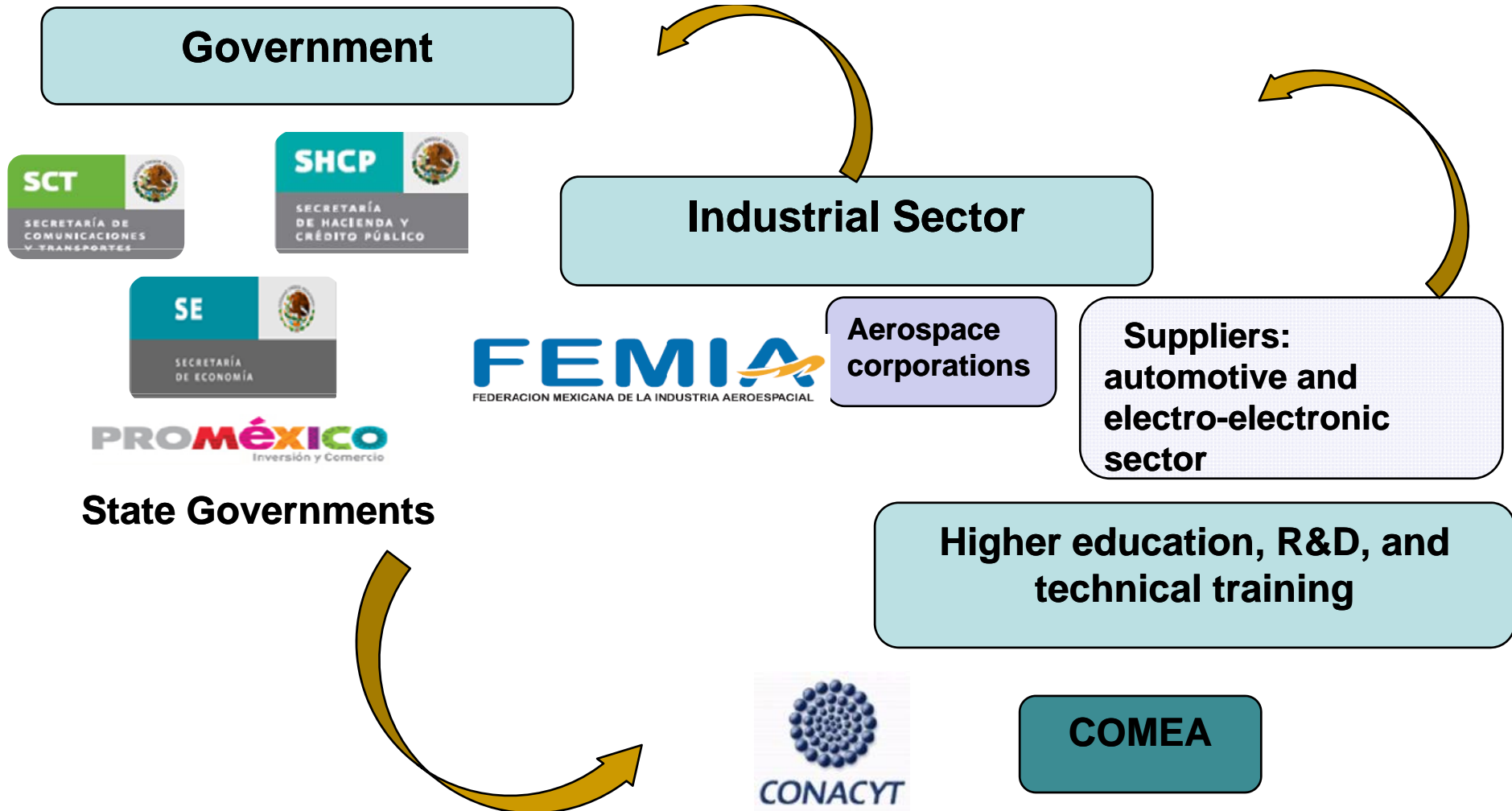
- ✧ **Security**
- ✧ **Human resources**
- ✧ **Design, research and development**
- ✧ **Increase foreign direct investment**
- ✧ **Cost reduction and higher quality**

STAGES

of the Aerospace Industry in Mexico

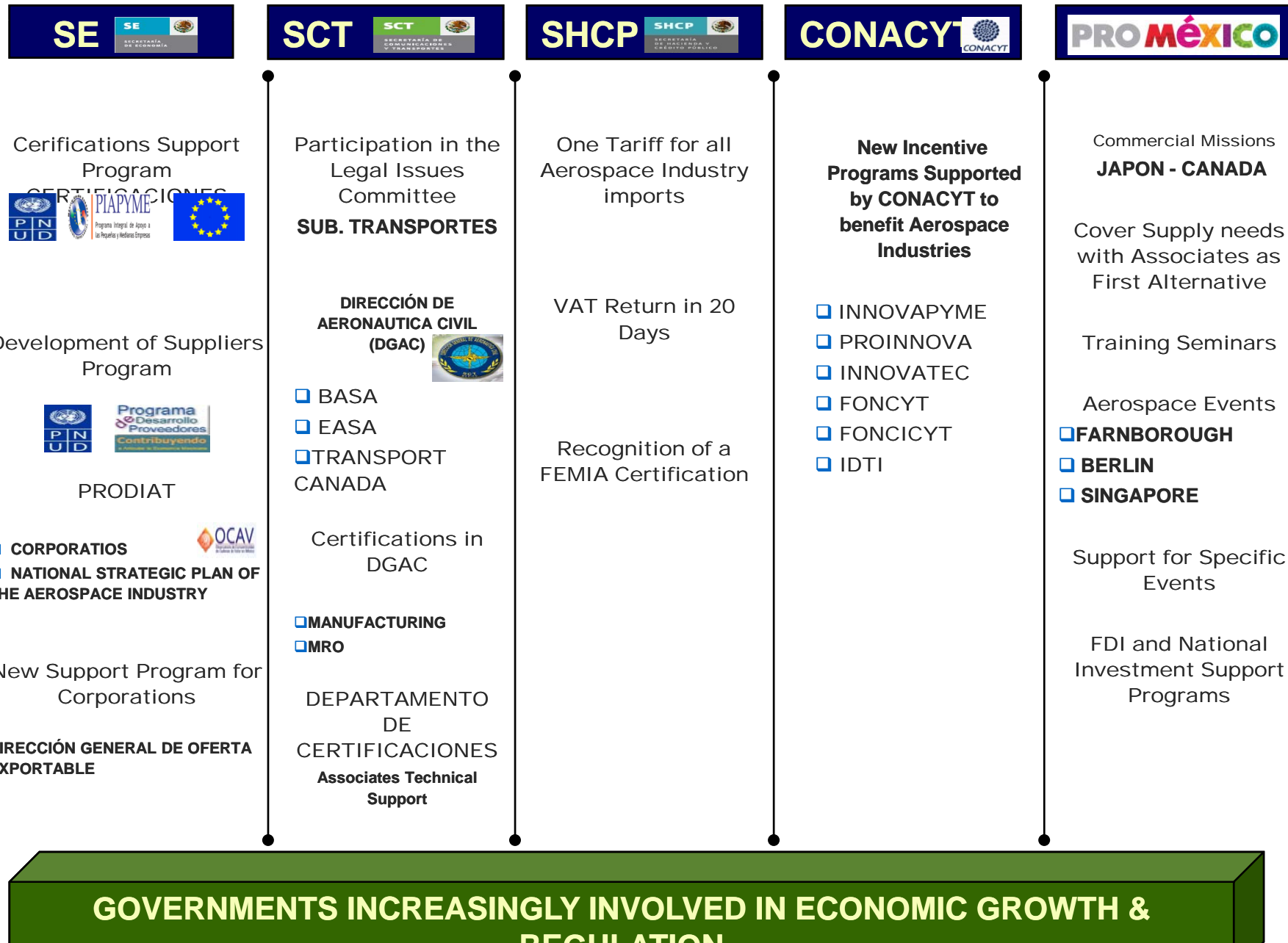


STRATEGIC PLAN in the Aerospace Industry








Source: S.E. -DGIPAT

STRATEGIC RELATIONS WITH AUTHORITIES AND FEDERAL ENTITIES



STRATEGIC RELATIONS WITH AUTHORITIES AND FEDERAL ENTITIES

COMECA	FINANCIAL INSTITUTIONS	STATE AND LOCAL AUTHORITIES	OTHER SERVICES	COMMENTS
<p>Training Programs</p> <p>Graduate Profiles</p> <p>Training Seminars for Employees (Technicians-PHDS)</p> <p>Formation of Human Resources According to the Requirements and Needs of the Associates</p> <p>Increasing Special Technical Programs for the Industry</p>	<p> BANCOMEXT Banco Nacional de Comercio Exterior, S.N.C.</p> <p>Export Financing.</p> <ul style="list-style-type: none"> <input type="checkbox"/> WORKING CAPITAL <input type="checkbox"/> INVESTMENT FUNDS <input type="checkbox"/> FACTORING <p>UPS CAPITAL</p> <p>  Machinery, Equipment and Inventory Financia</p> <p> international Trade Financing</p>	<p>Assisting Programs for Aerospace Industries</p> <ul style="list-style-type: none"> <input type="checkbox"/> NEW NATIONAL AND FOREIGN DIRECT INVESTMENT AND INCREASING INVESTMENT <input type="checkbox"/> INCENTIVES OFFERED BY FEDERAL, STATE AND LOCAL AUTHORITIES 	<p> FEMIA FEDERACION MEXICANA DE LA INDUSTRIA AEROSPAICIAL, A.C.</p> <p>WEB SITE</p> <p>INTRANET</p> <p>DIRECTORY</p> <p>CALENDAR</p> <p>MEETINGS</p> <p>LEGAL ISSUES</p> <p>COVENANTS</p> <p>OTHER INTERESTING SERVICES</p> <p>PRESS</p> <p>LABOR EXCHANGE PROGRAMS</p>	

GOVERNMENTS INCREASINGLY INVOLVED IN ECONOMIC GROWTH & REGULATION

 **The General Direction
of Civil Aeronautics (DGAC)
and the Aerospace Industry**

In September 18, 2007, The Mexican and the US Governments signed the **BASA** (Bilateral Aviation Safety Agreement) where by the **FAA** (Federal Aviation Agency) **recognizes the General Direction of Civil Aeronautics as an agency with full capacity to certify any product or service of any corporation**, thus such products and services are **fully recognized** by the FAA.

BASA is an executive agreement. The DGAC and FAA are working in the procedures for implementation:

- ✘ **Airplanes and components certification (IPA)**
- ✘ **MRO certification (MIP)**
- ✘ **Simulators certification (SIP)**
- ✘ **Environmental Approvals and scenarios**
- ✘ **Approvals and supervision of maintenance technicians, flight technicians, etc.**

The IPA has been negotiated and it will be passed to the Senate on November of 2009, to implement it in January 2010.

MUCHAS GRACIAS

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