

# Entrada Group

## Mexico's Aerospace Industry – *Blasting Off*

The growing number of investment projects by multinational aerospace companies, such as those below, has turned Mexico into one of the most competitive and strategic destinations for manufacturing and sourcing services worldwide.



**JOHN PAUL MCDARIS**  
Director, Business Development,  
Tel: + 1 512-300-8383  
jpmcdaris@entradagroup.com

**DOUG DONAHUE**  
VP, Business Development,  
Tel: + 1 210- 828-8300  
ddonahue@entradagroup.com

## Strengths

- ▶ Mexico is home to some 330 aerospace companies, operating in 18 states and employing more than 40,000 high-level professionals.
- ▶ Mexico is the world's third-largest recipient of foreign direct investment in aerospace.
- ▶ Mexico ranks 12th in global aerospace exports.

## Prospects for Growth

- ▶ Some of the products and services sought in Mexico's aerospace industry are thermal and hydro forming, surface treatments, molding, nitro-carburized materials and nitrocarburizing, motors and rotors, testing equipment, special composites and processes.
- ▶ Sector exports are expected to hit US\$8 billion by 2020.

## Challenges

- ▶ Large OEMs are unable to find specialized, fully certified local suppliers with advanced production processes and sufficient logistics capabilities.
- ▶ Managing cost increases and driving innovation in design and materials are key challenges Mexico's aerospace sector must address in order to grow.

## On the Horizon

- ▶ Industry forecasts Mexico's aerospace industry to experience an average annual growth of 12% during 2016–2020, for \$12 billion in annual exports in 2020, making Mexico one of the world's top 14 sources of aerospace parts.
- ▶ The Mexican Aerospace Industry Federation (FEMIA) is focusing on expanding Mexico's aerospace supplier base, with a formal initiative to enhance opportunities for small- and medium-sized suppliers through its National Supplier Development Program.

***"... Mexico now ranks as the world's 12th in aerospace exports and the exports will continue to grow in every area of an airplane, from the interiors to structures, landing gear, turbines, design and maintenance."***

– FEMIA's Director General Luis Lizcano

### FEMIA PROJECTIONS FOR 2020



**TOTAL EXPORTS**  
US \$12 billion



**NEW JOBS**  
110,000



**50% MEXICAN VALUE ADDED**  
in manufacturing



**RANK 10<sup>TH</sup>**  
among aerospace countries