

Strengths

- ▶ Low hourly total Mexican operating costs for well-run operations (USD\$5-\$7).
- ▶ Operating costs in Mexico's interior are as much as 40% lower than in border regions.
- ▶ Mexico is the most cost-competitive production location among the 15 highest exporting nations in the world, according to Boston Consulting Group.
- ▶ 7,000+ people work for numerous companies from a wide range of industries in Zacatecas building wire harnesses.

Opportunities for Growth

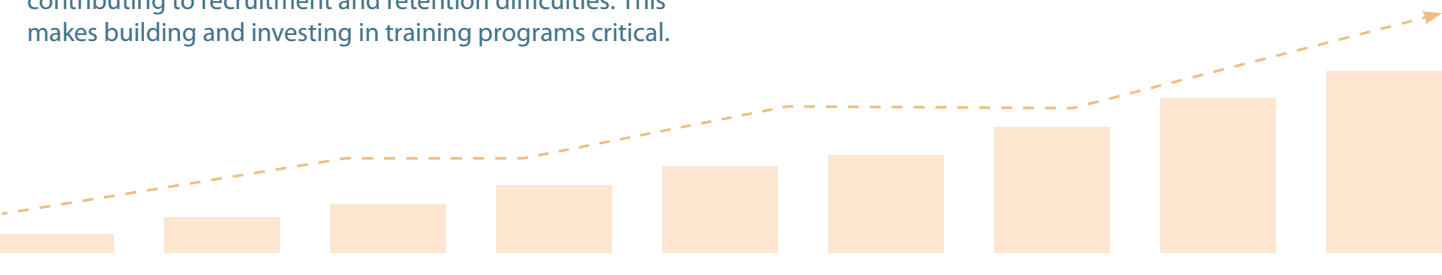
- ▶ Automotive wire harness market projected to be worth \$78.3 billion by 2026.
- ▶ Greater acceptance of electric vehicles (EVs) is driving the automotive wiring harness market, as EVs require greater use of electronic segments, in comparison to traditional cars. Tax cuts and incentives to promote EVs will further boost the wire harness sector.

Challenges

- ▶ Managing cost increases, particularly in regions such as Central Mexico, will be a key part of any supplier's growth strategy.
- ▶ Competition for skilled technical staff is intensifying, contributing to recruitment and retention difficulties. This makes building and investing in training programs critical.

On the Horizon

- ▶ Sales of electric vehicles is one of the primary factors driving wire harness market growth.
- ▶ The wire harness market is expected to grow at a compound annual growth rate of nearly 5% through 2022.



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