

Mexico's economy is stated to be 11th-13th largest in the world and because Mexico was not influenced or majorly affected by the South American Crisis in 2002 it has been able to grow, albeit slowly. Also, according to Forbes Global 2000 list of the world's largest companies, Mexico had 16 within that list in 2008.

# ROUTE TO MEXICO

The economy is developing very fast in the areas of modern industrial and service sectors and as a result expanded competition in telecommunications, rail roads and airports. This is with a view to upgrade the current or non-existent infrastructure.

Being an export orientated economy, Mexico has more than 90% of trade under free trade agreements with more than 40 countries involved. This enables Mexico to trade with the various countries involved with minimal or no tariffs to trade, thus benefiting the Mexican economy.

The federal government agency, Pro Mexico, is responsible for strengthening the part that Mexico plays in the international economy. It also supports the export activities of businesses within Mexico.

Established in 2007 and with a network of 33 offices in Mexico, 27 offices abroad, Pro Mexico has grown fast and provides a great service to the economy. Pro Mexico's mission is to attract more FDI and boost exports of Mexican products, and with values such as efficiency and consistency, this should enable Pro Mexico to contribute heavily in the promotion of Mexican companies, products and services.

Another source for helping the Mexican economy is Latin America Venture Capital Association (LAVCA), a not-for-profit organization that dedicates its resources to aiding and supporting the growth of the private equity and venture capital industry, not only in Mexico but Latin America and the Caribbean.

LAVCA's aim is to help regional economic growth by advancing investment. This is achieved through research, networking, and education. Programs are designed to take risk taking entrepreneurs/investors and to convert into information sharing and appropriate policy environments.

The means in which LAVCA achieve their goals are primarily through: conducting research, promoting professional standards, networking and news, and the VC/PE Association Working Group. Conducting research provides investors with an essential tool to indicate what are the region's different markets and major policy developments.

LAVCA promotes professional standards by working with industry experts, financial institutions and other organizations. This is to develop certain standards and industry guidelines for the business society. In addition to this the association also encourages training and professional development.

Networking and news is provided through LAVCA's annual summit which



Bolsa Mexicana de Valores (BMV)  
[www.bmv.com.mx](http://www.bmv.com.mx)



LAVCA  
[www.lavca.org](http://www.lavca.org)

opens an important networking forum for venture capital and private equity. The monthly e-newsletter, 'The LAVCA Reporter', also provides industry news to over 2,000 subscribers. The VC/PE Association Working Group encourages development and competitiveness between small and medium sized businesses/enterprises. This group is within the goals of a project grant awarded by the Multilateral Investment Fund (MIF) and Corporacion Andina de Fomento (CAF). Established as a three year project, it involves annual meetings for the working group and provides organizations a meeting place to discuss and compare notes/calendars, as well as identifying opportunities for partnership and working together.

LAVCA provide a thorough service which in return benefits the Mexican economy and gives businesses/enterprises a source of vast information and guidance.

The benefits of launching a business in Mexico have been highlighted to some degree so far. Perhaps another major benefit is the Mexican Stock Exchange, otherwise known as Bolsa Mexicana de Valores (BMV). Being Mexico's only stock exchange it is the second largest in with regards to market capitalisation in Latin America.

Many of Mexico's large and well know companies are listed and range from Telmex to Walmex. A small amount of these companies are also listed on the US stock markets. This would provide confidence to other companies, whether domestic or foreign, in the business arena.

With both Pro Mexico and LAVCA contributing to the economic and social development of Mexico, the country appears to have solid foundations and should enable businesses whether it be domestic or foreign, to expand and prosper within the Mexican market.

## J.A. TREVIÑO ABOGADOS

your **bright** corporate legal team

### BUSINESS FORMATION

J.A. Treviño Abogados  
Jaime A. Treviño - Managing Partner  
+52 (81) 8335-4200, Ext. 101.  
jtrevino@jatabogados.com  
www.jatabogados.com

**Mexico is in the aftermath of the global recession and expecting a moderate growth to recovery this year. The initial stages of the manufacturing industry recovery in the United States of America and other countries is starting to be perceived in Mexico, in addition with the continued infrastructure programs launched last year within the country – which have stimulated the economy.**

The geographical location of Mexico, in addition to the availability of qualified labor, import/export incentives' programs, and top quality services and living opportunities, provide the country with a privileged business and manufacturing position to service a number of markets. The current legal framework provides grounds for a practical approach to business formation, start-up and maintenance, and JATA has developed service mechanisms through which we can efficiently assist our clients in reaching their goals.

#### J.A. Treviño Abogados (JATA)

JATA was founded in 1997 with the specific goal of providing top quality and highly specialised legal services to international clients doing business in Mexico. Our firm offers a boutique practice in a broad spectrum of practice areas, including Business Formation, General Corporate

Practice and Contracts, Mergers & Acquisitions, Financing, Business Start-up and International Trade, Real Estate, Labour Law, Intellectual Property, and Civil & Commercial Litigation.

JATA works locally for international clients. Most of our clients are foreign companies doing business in Mexico, including a number of Fortune 500 companies. Our team is fully bilingual and multi-cultural, and some of our members speak more than two languages. We have the capabilities of efficiently working and adapting to other cultures, assisting our clients in their venture in Mexico with sound and experienced legal advice.

While establishing a Mexican company involves a number of procedures and filings our expertise in the area has permitted us to develop service mechanisms which enable us to accomplish the process in the most cost-effective manner for our clients. Finding the most appropriate corporate structure, available tax benefits and compliance with foreign investment regulations are all part of our highly specialised services in this practice area.

We have advised a number of foreign companies in their business start-up processes in Mexico. Having worked with US, European, Chinese and other Asian-based corporate clients, our experience sets us in a great position to anticipate to specific client needs.

## J.A. TREVIÑO ABOGADOS

your **bright** corporate legal team

### LABOUR LAW

J.A. Treviño Abogados  
Victor M. Diaz - Labour Counsel.  
+52 (81) 8335-4200, Ext. 102.  
vdiaz@jatabogados.com  
www.jatabogados.com

**The current labour conditions in Mexico are complex and are not exempt from the difficult global economic environment. There is skilled and increasingly specialised labour, which represents a competitive advantage for businesses, and today companies are looking to fill positions with capable employees and require a high level of knowledge and expertise.**

At JATA we have the capability, experience and tools to measure the risks inherent in a merger or acquisition, and to achieve our clients to comply with applicable legal requirements. As part of our services, we make a "tailor-made" solution for each of our clients, meeting their goals and needs and focusing primarily on the specific requirements applicable to them according to the company's business, while constantly adapting to the demands of the market in which it operates.

We offer a comprehensive service for the employer-employee relationship to be carried out in accordance with law and as practically and efficiently as possible, as we are constantly updating criteria and participating in the most important forums for discussion of new schemes of legal compliance. Our services are focused on addressing specific needs that each client requires, from the development of the initial legal infrastructure, to managing day to day work. We also conduct Labour audits, in the context a merger or acquisition and / or to evaluate risks of human resource management, recommending and

implementing actions where necessary to strengthen the legal position of our clients for any eventuality.

Labour legislation in Mexico has a high degree of complexity. The companies operating in Mexico, and those who are on track to commence operations or acquire a business operating in Mexico, must become aware of the importance of having a documental infrastructure and proper work practices, based on the applicable legal requirements. While in many countries the presence of Unions in working life is common, in Mexico each company's relationship with the Unions is of significant importance, and it is therefore essential to manage it productively for the company, while maintaining a fair, legal and appropriate relationship with the workers. The proper management of labor and Union relationships is a key element to minimize lawsuit risks.

Currently there are proposals for reforming Mexican Labour Law and there is constant debate on amendments that could be approved. Among the discussion points are the modification to the form of contract, payments for hours, easing social security payment procedures, various aspects of Union life, among other significant issues. The possible adoption of a labour reform is a sensitive issue in the cultural context of Mexican politics, which has significantly delayed this process.

At JATA we are in constant contact and participation on the topics of debate. Although the reforms are still at the draft level, we will be ready to react and advise our clients to any changes which may be approved.