

Mexico in Brief

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NUEVO LEON CONFIRMS ITS LEADERSHIP IN FOREIGN INVESTMENT ATTRACTION.

The state of Nuevo Leon recently announced that a considerable number of foreign companies are expected to start operations within the State during 2007. Approximately 14 new maquiladora companies are expected to startup, involving aggregate investment ranging between U.S.\$350 to U.S.\$450 million. U.S.-based hospital equipment manufacturer Hill-Rom has announced an investment of U.S.\$25 million in a plant to be located within the Monterrey metropolitan area; Halliburton also announced a U.S.\$20 million investment in a plant within the State. The State's Secretary of Economic Development recently announced its intention to seek amendments in local laws currently preventing the State Government from offering more substantial incentives to companies interested in starting operations in Nuevo Leon.

MEXICAN COMPANIES INTERESTED IN GAS-RELATED INVESTMENTS IN TEXAS.

A group of businessmen based in the state of Nuevo Leon continue awaiting new regulations expected to be issued by the Mexican Secretary of Energy allowing for private investment in natural gas exploration and production in Mexico. In the meantime, they are planning to start such business activities in Texas. The aggregate amount initially estimated for such investment ranges between U.S.\$80 and U.S.\$100 million, and is expected to be financed by foreign banks which have expressed their interest in the project, mainly based on their longstanding trust and relationship with the investors.

U.S.\$3 BILLION FOR MEXICAN ROAD INFRASTRUCTURE.

During 2007, the Mexican Secretary of Transportation and Communications will invest approximately U.S.\$3 billion in road infrastructure. The Secretary informed that such public funds will be supplemented with private investment through specific concessions or other similar projects, taking advantage of the existing Mexican road assets.

DAL-TILE TO INVEST U.S.\$100 MILLION IN NEW MEXICAN PLANT.

U.S.-based ceramic product manufacturer Dal-Tile Corporation announced that it will invest U.S.\$100 million this year in the installation of a new plant to be located in the municipality of Frontera, in the Mexican state of Coahuila. This plant will be Dal-Tile's second in Mexico; the company currently operates a plant in San Pedro Garza Garcia, Nuevo Leon. The location of this second plant was decided after considering alternate locations in China, Brazil and the United States.

SHARP ANNOUNCED THE OPENING OF A NEW PLANT IN MEXICO.

Executives of Sharp Corp. announced the company's plan for the construction of a new liquid crystal display television manufacturing facility in Mexico, involving an investment of approximately U.S.\$66 million. Sharp's new plant is part of its business plan targeted to recover its leadership in the television market. The plant will be constructed adjacent to the company's currently-operating LCD modules plant in Baja California, and is expected to start operations in July, with a preliminary monthly production of 200,000 televisions.

CEMEX TO INVEST U.S.\$1.2 BILLION IN MEXICO.

Cemex, the global cement and building-solutions company headquartered in Monterrey, informed that it will invest up to U.S.\$1.2 billion in its Mexican operations between 2007 and 2009. The company also announced its expectation to increase its Mexican cement sales in 2007 in an estimated 8%.

THE MEXICAN ECONOMY CONTINUES IMPROVING.

The Mexican economy grew 5.2% in October 2006, calculated on a yearly basis. The substantial economy growth is mainly derived from a 16% growth in the farming sector, 4.8% in the services sector, and 4.6% in the industrial sector.

Business Summary for January 2007

Stock Exchange Index (BMV)

27,561.49

4.21% ▲

Exchange Rate (Fix)

MxP 11.0382 - U.S.\$1

2.10% ▲

Inflation-December/Cummulative/12 Months

0.58% / 4.05% / 4.05%

TIIE 28 / 91

7.41% / 7.67%

0.95% ▲ / 0.92% ▲

CETE 28 / 91 / 364

7.04% / 7.19% / 7.46%

N/A / 0.42% ▲ / 2.61% ▲

UDI

MxP 3.809457

0.54% ▲

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