

Mexico in Brief

J.A. TREVIÑO ABOGADOS

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MEXICAN ECONOMY GREW 3.5% DURING FIRST QUARTER.

According to the Mexican Secretary of Revenue and Public Finance, the Mexican economy grew 3.5% during the first three months of 2007. This figure was revealed by Agustin Carstens, head of such Mexican Secretary, during the Mexican Banking Convention held last month. Mr. Carstens expressed its expectation that such growth will result in creating job positions in excess of the Secretary's target figure, and additionally mentioned that the Secretary continues working on the criteria and parameters which will be proposed to the Mexican Congress regarding the long-expected integral Mexican tax reforms.

GRUPO LAR TO INVEST UP TO U.S.\$900 MILLION IN MEXICO.

Grupo Lar, one of the top five housing construction companies in Spain is planning to invest up to U.S.\$900 million in land reserves in Mexico during 2007. According to Vicente Aliño, the CEO of the Mexican operations of the company, the land reserves would be solely used for the construction of houses. Mr. Aliño expressed that Mexico's construction industry is at its peak mainly due to macroeconomic stability, the availability of government programs, and the growth of bank credits, which were virtually inexistent during the Mexican financial crisis of the past decade.

NUEVO LEON: TOP RATED BY MOODY'S IN CONTRACT ENFORCEABILITY.

According to *Moody's*, Nuevo Leon resulted one of the only four Mexican states which reached the highest standards of enforceability of commercial and mortgage contracts, jointly with Estado de Mexico, Guanajuato and Queretaro. *Moody's* recently conducted the "Contractual Enforceability" study which resulted in the ranking; the study evaluated the institutional quality, the duration of the proceeding, the efficient application of the human and material resources involved, and the efficiency in the enforcement of the relevant resolutions.

ADDITIONAL TOURISM INVESTMENTS IN MEXICO ARE ANNOUNCED.

Spanish-based *OHL* announced that it will invest U.S.\$1.3 billion within the next seven years in the development of a new resort complex in the Mayan Riviera. The project, called "*Mayakoba*", will involve tourism and ecological facilities within 640 hectares. Separately, *The Related Group*, which is the largest Hispanic real-estate company in the United States, announced that it will invest U.S.\$1 billion in six projects in Mexico involving the construction of 6,000 units, composed of both hotel rooms and residential houses.

12 MAQUILADORAS TO START OPERATIONS IN NUEVO LEON.

Approximately 12 new *maquiladoras* will start operations within the state of Nuevo Leon between 2007 and 2008, generating approximately 4,500 new job positions, announced Leonel Ruiz, President of the *Maquiladoras'* Association of Nuevo Leon. Mr. Ruiz mentioned that five of such *maquiladoras* will open this year, and the rest of them will do so during 2008. Such companies will be located in the municipalities of Cienega de Flores, Apodaca and Escobedo, within the Monterrey metropolitan area.

FEMSA: IN CONTINUED AND SUBSTANTIAL GROWTH.

FEMSA, the Mexican beverage and retail conglomerate, announced that it will invest approximately U.S.\$900 million during this 2007 to maintain the explosive growth of *Oxxo*, its retain chain store, and to consolidate the strategy of a continental platform of beverages in which the company is developing substantial synergies. *FEMSA* also recently announced that it is one of the final participants in the process to acquire the South Korean *Coca-Cola* business from an Australian group.

Business Summary for April 2007

Stock Exchange Index (BMV)

28,996.71

0.87% ▲

Exchange Rate (Fix)

MxP 10.9278 - U.S.\$1

0.95% ▼

Inflation-March/Cummulative/12 Months

0.22% / 1.02% / 4.21%

TIIE 28 / 91

7.47% / 7.61%

0.13 ▲ / 0.91% ▼

CETE 28 / 91 / 364

7.01% / 7.15% / 7.38%

0.43% ▼ / 0.83% ▼ / 1.86% ▼

UDI

MxP 3.840988

0.17% ▲

J.A. TREVIÑO ABOGADOS

www.jatabogados.com

info@jatabogados.com

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