

Mexico in Brief

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FCC TO PARTICIPATE IN INFRASTRUCTURE PROJECT IN QUERETARO.

FCC, the Spanish construction and services' group, was awarded a contract for the operation of a major hydraulic system in the city of Queretaro in central Mexico, during a 20-year period. The estimated investment return of the infrastructure project amounts to approximately €330 million, while the cost of the project, to be financed through a partnership, reaches approximately €178 million. The main purpose of the project is to transport approximately 50 million cubic meters of water per year to the Queretaro metropolitan area.

MEXICO LEADS IN TELEVISION ASSEMBLY WORLDWIDE.

Television exports in Mexico have reached a new peak involving approximately U.S.\$4.5 billion during the first quarter of 2007, which involves a 68% increase from the same period of 2006. Mexico provides approximately 68% of all televisions which are imported into Canada, and 54% of those imported into the U.S. Manufacturers such as *Samsung*, *Hitachi*, *Sony* and *Sanyo* have chosen Tijuana in Northwest Mexico to establish their main production facilities, and are exploring other regions within Mexico to increase their installed production capacity.

VITRO EXPECTING TO INCREASE ITS INVESTMENT PROGRAM FOR 2007.

Vitro, the Mexican glass-manufacturing company based in Monterrey, recently announced that it had raised its investment budget for 2007 from U.S.\$195 million to approximately U.S.\$230 million. The overall investment is expected to be directed in substantially equal parts to Mexico and other international operations of the company. U.S.\$190 million of the investment budget will be allocated to *Vitro's* glass-casing products, U.S.\$110 million of which will be invested in maintenance of existing facilities, and U.S.\$80 million in increasing the companies' installed manufacturing capacity.

AUTOMOTIVE INDUSTRY RIDES TO MEXICO.

A number of import/export benefits and low costs are wooing investment in Mexico within the automotive industry. According to a recent study by *PricewaterhouseCoopers*, investment in the sector is mainly derived from Mexico's privileged geographical position for exporting purposes, and as a consequence of continued labor and labor union conflicts in the U.S. within this industry. Major U.S. manufacturers such as *Ford*, *GM* and *Chrysler* are mentioned to be exploring additional investments in Mexico. However, according to the Mexican Automobile Industry Association, the companies seeking for further investment opportunities are *Toyota*, *Ford*, *Volksvagen* and *Chrysler*.

MEXICAN BREAD GIANT BIMBO OPENS PLANT IN CHINA.

Mexican bread conglomerate *Bimbo* opened its 73rd plant worldwide in Beijing, involving a 10 thousand square feet manufacturing facility employing approximately 800 workers and manufacturing 47 different types of baked products. The company's business start-up in China follows Mexico-based *Vitro's* incursion in the market with a plant near Shanghai to mainly procure the automotive industry, and most recently *Maseca*, which last year opened a tortilla and fried-corn products' manufacturing plant in China.

CONSIDERABLE INVESTMENT POURS INTO MEXICAN PORTS.

During 2007, approximately U.S.\$136 million will be invested by the Mexican Government in Mexican ports' infrastructure. Additionally, substantial private investment is expected in such sector. The important Port of Altamira, in Northeast Mexico, expects to receive an investment from Korean-based *Posco* involving approximately U.S.\$250 million; in the Port of Lazaro Cardenas, in the Pacific Coast, *Hutchinson Ports* will be investing approximately U.S.\$100 million in a new container terminal.

Business Summary for May 2007

Stock Exchange Index (BMV)

31,398.96

8.28% ▲

Exchange Rate (Fix)

MxP 10.7445 - U.S.\$1

1.68% ▼

Inflation-April/Cummulative/12 Months

-0.06% / 0.96% / 3.99%

TIIE 28 / 91

7.70% / 7.83%

3.08% ▲ / 2.89% ▲

CETE 28 / 91 / 364

7.24% / 7.41% / 7.60%

3.28% ▲ / 3.64% ▲ / 2.98% ▲

UDI

MxP 3.832452

0.22% ▼

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