AUTOMOTIVE INVESTMENTS IN MX

Q3 2023

DIRECTORIO AUTOMOTRIZ
ENLAZANDO NEGOCIOS

Automotive investment during the Q3 of 2023

Full report on investments registered in the July-September 2023 quarter in the automotive industry.

WHAT CAN I FIND IN THIS REPORT?

Learn about the investments that, from **July to September 2023**, were the result of the relocation of companies to Mexico (Nearshoring), as well as the attraction of foreign direct investment and the investment of national companies, positively impacting the generation of direct and indirect jobs in the automotive industry in the country. In this special content, you will be able to learn the details of all these investments thanks to the permanent coverage of **Cluster Industrial** and the work of the Business Intelligence Area of the **Directorio Automotriz** B2B platform.

You will also find the comparison of investments between states during this period, and a summary of the accumulated investments from January to September 2023.

Don't forget to visit the profiles of the companies that made investments; To do so, just click on the hyperlinks of those that are indicated for having a profile within our platform. To see all the information and contacts of these companies, **do not forget to register** and purchase your annual membership in **Directorio Automotriz**, so you can communicate with valuable contacts and view updated requirements, exclusively for you.

PS:

Those investments with fields in N/D (no data) indicate investments that were confirmed, but whose details such as amounts, jobs or area were not reported or have confidentiality clauses.

THE URGENCY TO MANUFACTURE ELECTROMOBILITY COMPONENTS IN MEXICO

83 INVESTMENT PROJECTS WERE REGISTERED DIRECTLY RELATED TO ELECTROMOBILITY PLATFORMS

DIRECTORIO AUTOMOTRIZ identified that **58% of the investment projects registered in the first nine months of 2023 correspond to tier 1 or 2 auto parts companies** in the automotive value chain, while **7% correspond to assembly companies or original equipment manufacturers (OEM)**. Another 13% of the investments have come from companies that provide services and products for the automotive sector and **12% correspond to investments from Industrial Parks developers**. Projects related to raw materials represent 8% of investments and Design, Engineering and Development (R&D) projects only represent 2%.

Regarding the type of investment, **59.4% of the investments in the January-September period were new developments, while 37.3% corresponded to expansions or modernization of existing plants.** Another 1.4% of the investments are mixed investments that include both expansion of existing facilities and construction of new plants; another **1.4% to retooling investments** and the rest is acquisitions. In addition, of the total auto parts projects registered in the January-September period **(142)**, it was found that **83 are directly related to electromobility platforms**, that is, **58.4% of the total**, which demonstrates the strong trend towards electrification in the mexican automotive industry.

During the third quarter, **Mexico accumulated US $3,422.9 billion dollars in investments in the automotive sector**, which indicates a **growth of 180.4%** compared to the same period in 2022, a **NEW RECORD** for this period of the year and the third consecutive for the year 2023. Speaking specifically of investments by OEM companies (final assembly) and auto parts suppliers (Tier 1 and Tier 2), investments in the third quarter reached **US $1.487 billion dollars.**

Regarding jobs generated, when considering the complete accumulation of investments, including those of products and services, as well as industrial parks, assembly plants and auto parts, we found that more than **15 thousand jobs** have been created in the third quarter of 2023.

Regarding constructed area, under construction or remodeling, the projects registered during the third quarter of the year reached an impressive figure of **17.15 million square meters** of industrial real estate land in the country, an exponential **four-digit growth** that denotes **urgency in the industrial real estate market for the creation of new developments to capitalize on Nearshoring**. In particular, this indicator is influenced by the development of the **Hofusan Industrial Park** in Yucatán, which hopes to attract companies in the electronics and automotive sector to the peninsula with its 1,000 hectares of development, which would place it as one of the largest in the country. The other industrial parks that began construction in the third quarter reach an average surface area of **87 hectares**. In the third quarter, **industrial parks represented investments of 621 million dollars.**

Daniel Romo, leader of the Business Intelligence Area of Directorio Automotriz, highlighted the significance of this great movement in industrial construction and what it represents for future investments and the effect of Nearshoring: “What we observe is a desperate response from industrial real estate developers. for reacting to the excessive arrival or interest of Asian, North American and European companies in relocating their operations to Mexico. This already gives us an idea of the size and amount of investments expected in the market for the next 12 to 24 months, with the preparation of new industrial parks and a prompt saturation of the northeast market.”

Regarding whether investments could also reach the Bajío, Romo states that “without a doubt many companies will not want to wait for the developments under construction in the northeast to be ready when there are currently good options and availability in other states of the Bajío, center and west of the country”, and he added “We are facing a cascade effect that already occurred in the last decade.”

About the country of origin of said investments, the main foreign investors during the entire January-September 2023 period were the **United States (21.2%), Germany (14.3%) and China (11.5%).** National investments were placed third, practically tied with German investments with 14.3% of all projects. Japanese capital investments reach fifth place with 11.1% of the total, while Korean investment represents 6.5% in 2023.
Directorio Automotriz found that the states in the country that accumulated the highest investment amounts in the January-September 2023 period were **Nuevo León**, with 39.1% of the national total (US$ 6,161.6 M), followed by **Coahuila** with 21.2% (US$ 3,334.25 M) and **San Luis Potosí** with 10.5% (US$ 1,658.3 M). **Guanajuato** was fourth in this area with 5.5% (US$ 879.72 M) and **Chihuahua** reached 4.2% (US$ 663.2 M). During the third quarter, Coahuila added US$ 1,689.7 million dollars in 12 new projects, while Nuevo León had 11 new projects for US$ 480 million dollars.

It should be noted that these amounts do not include Tesla’s investment in Santa Catarina, since the official amount of said investment has not been officially confirmed by Elon Musk’s company, although it is between 3 and 5 billion dollars. The official amount and more information about the project is expected to be shared during the groundbreaking event in early 2024. “In addition, we still expect several major investment announcements in the range of hundreds of millions of dollars by the end of the year 2023, so the fourth quarter will still see interesting movements,” added Daniel Romo.

Daniel Romo,
Leader of the Business Intelligence Area of Directorio Automotriz

AUTOMOTIVE INVESTMENTS RESULTS FOR Q3 2023

66 INVESTMENTS FROM 15 COUNTRIES

(57.1% more than in Q3 22)

- **44 NEW INVESTMENTS**
- **19 EXPANSIONS**
- **2 RETOOLING**
- **1 MIXED (NEW+EXPANSION)**

- **38** AUTO PARTS (Tier 1, y 2)
- **9** PRODUCTS & SERVICES
- **8** INDUSTRIAL PARKS
- **6** RAW MATERIALS
- **2** OEM's
- **2** R&D
- **1** INFRAESTRUCTURE

US$ 3,422.9 M

IN INVESTMENTS DURING Q3 2023
(+180.4% VS Q3 2022)

US $ 1,335.4 M

IN AUTO PARTS PLANTS Q3 2023

US $ 1,064.7 M

IN ELECTROMOBILITY INVESTMENTS Q3 2023

US $ 621.6 M

IN INVESTMENTS IN INDUSTRIAL PARKS IN Q3 2023

17,155,424 M²

OF CONSTRUCTION DURING Q3 2023
(+6001.5% VS Q3 2022)

15,004

NEW JOBS CREATED DURING Q3 2023
(+69.0% VS Q3 2022)

29.0% OF THESE INVESTMENTS HAVE PROFILES IN THE DIRECTORIO AUTOMOTRIZ PLATFORM WITH WHICH YOU CAN LINK TO DO BUSINESS. This percentage will increase thanks to the work of our Business Intelligence team, which will add new companies to the platform soon!

Source: Directorio Automotriz , with information from Cluster Industrial, October 2023.

DIRECTORIO AUTOMOTRIZ
ENLAZANDO NEGOCIOS

Accumulated Investments during 3Q 2023

CITY/ MUNICIPALITY	State	COMPANY	INVEST-MENT TYPE	SECTOR	COUNTRY	Investment (US$ Millions)	DESCRIPTION/ PRODUCT	GENERATED JOBS	SURFACE AREA (square meters)
Aguascalientes	Aguascalientes	**Judd Wire**	New	Autoparts	Japan	25	Electric vehicle battery cables, electrical harnesses and fiber optic cables	300	38,000
Pabellón de Arteaga	Aguascalientes	**ABIC**	New	Autoparts	Japan	11	Aluminum components for A/C systems	260	n/d
San Francisco de los Romo	Aguascalientes	**Murata Spring**	Expansion	Autoparts	Japan	n/d	Automobile springs	n/d	n/d
Tijuana	Baja California	**Aptiv**	Expansion	Autoparts	Ireland	n/d	High speed data cables & connectors	n/d	n/d
Tijuana	Baja California	**Fibra Macquarie (FIBRAMQ)**	New	Industrial Parks	México	90	Industrial park with BTS and rent industrial buildings	n/d	2,500,000
Tijuana	Baja California	**Industrial Gate Pacific**	New	Industrial Parks	México	205	Parque Industrial Gate Pacific	n/d	278,709
Aldama	Chihuahua	**Commercial Vehicle Group (CVG)**	New	Autoparts	USA	10	Harnesses and assemblies, seat structures and plastic parts	300	n/d
Cd. Juárez	Chihuahua	**Vishay Intertechnology**	New	Autoparts	USA	n/d	Wirewound Power Metal Strip® resistors	n/d	n/d
Arteaga	Coahuila	**MATRO**	New	Autoparts	México	21	Stamps and dies	800	9,300
Frontera	Coahuila	**Parque Industrial Frontera**	New	Industrial Parks	México	17	Industrial Park with 79 industrial warehouses.	n/d	1,680,000
Matamoros	Coahuila	**Shandong Weida Machinery**	New	Products	China	15	Manufacture of drill chucks and parts for machining tools	100	10,000
Ramos Arizpe	Coahuila	**Deacero**	New	Raw Material	México	1000	New intelligent and automated steel mill with a capacity of 1.2 million tons per year to enter into operations in 2026.	1000	n/d
Ramos Arizpe	Coahuila	**Martinrea**	New	Autoparts	Canada	85	Complex stampings and assemblies for bodies and chassis	450	32,000
Ramos Arizpe	Coahuila	**Mubea**	New	Autoparts	Germany	57.7	Automotive Fiberglass Springs	191	15,000
Ramos Arizpe	Coahuila	**Industrial Partners (Grupo Garza Cavazos)**	New	Industrial Parks	México	160	Partners Industrial Park with 20 industrial warehouses for rent	n/d	700,000
Saltillo	Coahuila	**GHSP**	Expansion	Autoparts	USA	10.2	Mechanical and electromechanical systems	70	n/d

Fields shaded in blue: Companies with high-value profile and contacts in Directorio Automotriz.

Source: Directorio Automotriz , with information from Cluster Industrial, October 2023.

CITY/ MUNICIPALITY	State	COMPANY	INVEST-MENT TYPE	SECTOR	COUNTRY	Investment (US$ Millions)	DESCRIPTION/ PRODUCT	GENERA-TED JOBS	SURFACE AREA (square meters)
Saltillo	Coahuila	**Paramount New Materials**	New	Autoparts	China	200	Extrusion and machining of aluminum components for chassis, for crashes	1,225	780,000
Torreón	Coahuila	**Amistad México Industrial Developers**	New	Industrial Parks	México	80	Parque Industrial Amistad Laguna	n/d	700,000
Torreón	Coahuila	**Golden Logistics**	Expansion	Industrial Parks	México	43.8	Second phase of Golden Industrial Park	n/d	220,000
n/d	Durango	**Kuntai Company**	New	Autoparts	China	30	Soft parts for automotive luxury interiors, carpets, wheel covers, plastic moldings for seat backs	300	n/d
Gómez Palacio	Durango	**Kyungshin**	New	Autoparts	South Korea	45	3 plants for manufacturing battery modules for electric cars, electronic cards and harnesses	2,200	n/d
Gómez Palacio	Durango	**Linamar**	Retooling	Autoparts	Canada	60	Acquisition of specialized machinery for new production lines for electric vehicles	200	n/d
Gómez Palacio	Durango	**Vishay Intertechnology**	New	Autoparts	USA	45	Semiconductors manufacture.	500	n/d
n/d	Estado de México	**De Luna Lithium Battery**	New	Autoparts	México	80	Lithium batteries for heavy and light vehicles	900	10,000
Cuautitlán Izcalli	Estado de México	**DHL Supply Chain**	New	Services	Germany	n/d	Center of Excellence for Electric Vehicles, warehousing and distribution of EV batteries	n/d	n/d
Tepotzotlán	Estado de México	**Onest Logistics**	New	Services	México	n/d	Distribution center.	800	n/d
Toluca	Estado de México	**Bardahl**	Expansion	Products	USA	n/d	Production of fluids for the automotive sector	n/d	n/d
Toluca	Estado de México	**ULTRA AC Desarrollos**	New	Industrial Parks	México	25.8	Parque Industrial Ultra Park Toluca I	n/d	15,000
Celaya	Guanajuato	**Deacero**	Retooling	Raw Material	México	N/d	Modernization of the Deacero Celaya industrial complex with new machinery.	n/d	n/d
Apaseo El Grande	Guanajuato	**Ground Effects (GFX)**	New	Autoparts	Canada	n/d	Interior and exterior accessory components for pickups	n/d	n/d
Celaya	Guanajuato	**Gobar Systems**	New + Expansion	Autoparts	USA	7.5	Metal stamping parts & welding	n/d	1,115
Silao	Guanajuato	**IECA**	New	Services	México	n/d	Center for Electronic Design and Integrated Circuits (CEDECI) for training electronics specialists	n/d	n/d
Silao	Guanajuato	**X-MAX (Scherdel)**	New	Autoparts	Germany	n/d	Cooling systems	n/d	25,000

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CITY/ MUNICIPALITY	State	COMPANY	INVEST-MENT TYPE	SECTOR	COUNTRY	Investment (US$ Millions)	DESCRIPTION/ PRODUCT	GENERATED JOBS	SURFACE AREA (square meters)
Mineral de la Reforma	Hidalgo	**Mincer HD (MAT Foundry)**	New	Autoparts	United Kingdom	70	Drum casting and automotive parts machining plants	350	60,000
Zapotlán de Juárez	Hidalgo	**FAW Group/ Shanghai Auto Assembly Group (SAAG)**	New	OEM	China	150	BESTUNE light vehicle Assembly	480	n/d
San Pedro Tlaquepaque	Jalisco	**HellermannTyton**	Expansion	Autoparts	Germany	n/d	Fasteners, protective tubing and structural plastic solutions	n/d	n/d
Apodaca	Nuevo León	**DH Autoware**	New	Autoparts	South Korea	n/d	ECU production for electric vehicles	n/d	n/d
Apodaca	Nuevo León	**DSV**	New	Services	Denmark	30	Automotive Logistics Operations.	350	11,000
Apodaca	Nuevo León	**Schneider Electric**	Expansion	R&D	USA	40	Expansion of the Development and Innovation Center	n/d	n/d
Apodaca	Nuevo León	**Vimercati Viney**	New	Autoparts	India	200	Mechanical and mechatronic switches for electric vehicles	n/d	n/d
Apodaca	Nuevo León	**Weiss-Aug**	Expansion	Autoparts	USA	n/d	Stamping & clean room Assembly	n/d	n/d
Ciénega de Flores	Nuevo León	**Teco Electric & Machinery**	New	Autoparts	Taiwan	10	Low voltage, high efficiency motors for electronic control	200	n/d
García/Santa Catarina	Nuevo León	**FRISA**	Expansion	Raw Material	México	200	Special and forged steels	900	n/d
Monterrey	Nuevo León	**Aptiv**	New	R&D	Ireland	n/d	Technical Center for automotive software development	300	n/d
Pesquería	Nuevo León	**KBI Dongkook Industrial**	Expansion	Autoparts	Sputh Korea	n/d	Injection molding products, crash pads, main lamps	n/d	n/d
Salinas Victoria	Nuevo León	**SK Pucore México**	Expansion	Raw Material	South Korea	n/d	Installation of 3 new mixers for the production of polyurethane and polyol materials used in the manufacturing of automotive parts	n/d	n/d
Cuautlancingo	Puebla	**Serrasold**	Expansion	Products	Spain	n/d	Welding machinery and equipment	n/d	n/d
Cuautlancingo	Puebla	**VRK Automotive Systems (Kirchhoff Automotive)**	Expansion	Autoparts	Germany	n/d	Metal stampings, modular complex welded assemblies, structural welded assemblies	n/d	n/d
Huejotzingo	Puebla	**Indorama Ventures**	New	Autoparts	Germany	36	Production of airbags for light vehicles.	n/d	n/d
n/d	Puebla	**Endurance Motive**	New	Products	Spain	n/d	Lithium batteries for micro electromobility	n/d	n/d
Corregidora	Querétaro	**Magna Lighting (OLSA)**	Expansion	Autoparts	Canada	20	High-quality lighting systems, headlights, taillights and small lights	200	n/d

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Source: Directorio Automotriz , with information from Cluster Industrial, October 2023.

CITY/ MUNICIPALITY	State	COMPANY	INVEST-MENT TYPE	SECTOR	COUNTRY	Investment (US$ Millions)	DESCRIPTION/ PRODUCT	GENERA-TED JOBS	SURFACE AREA (square meters)
El Marqués	Querétaro	Denk Technoplastic	New	Autoparts	Germany	n/d	Technical plastic parts and systems	n/d	n/d
El Marqués	Querétaro	Keats Manufacturing	Expansion	Autoparts	USA	n/d	Precision stamping, four-slide & multi-slide stamping	n/d	2,800
El Marqués	Querétaro	**Scania**	New	OEM	Sweden	2.3	Warehouse for spare parts and spare parts	n/d	3,500
Querétaro	Querétaro	**Brose**	New	Autoparts	Germany	n/d	Automotive electromechanical window movement systems	600	n/d
San Luis Potosí	San Luis Potosí	Otscon (Otsuka Koki)	Expansion	Autoparts	Japan/USA	n/d	Stamping of brackets and pedals	n/d	n/d
Villa de Reyes	San Luis Potosí	BorgWarner	Expansion	Autoparts	USA	198	Electric motors, power electronic components and electronic circuits for electric vehicles	380	27,000
Cunduacán	Tabasco	**Sumitomo Electric Wiring Systems**	New	Autoparts	Japan	10	Automotive electrical harnesses	700	37,000
Tampico	Tamaulipas	**Vibrantz Technologies**	New	Raw Material	USA	n/d	Processing of high-purity manganese sulfate (HPMSM) for lithium-ion batteries	n/d	n/d
Cuapiaxtla	Tlaxcala	**Mercedes–Benz**	New	Services	Germany	5.7	Centro de Preparación Vehicular Mercedes-Benz (VPC)	48	n/d
Tlaxco	Tlaxcala	AntexTextil	Expansion	Raw Material	Spain	22.9	Synthetic threads for the automotive industry	n/d	n/d
Umán	Yucatán	**Holley Global**	New	Industrial Parks	China	n/d	Parque Industrial Hofusan	n/d	10,000,000
Calera	Zacatecas	**MR InfraAuto**	New	Autoparts	South Korea	30	Components for seats, door latches, transmission parts and brake pads	400	n/d
Guadalupe	Zacatecas	Ahresty	Expansion	Autoparts	Japan	54	Aluminum casting, machining and assembly of forks, arms, bolts, suspensions and monoblocks	200	n/d
Guadalupe	Zacatecas	**Hyundai Polytech**	New	Autoparts	South Korea	20	Plastic injection for suspensions, sensors, motors and electrical systems	300	n/d
Todo México	Todo México	**Evergo (InterEnergy Group)/Volvo**	New	Infraestructure	Panamá / Sweden	n/d	Installation of 2,295 charging stations for electric vehicles	n/d	n/d

Fields shaded in blue: Companies with high-value profile and contacts in Directorio Automotriz.

Source: Directorio Automotriz , with information from Cluster Industrial, October 2023.

SUMMARY OF ACCUMULATED AUTOMOTIVE INVESTMENTS JAN-SEP 2023

217 INVESTMENTS FROM 17 COUNTRIES

(+60.7% more than in JAN-SEP 2022).

INVESTMENT TYPE:

- 129 NEW INVESTMENTS
- 81 EXTENSIONS
- 3 MIXED (EXPANSION + NEW PLANT)
- 3 RETOOLING
- 1 ACQUISITION

TYPE OF COMPANY/PROJECT

- **83** INVESTMENT PROJECTS RELATED TO ELECTROMOBILITY
- **142** AUTO PARTS (Tier 1, 2 y 3)
- **24** PRODUCTS & SERVICES
- **21** INDUSTRIAL PARKS
- **14** RAW MATERIAL
- **13** OEM's
- **3** R&D CENTER
- **1** INFRAESTRUCTURE

US $15,722.88 M

IN INVESTMENTS DURING JAN-SEP 2023
(+110.9% vs 2022)

US $ 6,712.6 M

IN AUTO PARTS PLANTS
JAN-SEP 2023

US $ 5,021.92 M

IN ELECTROMOBILITY INVESTMENTS
JAN-SEP 2023

US $ 1,377.5 M

IN INVESTMENTS FROM INDUSTRIAL PARKS
JAN-SEP 2023

81,272

NEW JOBS CREATED DURING JAN-SEP 2023
(+10.6% vs 2022)

27,190,271

SQUARE METERS OF CONSTRUCTION DURING JAN-SEP 2023 (+323.9% vs 2022)

Source: Directorio Automotriz , with information from Cluster Industrial, October 2023.

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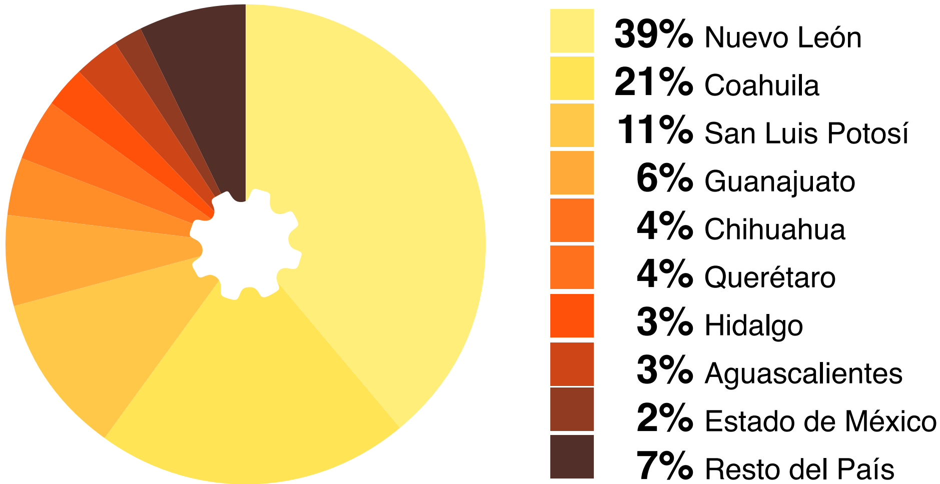
COMPARATIVE: MEXICAN STATES AND THEIR AUTOMOTIVE INVESTMENT PROJECTS FROM JANUARY TO SEPTEMBER 2023

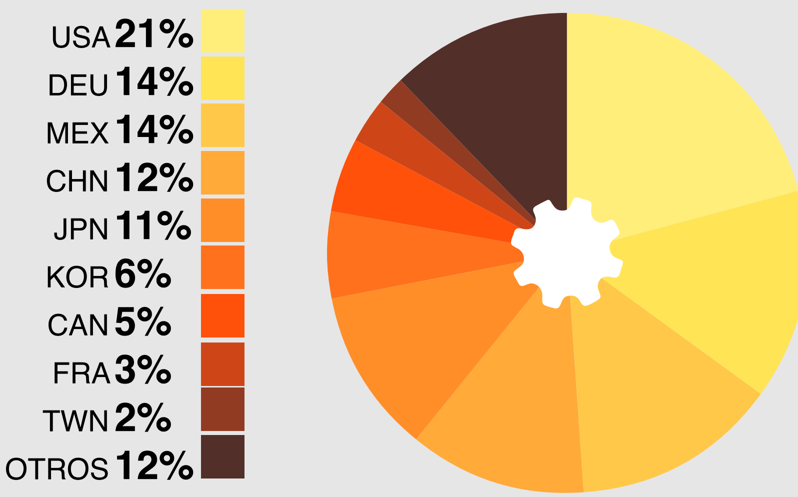
State	# of Projects	# of Electric Mobility Projects	Total investments (US$ million)	New jobs	Construction area (square meters)
COAHUILA	49	18	3,334.25	18,881	5,109,078
NUEVO LEÓN	38	20	6,161.6	20,070	1,311,746
GUANAJUATO	34	10	879.72	3,854	308,119
QUERÉTARO	17	3	650.7	4,490	997,519
ESTADO DE MÉXICO	11	6	371.3	5,485	41,500
SAN LUIS POTOSÍ	10	7	1,658.3	7,980	2,959,695
CHIHUAHUA	9	2	663.2	5,980	2,353,500
AGUASCALIENTES	8	4	397.85	2,660	102,163
JALISCO	6	3	43.98	2,272	26,742
DURANGO	5	2	185.0	3,400	4,126
PUEBLA	5	1	36.0	N/D	15,000
TAMAULIPAS	4	1	81.0	7,717	39,725
BAJA CALIFORNIA	4	1	295.0	N/D	2,788,838
HIDALGO	3	1	488.8	2,590	60,000
ZACATECAS	3	1	104.0	900	N/D
SONORA	3	1	93.7	600	635,000
CDMX	2	2	200.58	80	620
TLAXCALA	2	0	28.6	48	N/D
MICHOACÁN	1	0	9.3	N/D	400,000
TABASCO	1	0	10.0	700	37,000
YUCATÁN	1	0	N/D	N/D	10,000,000

Source: Directorio Automotriz , with information from Cluster Industrial, October 2023.

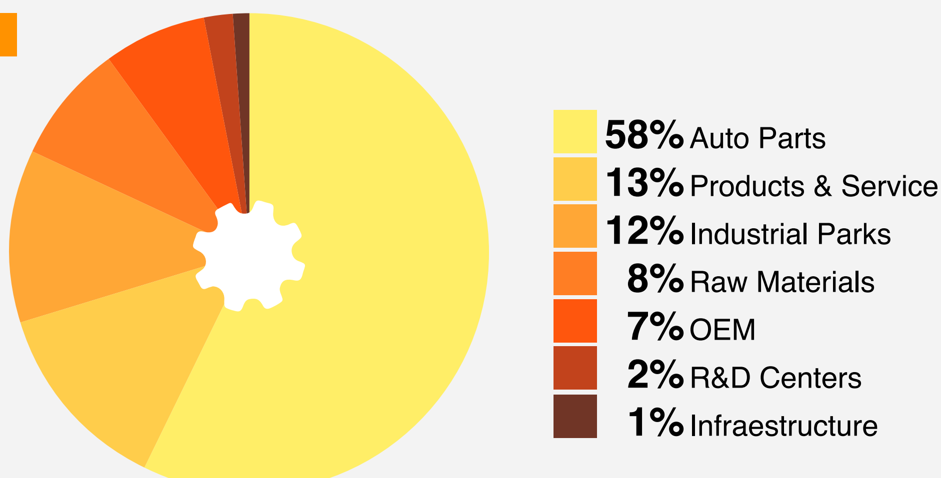
ACCUMULATED INVESTMENTS BY
STATE
JAN-SEP 2023 (US MILLION)



INVESTMENTS BY
CONTRY OF ORIGIN
JAN-SEP 2023



INVESTMENTS BY TYPE OF
COMPANY/ SECTOR
JAN-SEP 2023



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