Puebla Competitiveness Report



Emerging Automotive Cluster

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AGENDA

- 1. World Cluster Status
- 2. Relevant Cluster Charts
- 3. Cluster Diamond
- 4. Value Chain
- 5. Cluster Map
- 6. Summary of Current Situation
- 7. Relevant Project Priorities



1. World Automotive Sector Status

Global Vehicle Production 2011: 75 million units (56 million are light vehicles), with global sales of USD 2400 billions.

World Producer Market

Place (2011)

8th

World Export Market

Place (2011)

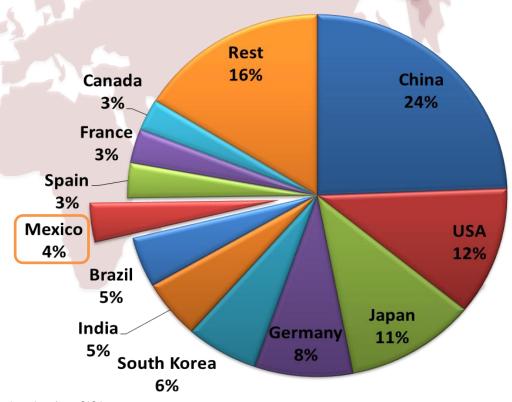
5th

World Producer Market

Total Production (2011)

2.55 million cars

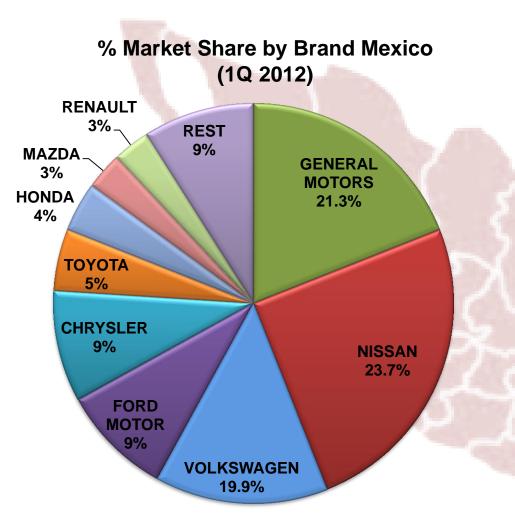
% Automotive World Production 2011 (Units)



Source: Based on data from OICA



2. Relevant Mexico's Automotive Sector Data



National Manufacturing GDP (2011)
20%

Employees

(2011)

Approx. 550,000

World's leading OEMs assembly plant

(2011)

8 companies producing light vehicles

Export Quantity (2011) 2.14 million cars Growth
Domestic
Production
(2011)
14.4%

Growth
Domestic
Mkt
(2011)
10.4%

Source: Based on data from AMIA, Business Monitor International



2. Relevant Puebla's Cluster Charts

Anchor's MexicanTier 1 purchasing share 2011

State Manufacturing GDP

(2011)

25.6%

Total export value

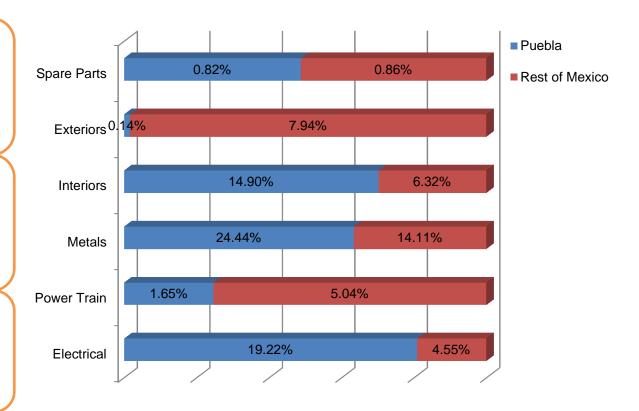
(2011)

USD\$ 611 B

Population

(2011)

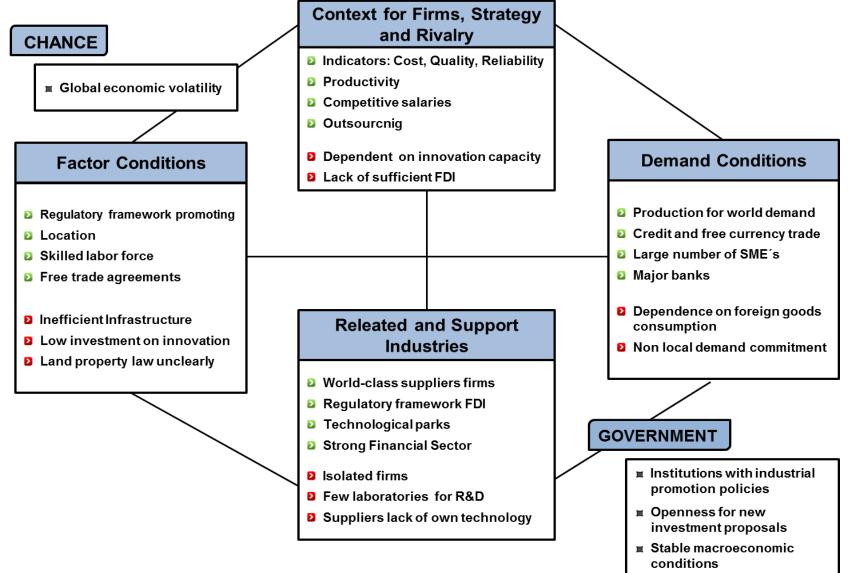
5th



Source: National Institute of Statistics and Geography (INEGI),http://www.inegi.org.mx/.



3. Automotive Puebla's Diamond



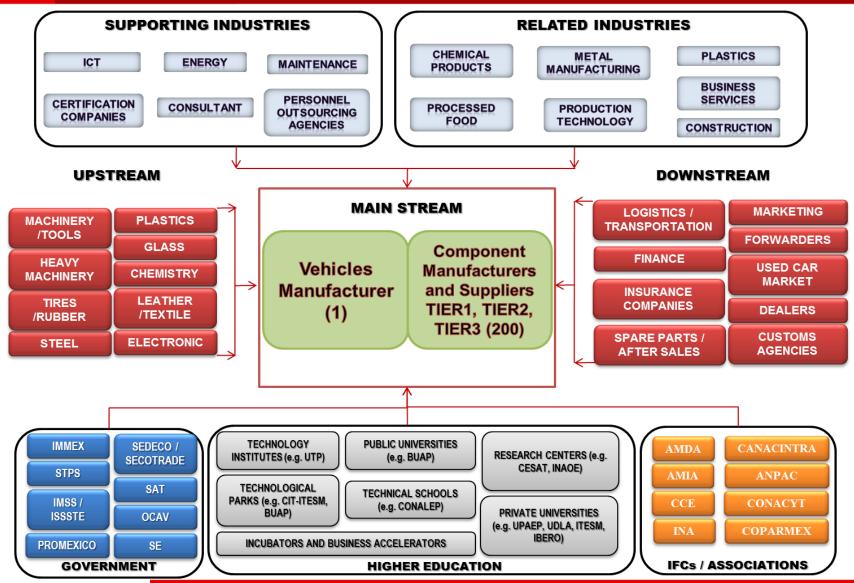


4. Automotive Puebla's Value Chain

Firm infrastructure	Specific standards Safety and QualityLarge planning capacity			
Human resource management	Skilled laborExperience and knowledgeOutsourcing			
Technology development	 Product and process development on headquarter Emerging design collaboration Aim low cost on products 			
Procurement	 Suppliers certified quality standards Transfer of products and subassemblies within the chain High raw importation 			
Inbound logistics	Operations	Outbound logistics	Marketing and sales	After-sales service
 Shipments from Europe and Asia Logistic network (local, domestic, foreign) 	 Sophisticated Production Processes High quality standards 	 Shipments synchronization Good performance of customs 	VW Bank Need of TIER promotion capabilities	 Good global service Personnel training and certificates Costly maintenance & spare parts
Integrated Supply Chain	Non additional demand excess	Low inventory		



5. Puebla's Cluster Map





6. Summary of Puebla's Current Situation

- Strong supplier base already developed
- Highly qualified people with experience
- Local companies export worldwide
- Non competitive Industrial Infrastructure
- High dependence on anchor firm
- Insufficient investment for the improvement to offer world class services



Puebla needs a shift toward higher productivity / innovation



7. Strategic projects







Audi's attraction to Puebla.

Implement a tailor made incentive and support package based on Audi's needs and requirements.

Further develop current local suppliers

Shift foreign procurement to local producers in order to increase competitiveness

Puebla's promotion to new business.

Create an organization that promotes Puebla as a location for new domestic and international business.



Shared value

Advanced International Automotive Research Center

Increase the level of technological development in the whole vehicle by developing components friendly with the environment



8. Shared Value





Brings and integrates community and industry Leaders Knowlege



Relevant research, innovation, forefront of new trends.



Exchange of information technologies



International forums and Expos



9.Shared Value Benefits

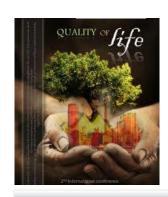


Puebla as The Capital of International Automotive Knowledge

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Economic Impact at the local, state, federal and International level



Increase Quality of life



Growth of region's automotive endowment

