

Puebla Competitiveness Report



Emerging Automotive Cluster

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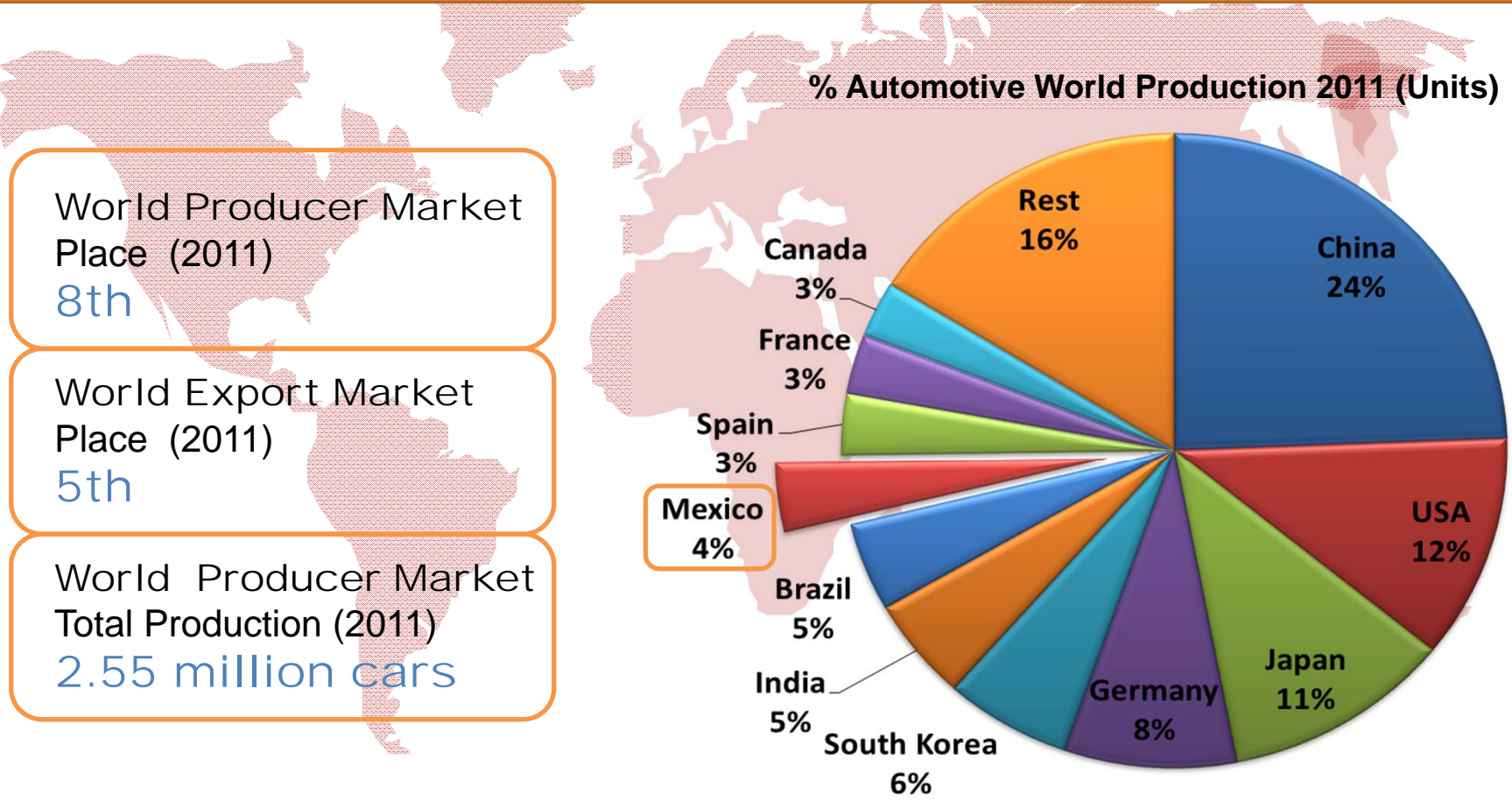
April 27, 2012

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.



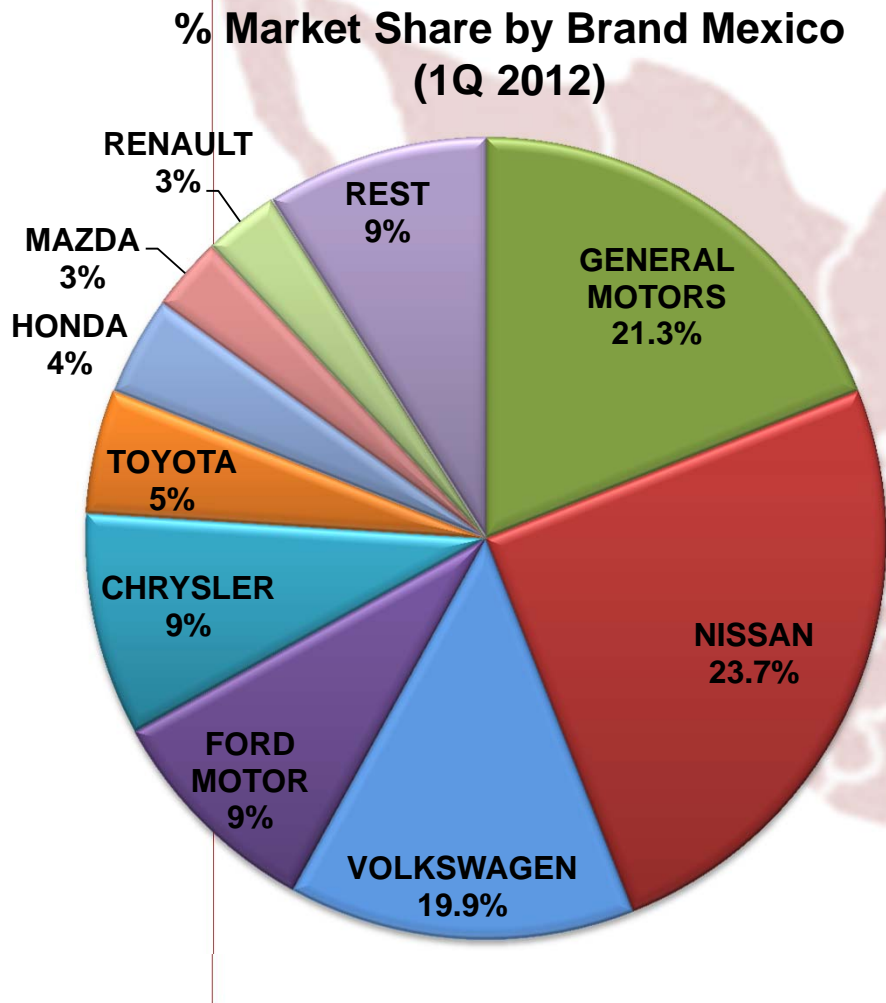
World Producer Market Place (2011)
8th

World Export Market Place (2011)
5th

World Producer Market Total Production (2011)
2.55 million cars

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

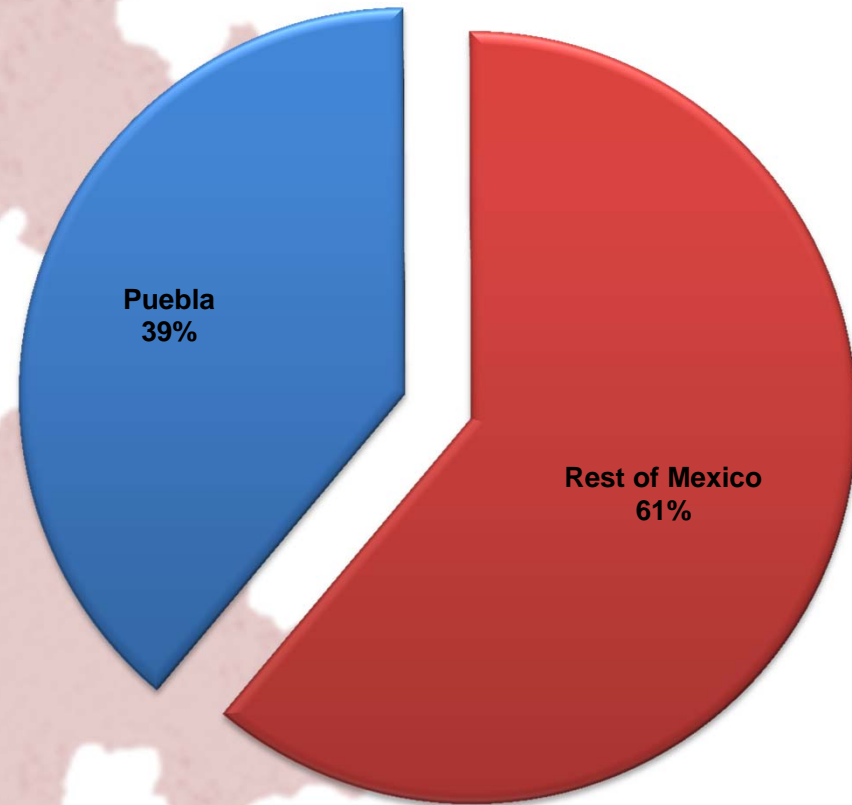
2. Relevant Puebla's Cluster Charts

Tier 1 purchasing share 2011

State Manufacturing
GDP
(2011)
25.6%

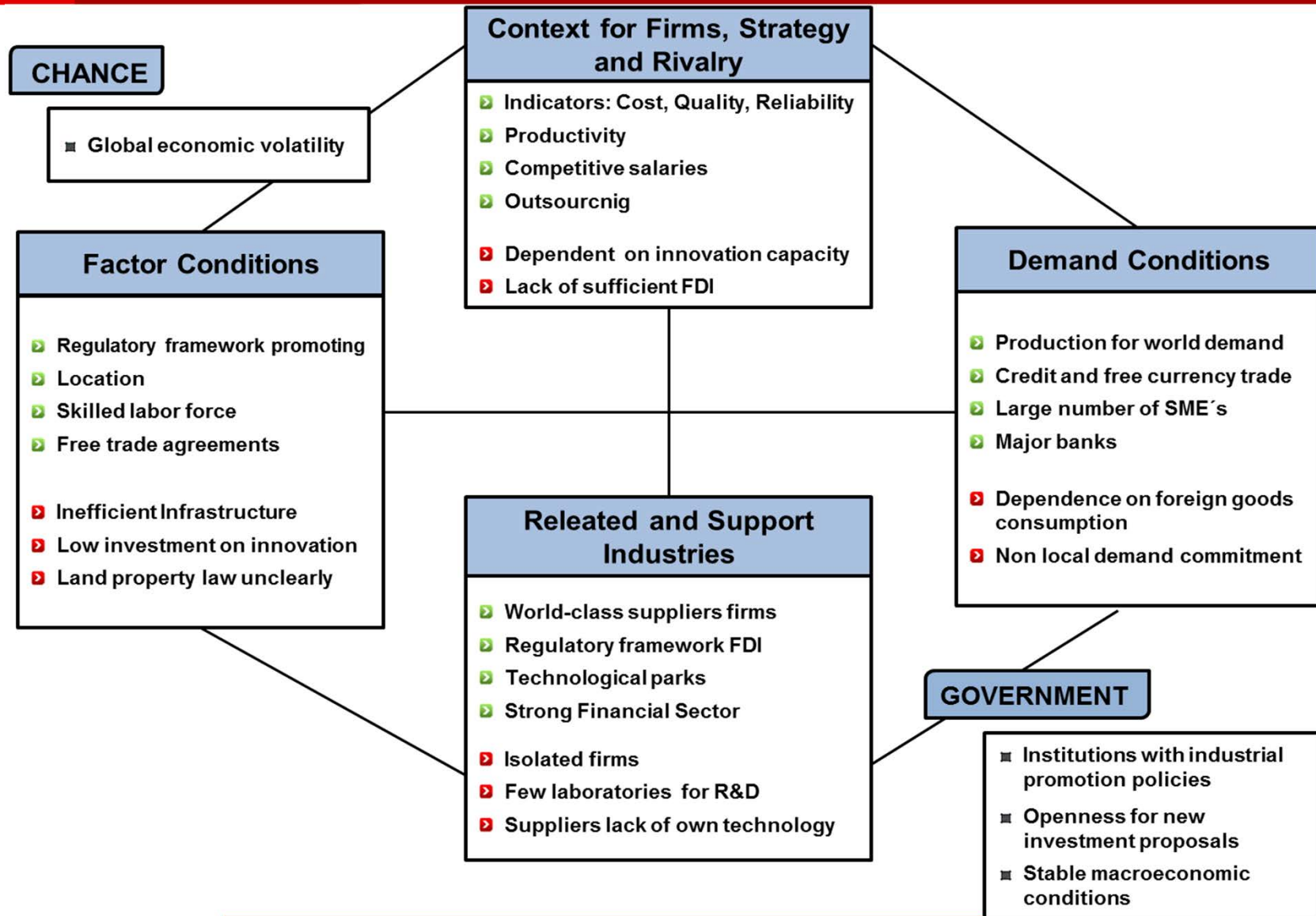
Total export value
(2011)
USD\$ 611 M

Population
(2011)
5th

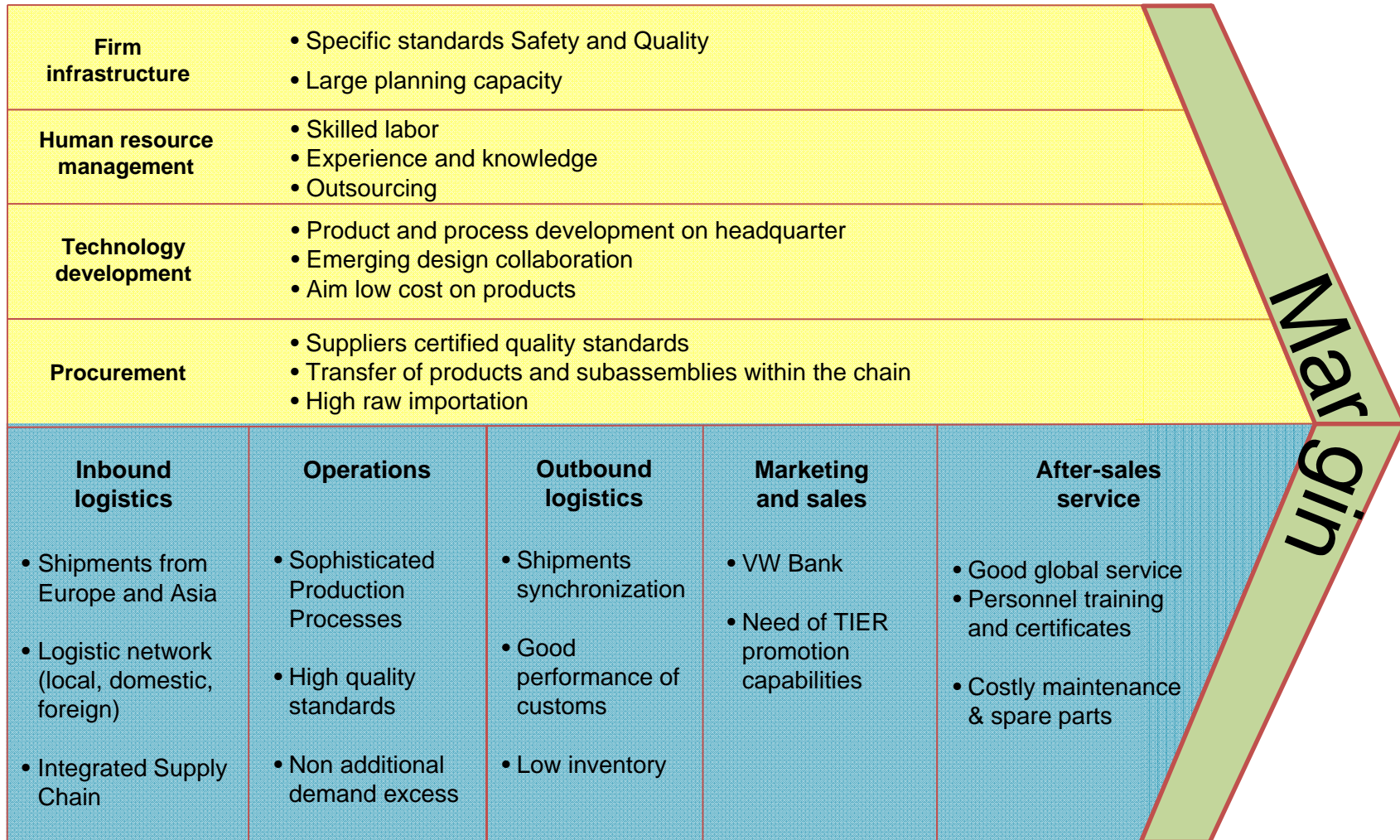


Source: National Institute of Statistics and Geography (INEGI), <http://www.inegi.org.mx/>.

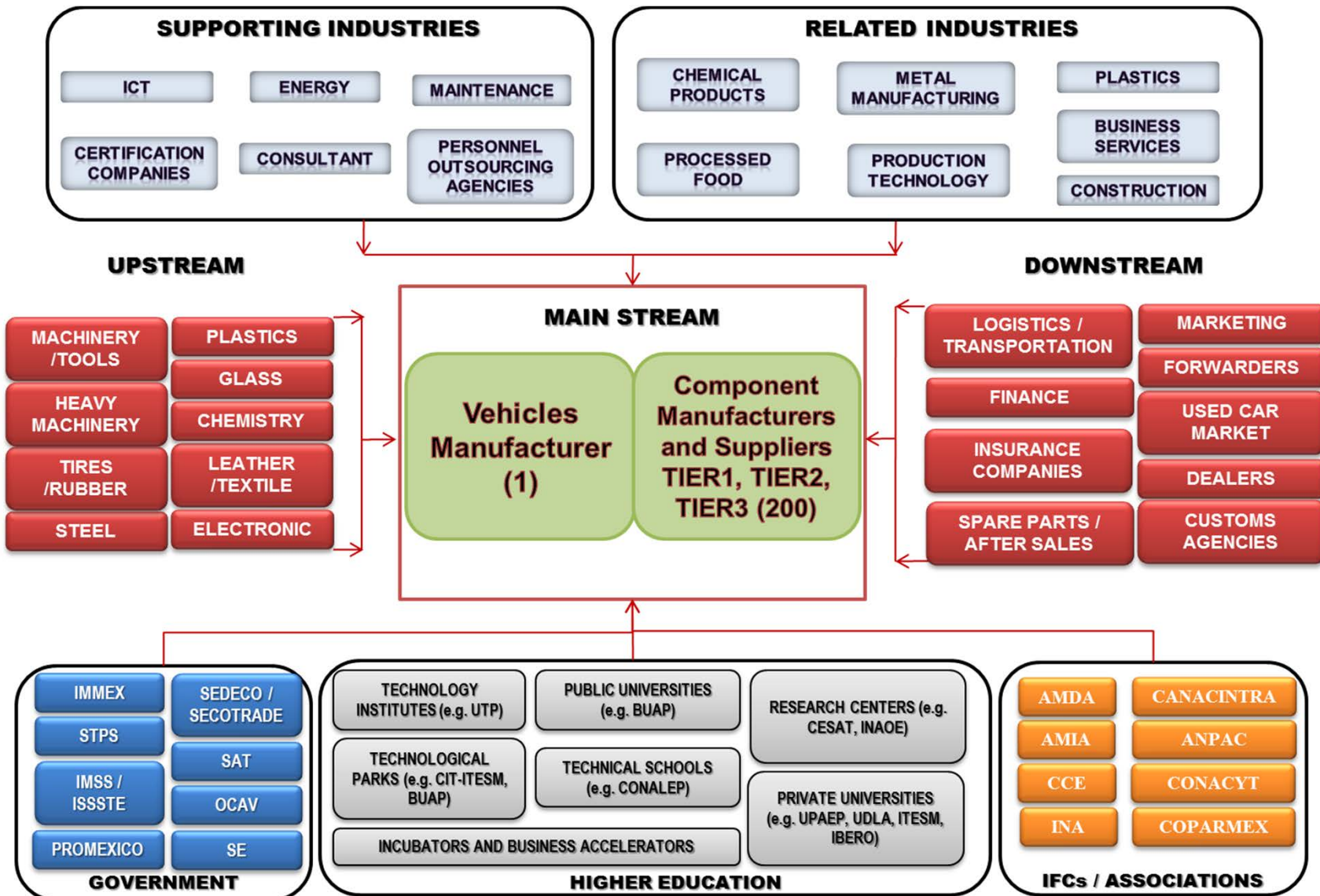
3. Automotive Puebla's Diamond



4. Automotive Puebla's Value Chain



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

Advanced International Automotive Research Center



Brings and integrates community and industry Leaders Knowledge



Relevant research, innovation, forefront of new trends.



Exchange of information technologies



International forums and Expos

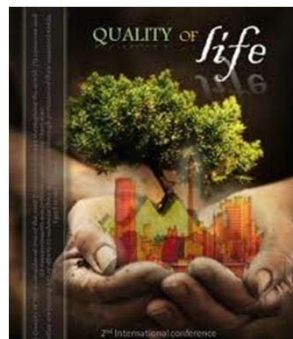
9. Shared Value Benefits



Puebla as the Capital of International Automotive Knowledge



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



Increase Quality of Life



Growth of region's automotive endowment