

INSIDE THIS ISSUE

- 1 Mexico's National Development Plan 2013-2018: Bring Mexico to its Full Potential
- 1 Trade Highlights
- 2 Mexico Improves Ranking in Global Competitiveness
- 3 NAFTA Related Events
- 3 Diario Oficial
- 4 Success Stories
- 4 Selected Reading
- 4 Infrastructure Projects in Mexico
- 4 Mexico Economic Update
- 5 Profile of Idaho
- 6 Profile of Oaxaca

Mexico's National Development Plan 2013-2018: Bring Mexico to its Full Potential

On May 20th, 2013, President Enrique Peña Nieto of Mexico released the National Development Plan (NDP) 2013-2018 which establishes the current Administration goals and policy actions for the country. The NDP is the outcome of a nationwide public consultation by the government to set policy guidelines for the coming six years. The policy guidelines are aimed at boosting Mexico's economic growth and social development.

The NDP outlines the main objectives of public policy, and establishes specific actions and accurate indicators to measure the progress achieved.

Five comprehensive goals are considered: i) A Peaceful Mexico; ii) An Inclusive Mexico; iii) A Mexico with Quality Education; iv) A Prosperous Mexico; and v) A Mexico with Global Responsibility.

It also considers three cross-cutting goals: i) democratizing productivity; ii) government modernization; and iii) gender perspective.

These specific strategies aim to unchain Mexico's economic potential through investing in its most valuable asset: a young population. Additionally, they will be aimed at those sectors that have the capacity to create more jobs, compete successfully abroad, spur benefits to other economic sectors and geographic regions, and generate greater value by integrating local production chains.

The Prosperous Mexico goal fosters sustained productivity growth in a stable economic environment with equal opportunities. It also serves to promote a more modern infrastructure and better access to strategic supplies, as these

are key elements in increasing competitiveness and flows of capital and knowledge.

Favorable conditions for economic development will also be pursued through better regulation to strengthen competition and economic policies, focused on promoting innovation and growth in strategic sectors, and with particular emphasis on small and medium enterprises' development.

Economic Policy -Specific Actions

To achieve its full economic potential, Mexico will work to preserve macroeconomic stability, expand access to financing, promote greater employment and productivity with equality; support sustainable green growth to preserve natural resources and generate wealth, improve competitiveness and employment; promote better and broader access to telecommunications services, and provide sufficient energy at competitive prices.

Additionally, these actions will ensure an efficient regulatory framework and further competition that encourage a more competitive economy, integrate more economic sectors and regions to the global economy, improve transportation infrastructure and logistics at lower costs; boost agriculture and fishing sectors that guarantee food safety nationwide, and take advantage of Mexico's tourism potential to generate economic benefits throughout the country.

The Mexico with Global Responsibility pillar aims to establish a strong, positive, and proactive presence in the world through diplomatic activity, economic promotion, and international trade negotiations, where domestic priorities are considered key elements that shape foreign policy.

Trade Highlights

Continues on page 2

NAFTA Trade

	Apr 2013			Jan-Apr 2013		
	Value	Share	Annual change	Value	Share	Annual change
US imports from						
Mexico	24.3	12.8	6.9 	91.0	12.5	-1.0 
Canada	28.6	15.0	3.0 	110.6	15.2	0.6 
Mexico's imports from						
US	17.0	49.8	7.7 	61.8	50.1	2.8 
Canada	0.9	2.6	-0.1 	3.3	2.7	3.1 
Canada's imports from						
US	21.1	52.5	6.7 	79.2	51.9	2.6 
Mexico	2.2	5.5	1.2 	8.4	5.5	-1.6 
Trilateral Trade	94.1	35.5	5.6 	354.3	35.3	-1.0 

US imports from Mexico. Selected Products

	Apr 2013			Jan-Apr 2013		
	Value	Share	Annual change	Value	Share	Annual change
Crude Oil	3.0	13.1	-3.1 	10.9	12.3	-14.1 
Autos	1.8	13.7	24.3 	6.4	13.4	23.5 
Auto parts	3.9	33.4	13.8 	14.4	33.0	4.0 
A T P*	4.0	12.5	7.6 	14.9	12.1	-5.5 
Opto-Electronics	0.9	46.7	0.1 	3.1	46.8	-12.1 
Information & Communications	2.5	14.7	9.8 	9.4	14.1	-4.9 
Life Science	0.3	7.1	6.2 	1.1	7.6	-0.2 

Source: US Census Bureau, Statistics Canada and BANXICO

Value = US billion dollar

*Advanced Technology Products, US Census Bureau, Foreign Trade Division



NEWS on the U.S.-Mexico Cross-Border Trucking Pilot Program

The Mexican carriers Servicios de Transporte Internacional y Local and RAM Trucking became the newest participants of the trucking pilot program. These carriers received provisional Operating Authority for transportation beyond commercial zones on the U.S.-Mexico border on June 17th and June 11th, respectively. Both carriers registered a total of 18 vehicles, increasing the fleet to 44 vehicles operating under the current pilot program.

This strengthens Mexico's commitment to the free flows of goods, services and capital, further economic integration, safe mobility of people and goods, and attraction of investment. This pillar also looks to guarantee that Mexico takes full advantage of the new global realities in order to generate economic opportunities for its population.

Trade Policy - Specific Actions

These actions are particularly focused towards expanding and enhancing Mexico's presence in the world by strengthening relations with the United States and Canada through a long-term and comprehensive cooperation framework. This will further promote economic competitiveness and convergence in the North American region based on existing complementarities.

Additionally, Mexico's trade policy seeks to deepen ties with Latin America and the Caribbean through current integration processes and further dialogue and cooperation. It also aims at widening political, commercial and cooperation ties with Europe by strengthening Mexico's position as a key Latin American trading partner of the EU, and non-EU countries. The NDP also favors expanding Mexico's economic opportunities in the Asia-Pacific region by enhancing market access, actively participating in regional fora, and extending closer political and trade relations with the Middle East and African countries.

Finally, the plan establishes a priority on participating actively in the multilateral trade arena, investment and intellectual property, and international cooperation in strategic regions. Additionally, the plan aims to promote Mexican values in the world to increase trade, investment and tourism, and to enhance Mexico's global and regional integration through the building or deepening strategic economic agreements.

The overall strategy of the NDP is to build a society on rights and the rule of law to bring Mexico to its fullest potential by removing the obstacles that limit the development of the country.

maintained its ranking as number 14 in economic performance from 2012. This category examines the country's domestic economy, employment rates, and international trade, among others. The study showed that Mexico has increased its government efficiency ranking from 35 to 29, showing an improvement in the area which includes public finance, fiscal responsibility, and business legislation. The country was also found to have jumped from 42 to 33 in its business efficiency ranking, a category which considers topics such as productivity and labor markets. It was only in the final category, infrastructure, that Mexico saw a decrease in ranking. This category examines various types of infrastructure as well as health and education. However, the decrease was slight, shifting from 48 to 49, and the recently approved education reforms as well as an extensive infrastructure development plan will produce significant results in the mid-term. Mexico's overall success was gauged by all four components of the study.

Mexico was also the only Latin American nation that did not fall positions during the 2012 IMD Index. It now ranks as the second highest in Latin America, and is the only Latin American nation that the IMD recognized as a "winner" due to its rankings since 1997. This implies that the nation has improved at least five or more ranks in that time period. Mexico is one of only nine countries to have achieved this.

Seven Asian nations rank higher than Mexico. Expanding Asian markets remain a challenge to Latin American countries, but Mexico has remained competitive. Several factors leading to Mexico's success are said to be its political stability, dynamic economy, skilled workforce, and access to financing. However, the IMD report stressed that Mexico needs to continue enacting structural reforms.

The success of Mexico is evident not only in Latin America, but in its progress worldwide. Mexico's ranking represents a significant stride for the country. The IMD believes that if Mexico maintains improvement in reforms and policies, it will continue to rise in overall competitiveness.

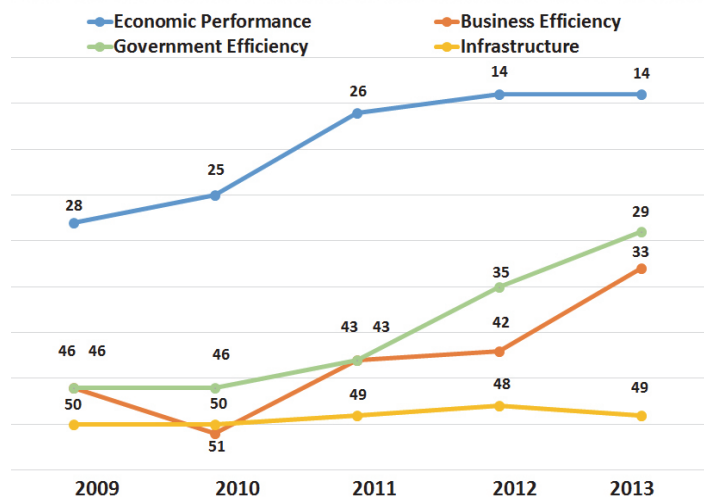
Mexico Improves Ranking in Global Competitiveness

Mexico improved its ranking in the International Institute for Management and Development (IMD) study on global competitiveness, climbing 5 spots from number 37 in 2012 to number 32 in 2013. Mexico has been steadily increasing its competitiveness rankings, and the IMD index illustrates the nation's strong efforts to emerge as a leading player in the global economy. Mexico has showed a rising trend in this ranking since 2010, when it was place at number 47.

The IMD, based in Switzerland, has conducted one of the most respectable annual rankings of the competitiveness of countries for the past 25 years. The study analyzes each country's performance in four areas and creates an overall composite score, which indicates how well a country fosters a space that allows businesses and innovators to grow and compete.

Among the four categories considered by the IMD, Mexico

IMD WORLD COMPETITIVENESS SCOREBOARD 2013: MEXICO





N AFTA Related Events

Diario Oficial Notices

<http://dof.gob.mx>

Tecnoalimentos Expo 2013

August 6-8, 2013

Technology solutions related to the food industry's process

Location: World Trade Center, Mexico City

Phone: +52 (55) 5582-8939

E-mail: contacto@expotecnoalimentos.com

Website: www.expotecnoalimentos.com/

Expo Med

August 14-16, 2013

Event showcasing the latest in hospital technology and medical equipment, and general health-related products

Location: World Trade Center, Mexico City

Phone: +52 (55) 1250-5578, 1250-5610 ext. 5552

E-mail: dulce.zamora@livemed.org, maria.resillas@livemed.org

Website: www.expomed.com.mx/

Expo and Tecno Mueble Internacional Verano

August 14-17, 2013

International trade show featuring furniture and accessories, as well as products suppliers for the timber and furniture industries

Location: Expo Guadalajara. Guadalajara, Jalisco

Phone: +52 (33) 3343-3400, ext. 320

E-mail: carlos.delgadillo@afamjal.com.mx

Website: www.expomuebleverano.com.mx/

FESPA Mexico 2013

August 15-17, 2013

Event that displays printing technologies and products

Location: Centro Banamex, Mexico City

Phone: +52 (55) 5203-5029

E-mail: joseluis.anaya@fespa.com

Website: www.fespa.com/mexico/

Constructo 2013

August 22-24, 2013

International exhibition for the construction industry

Location: Cintermex Expo Center. Monterrey, Nuevo León

Phone: +52 (81) 8369-6660, 64, 65

E-mail: info@constructo.com.mx

Website: www.constru-mexico.com/expoxcon6/

Sapica

August 28-31, 2013

Trade show of technical and professional experts in the shoe industry

Location: Poliforum León. León, Guanajuato

Phone: +52 (477) 1520-9000, ext. 9061

E-mail: prereg@sapica.com; info@sapica.com

Website: www.sapica.com

Baja International Aerospace Suppliers Forum

August 29, 2013

International exposition bringing together major players, buyers, and sellers of the aerospace industry

Location: Baja California Center. Tijuana, Baja California

Phone: US +1 (855) 225-2243

E-mail: info@bajaaerospaceshow.com

Website: <http://www.bajaaerospaceshow.com/>

Expo Nacional Ferretera

August 29-31, 2013

Exposition of hardware and industrial products

Location: Expo Guadalajara. Guadalajara, Jalisco

Phone: +52 (55) 5636-0460, 61, 62

Fax: +52 (55) 5636-0479

E-mail: info@expoferreteria.com.mx

Website: <http://www.expoferreteria.com.mx/>

- Preliminary resolution of the antidumping investigation on imports of cold-rolled sheet originating from Korea (Mexican tariff items 7209.16.01, 7209.17.01, 7209.18.01, 7225.50.02, 7225.50.03, 7225.50.04, 7225.50.99, 9802.00.01, 9802.00.02, 9802.00.03, 9802.00.07, 9802.00.13, 9802.00.15 and 9802.00.19). June 3rd.
- Resolution that initiates an antidumping investigation on imports of square construction galvanized carbon steel wire cloth or mesh from China (Mexican tariff items 7314.19.02, 7314.19.03 and 7314.31.01). June 4th.
- Amendments to the General Rules and Criteria for Foreign Trade issued by the Ministry of the Economy. June 6th.
- Decree enacting the Federal Law on Environmental Liability and amending several provisions contained in some related environmental laws of Mexico. June 7th.
- Amendments to the Law for the Use of Renewable Energy and for the Financing of Energy Transition. June 7th.
- Amendment to the Federal Copyright Law. June 10th.
- Decree amending several provisions of the Mexican Political Constitution related to telecommunications. June 11th.
- Final Resolution of the review of the countervailing duty order imposed on imports of seamless steel pipe from China (Mexican tariff items 7304.19.02, 7304.19.99, 7304.39.06 and 7304.39.99). June 20th.
- Notice announcing the entry into force of the Mexico and some Central American countries' single FTA, between Mexico and Costa Rica. June 21st, and June 24th.
- Establishment of the Business Advisory Council for Mexico's Economic Growth. June 25th.
- Preliminary resolution of the antidumping investigation on imports of seamless steel pipe from China (Mexican tariff items 7304.19.01, 7304.19.04, 7304.19.99, 7304.31.01, 7304.31.10, 7304.31.99, 7304.39.01, 7304.39.05 and 7304.39.99). June 25th.
- Final Resolution of the sunset review of the countervailing duty order imposed on imports of hexagonal-shaped galvanized steel wire mesh from China (Mexican tariff items 7314.19.03, 7314.19.99, 7314.31.01, 7314.41.01 and 7314.49.99). June 27th.

Mexican Official Standards

- Draft to modify NOM-008-SESH/SCFI-2010, transportable containers for LP gas. Specifications, materials and test methods. June 4th.
- Amendments to NOM-002-SCFI-2011, pre-packaged products – net content - tolerances and verification methods. June 5th.
- Draft PROY-NOM-160-SCFI-2013, regulatory provisions for the marketing of new vehicles. June 7th.
- Amendments to NOM-115-STPS-2009, protection helmets. June 7th.
- Draft PROY-NOM-004-SSA1-2013, sanitary limitations and specifications for the use and commercialization of lead compounds in consumer products. June 13th.
- NOM-013-ENER-2013, energy efficiency for highways lighting systems. June 13th.
- NOM-025-ENER-2013, thermal efficiency of household cooking appliances using LP or natural gas. June 17th.
- Official announcement for obtaining approval as test laboratory or certification body for NOM-011-SESH-2012, natural or L.P. gas heaters. June 18th.
- NOM-163-SEMARNAT-ENER-SCFI-2013, emissions of CO2 from new vehicles of gross weight of up to 3,857kgs. June 21st.



Success Stories

General Motors to Expand Investments in Mexico

General Motors Company plans to invest \$691 million to expand its Mexican operations. Of the total amount, GM will spend \$349 million for a new transmission plant in Silao that will manufacture 8-speed transmissions, \$211 million for the expansion of Toluca, which produces V8 and four-cylinder engines, and \$131 million to upgrade the next-generation transmission plant in San Luis Potosi. Mexico has become an attractive location for many automakers due to its numerous free trade agreements, well-educated labor force, proximity to the U.S., and growing demand in South America.

Eagle Ottawa Establishes a Plant in Leon

In order to supply the automotive sector, the Michigan-based company Eagle Ottawa kicked off production at its 9,300 square meter cutting plant in Leon, Guanajuato, with an investment of \$40 million to open a 140,000 square meter leather finishing plant. The plant is predicted to generate 1,500 direct jobs. Eagle Ottawa is a world leader in manufacturing leather products for the automotive-auto parts sector. One out of every five leather-upholstered deluxe vehicles uses their products, which are found in 100+ automobile models in brands such as Honda, General Motors, Toyota, Chrysler, and Hino, among others.

Silao Attracts Topy Industries' Investment

The Japanese company Topy Industries will invest \$13 million to build a 7,000 square meter plant for the manufacture of steel wheels for passenger cars and buses, to be located in Silao, Guanajuato. The new manufacturing plant will be fully operating by 2015, and aims to meet the growing demand for auto parts.

DHL will Expand Operations in Mexico

DHL's new Gateway in the Guadalajara Airport was driven by investments in sectors like aeronautics, automobiles and manufacturing, declared CEO of DHL Express Mexico Antonio Arranz during the inauguration of the new warehouse in Guadalajara Airport Logistics Center. DHL, the logistics company that has made of Mexico one of its growth platforms, along with other important emerging economies, will invest \$160 million in Mexico in the next five years to reinforce and expand its operation centers and equipment.

Selected Readings

Long-Awaited Labor Law Reform in Mexico

Authors: John L. Sander and Fernando Yllanes Almanza. Jackson Lewis LLP.
June 2013

The recent Federal Labor Law reform in Mexico is one of the most significant legislative developments. From the employer perspective, the amendments usher in a major modernization of Mexican labor law and provide some needed clarity to companies doing business in Mexico, while addressing some of the most important reforms sought by the business community.

<http://www.jacksonlewis.com/media/pnc/0/media.2380.pdf>

Infrastructure Projects in Mexico

El Purgatorio Dam

Sponsor: National Water Commission (CONAGUA)

Location: Jalisco

Project Value: \$475 million

The 30m-tall El Purgatorio dam will have a capacity of 35M m³. The project includes a 6 km pipeline that will provide 5.6 m³/s of potable water to some 1.65 million inhabitants of the Guadalajara metropolitan area. As well as receiving some 1,400 l/s of water from the Verde River, El Purgatorio will receive 800 l/s from the nearby El Salto dam and another 3,000 l/s from the El Zapotillo dam, which is currently under construction.

Business opportunities: engineering, construction materials, pipelines, pumping equipment.

Chicbul-Ciudad del Carmen Aqueduct

Sponsor: National Water Commission (CONAGUA)

Location: Campeche

Project Value: \$50 million

The Chicbul-Ciudad del Carmen pipeline project in Mexico's Campeche state will expand potable water services to 95% of homes in Ciudad del Carmen and nearby towns. The 121km pipeline is expected to add 13,500 households to the state's water distribution network. The pipeline will provide 420l/s of water to the Ciudad del Carmen municipality, guaranteeing its water supply for the next 25 years.

Business opportunities: engineering, construction materials, pipelines, pumping equipment, and electrical equipment.

Mexico Economic Update

Foreign Trade	May 2013		Jan-May 2013		Financial Indicators	May 2012	May 2013		Economic Growth	Apr 2012	Apr 2013		
	Value	Annual Change	Value	Annual Change									
	(US bd)	%	(US bd)	%									
Exports	32.8	-0.9	154.0	0.2	Inflation Rate	3.8	4.6	▲	Global Economic Activity Index (IGAE)	4.9%	4.6%	▲	
Manufacturing	27.7	2.0	125.5	2.2	Interest Rate (CETES 28)	4.39	3.72	▼	Industrial Activity				
Oil	3.6	-15.8	21.0	-9.6	Stock Market Index	37,872	41,588	▲		Industrial Production	4.1%	3.3%	▲
Imports	33.3	1.5	156.7	3.7	Exchange Rate (pesos/dollar)	14.40	12.95	▼		Manufacturing	5.2%	5.6%	▲
Trade Balance	-0.5		-2.7		International Reserves (US bd)	154.9	167.1	▲	Mining	-0.5%	-1.7%	▼	
					Employment				Construction	5.1%	1.2%	▲	
					Open Unemployment	4.8	4.9	▲					

Source: Ministry of the Economy with Banxico and INEGI data.

US bd= US billion dollar

Idaho

In 2012, Idaho's exports to Mexico reached \$257 million, up \$217 billion from their level in 1993 and an increase of 22.4% in comparison with the previous year.

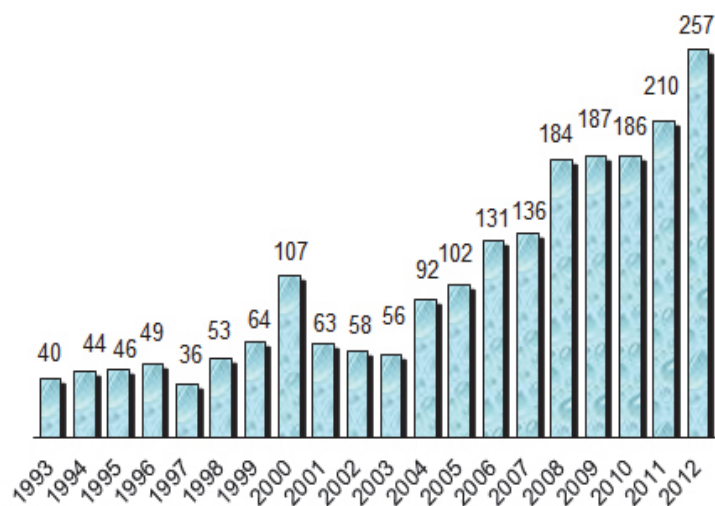
Among all U.S. states, Idaho was ranked 42nd as an exporter of goods to Mexico in 2012.

In 19 years of NAFTA, Idaho's exports to Mexico have increased by 536%, while those to the rest of the world rose 394%. This means that the export growth rate to Mexico is 1.36 times higher than its export growth rate for the rest of the world.

Since NAFTA was implemented, Idaho's sales to Mexico have grown at an annual average rate of 10.2%.

Mexico is an important trading partner to Idaho. It was ranked as the 8th largest export market for goods from Idaho in 2012, illustrating the impact of NAFTA for Idaho's growing businesses. Mexico accounted for 4.2% of Idaho's exports worldwide in 2012.

Exports to Mexico 1993 - 2012 (Millions of US Dollars)



Source: US Census with adjustments made by the World Institute for Strategic Economic Research (Wiser), and SE-NAFTA. 1993-1996 by SIC and 1997-2012 by NAICS.

Mexico is a large market for products from Idaho

Sorted by 2012 Exports to Mexico, total value in millions of US dollars

NAICS	Description	Exports to Mexico	Exports to the World	Mexico's Share	Rank among state Exports to Mexico	Rank among state Exports to the World
		257.0	6,113.4	4.2%		
311	Food and kindred products	104.0	636.5	16.3%	1	3
111	Agricultural products	54.6	282.9	19.3%	2	6
334	Computer and electronic products	39.6	2,859.2	1.4%	3	1
322	Paper	15.4	167.8	9.2%	4	9
333	Machinery, except electrical	12.2	177.1	6.9%	5	8
325	Chemicals	8.9	337.4	2.6%	6	5
321	Wood products	8.3	197.5	4.2%	7	7
336	Transportation equipment	5.7	664.9	0.9%	8	2
331	Primary metal manufacturing	2.1	414.7	0.5%	9	4
326	Plastics and rubber products	2.0	16.8	12.0%	10	16

These 10 sectors account for 98.4% of the state's total exports to Mexico, and account for 94.1% of the state's total exports to the World

Source : US Census with adjustments made by the World Institute for Strategic Economic Research (WISER), and SE-NAFTA.



Oaxaca

Oaxaca is an amazing state for tourism with great natural resources and a strong cultural heritage. Recent infrastructure improvements along the Isthmus of Tehuantepec, North America's narrowest strip of land, allow an efficient connection between the port of Salina Cruz and the Gulf of Mexico as an alternative for transoceanic trade. It also has enormous potential for generating renewable energy, in particular wind power.

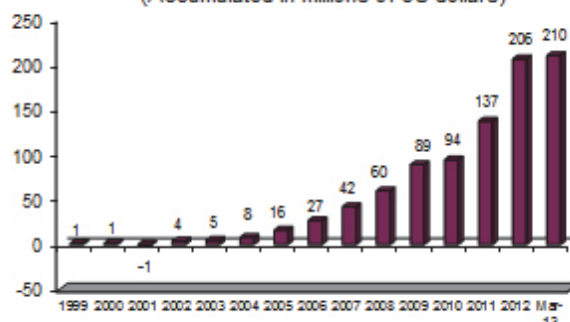


Main cities:	Oaxaca (pop. 543K, the capital), Tuxtpec (pop. 156K), Salina Cruz (pop. 82K), Tehuantepec (pop. 62K)
Population:	3.80 Million inhabitants (2010) 48% in the urban area
Education:	136K Students enrolled in high school & technical schools 109 Universities & Technological Institutes 59K Students in college, 34% enrolled in engineering
Infrastructure:	3,711 miles of paved roads 93 miles of four lane highways 910 Truck companies; 3,178 trucks total 403 miles of railroads that link the state to the country's main industrial centers 3 International airports: Oaxaca (475 K passengers annually), Huatulco (472K passengers per year) and Puerto Escondido (78K passengers annually) 2 Sea-ports: Salina Cruz has cargo capacity that handles over 2 million tons annually and Huatulco specializes to receive cruises 3 Industrial parks 266K Fixed telephone lines 57 Mobile telephone users per 100 inhabitants 278K Cable TV subscribers 215 Bank branches 537 ATMs

Exports:	\$165 million (2010)
Imports:	\$56 million (2010)
Major exports:	paper, processed food, mezcal, coffee, wood, lime, albuminous material, textiles, clothes, mangoes, papaya, pineapple, processed meat, sugar, beverages.
Foreign Direct Investment:	209 million dollars (1999-March 2013)
FDI Companies :	320
Countries with major investments:	U.S., Canada, Spain, Japan, Venezuela, Netherlands

World Bank Ease of Doing Business in Mexico ranking:	24
Starting a business	14
Registering property	16

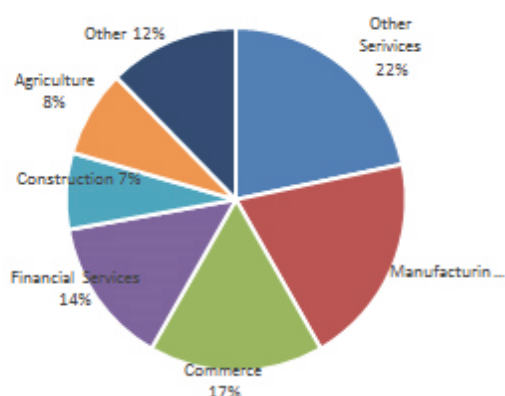
Foreign Direct Investment
(Accumulated in millions of US dollars)



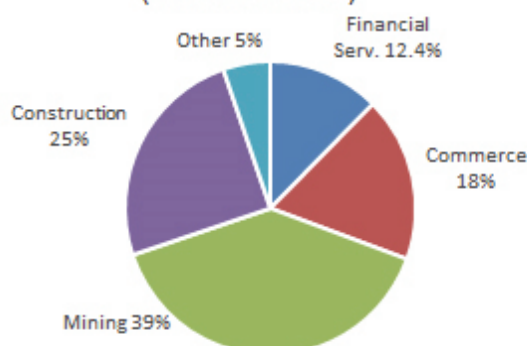
Source: Ministry of the Economy

Oaxaca's key industrial sectors: fruit, food processing, sugar refining, renewable energy, forestry, paper, chemicals, mining, machinery, tourism.

Gross Domestic Product
2011



Foreign Direct Investment by Sector
(1999-March 2013)



Companies with the largest operations in the state:

Cemex, Cementos Cruz Azul, Grupo Accion, Iberdrola, EDF-EN, Peñoles, Renovaia, Gamesa, Enel, Pipsamex, Grupo Libra, Private Label, MagdaTex, Plasticos del Sureste, Manufacturas Azo, Pemex, Envasadora Gugar, Grupo Modelo, Ingenios La Margarita, Ingenio Lopez Mateos, Wal-Mart, Chedraui, Grupo Posadas, Barceló, Grupo Empresarial Angeles, Las Brisas, AMResorts, Quinta Real.

Web-site: <http://www.oaxaca.gob.mx>
Tel: 011 52 (951) 501 5000 Ext. 12251