

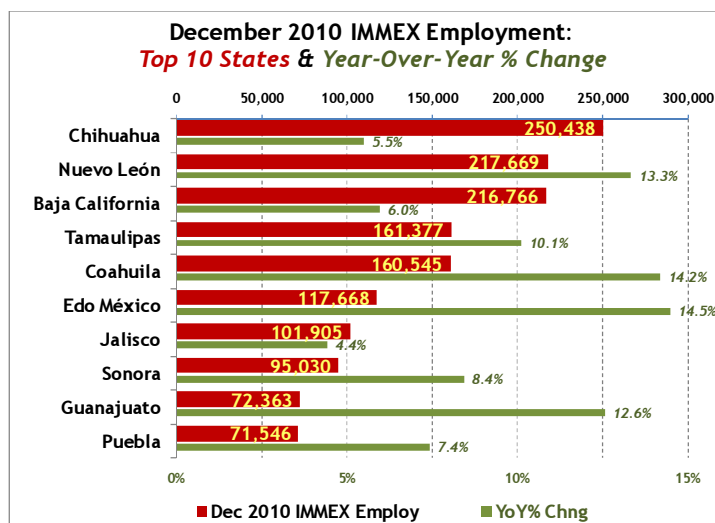
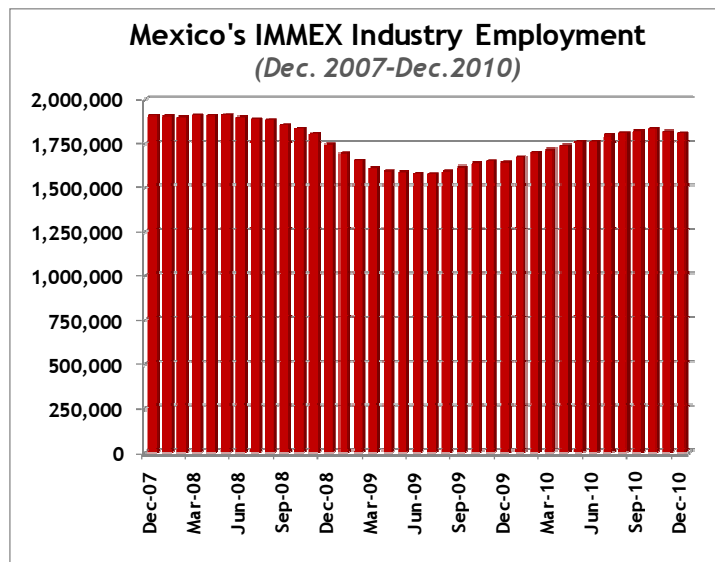


### Shifting Leadership? Trends in Mexico's Maquiladora/IMMEX Industry

Just-released data from Mexico's INEGI shows that the maquiladora/IMMEX industry finished 2010 with modest gains in employment over the past year - although the number of actual firms decreased by 2.6%. Year-over-year employment (Dec. 2009-Dec. 2010) for IMMEX firms grew 9.1% to a total of 1.81 million workers - only slightly lower than pre-Recession average levels of 1.85-1.91 million (although what may be a short-term seasonal leveling-off can be seen in Nov/Dec 2010 numbers).

While border states captured 63% of the nearly 165,000 IMMEX industry jobs created between December 2009 and 2010 (19.6% of the total, in fact, just in the three cities of Reynosa, Ciudad Juarez, and Apodaca alone), some notable trends can be seen:

- The State of Chihuahua continues with the top-rank for overall IMMEX employment - but Baja California has dropped to third-place due to the fast-paced expansion of Nuevo León's sectors;
- As seen at right, northeast border states and central regions are growing significantly faster than the traditional maquiladora powerhouses of Chihuahua, Baja California, and Sonora. Year-over-year IMMEX employment growth in Coahuila, Guanajuato, EdoMex, Nuevo León, Querétaro, and San Luis Potosí all ranged between +12.5% to +14.7%.



Whether or not 2010's growth will continue at the same pace in these States during 2011 remains to be seen. Competitive factors - labor and total cost of production, increasing worker skills, and accelerating infrastructure improvements - continue to make certain regions of Mexico increasingly attractive for investment and expansions. On the other hand, real and imagined security concerns persist in various degrees in some regions, uncertainty in the peso-dollar exchange rate is showing in Q1-2011, and overall global economic concerns continue (albeit with most analysts remaining optimistic). Despite the apparently opposing forces, what is likely are additional expansions of existing operations in 2011, increased use of contract and shelter firms, and a continuation of the shifts in regional maquiladora/IMMEX industry growth and leadership.

**Got questions about Mexico, Mexican industries, or manufacturing/exporting in Mexico? We can help, with unbiased information and insights from the binational team at Crossborder Group. Call or contact us today at [Answers@CrossborderBusiness.com](mailto:Answers@CrossborderBusiness.com) - we find answers, insights and market solutions.**