PRESS RELEASE

Impact of global crisis on Mexican multinationals varies by industry, survey finds

Press contacts:

National Autonomous University of Mexico (UNAM): Jorge Basave, Mexican Coordinator, EMGP Project, (55) 5623-0091, basave@servidor.unam.mx
Teresa Gutiérrez, Mexican Coordinator, EMGP Project, (55) 5623-0100 x 42421, haces@servidor.unam.mx, teresinagh@hotmail.com

Vale Columbia Center: Vishwas P. Govitrikar, Global Coordinator, EMGP Project, 1-514-507-3948, vpgovitrikar@gmail.com

Mexico City and New York, December 14, 2010:

The Institute for Economic Research (IIEc) at the National Autonomous University of Mexico (UNAM) and the Vale Columbia Center on Sustainable International Investment (VCC) at Columbia University in New York are releasing the results of their second annual survey of Mexican multinationals today. The report on the results identifies 20 leading outward investors from Mexico and ranks them on the basis of their foreign assets. In 2009, they jointly accounted for:

- USD 117 billion in foreign assets,
- USD 63 billion in foreign sales,
- 271 foreign affiliates (branches, subsidiaries, etc.), and
- 227,000 foreign employees.

The top three companies on the list in 2009 were the same ones as in 2008: CEMEX, America Movil, and Carso Global Telecom. Together, they controlled USD 86 billion in foreign assets, nearly three-quarters of the total on the list. Grupo Bimbo had the largest number of employees abroad (40,000), while Mexichem had the largest number of foreign affiliates (44). The most common industries among the top 20 are food and beverages (four firms, including Grupo Bimbo), non-metallic minerals (also four firms, including the top-ranking Cemex) and telecommunications (two firms, America Movil and Carso Global, mentioned above). But a number of other industries are also represented on the list, including oil & gas, steel & metal
products, auto parts, chemicals & petrochemicals, television and radio services, and retail trade.

All companies on the list, with the exception of PEMEX (Petróleos Mexicanos), which is fully state-owned, are privately owned and all, with the exception of PEMEX and Xignux (a conglomerate), trade on the domestic exchange: Bolsa Mexicana de Valores. Nine of the firms are also listed on foreign stock exchanges, seven on the New York Stock Exchange, three on the Latibex in Madrid and one on the American Stock Exchange. The geographic distribution of the 271 foreign affiliates of the top 20 is strongly weighted towards the Americas, with 137 affiliates in Latin America and 80 in North America. There is no strong evidence thus far of a greater interest in the emerging markets of the Asia Pacific.

The effects of the global economic crisis were severe for Mexico in 2009, given in particular the Mexican economy’s dependence on the US economy. GDP, exports and inward foreign investment all posted serious declines. The impact of the crisis on Mexican multinationals has varied greatly, depending on their industries and their regions of operations. Thus, for example, the impact was felt less keenly by companies with their assets mainly in Latin America, which has been one of the regions least affected by the crisis, than by companies operating in the US market. Firms in construction and activities related to construction (cement, glass, steel and other metals) have been the ones most severely affected. Telecom firms, on the other hand, have felt hardly any impact.

The report released today by the IIEc, UNAM, and the VCC is part of a long-term study of the rapid global expansion of multinationals from emerging markets. The report is available at http://www.vcc.columbia.edu/content/emerging-market-global-players.

The research into Mexican multinationals summarized in the report was conducted within the framework of the Emerging Market Global Players project, a collaborative international effort led by the VCC. The project brings together researchers on foreign direct investment from leading institutions in emerging markets to generate annual reports on emerging market multinationals. Nine reports were released in 2009, covering Argentina, Brazil, China, India, Israel, Mexico, Russia, Slovenia and Turkey. Around 15 are expected in 2010. Visit http://www.vcc.columbia.edu/content/emerging-market-global-players for further information. For further details about the IIEc, UNAM, and the VCC, visit: http://www.iiec.unam.mx/ and www.vcc.columbia.edu.