

Taking Advantage of the Crisis: The Performance of Mexican Multinationals during 2011

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The Institute for Economic Research (IIEc) of the National Autonomous University of Mexico (UNAM) and the Vale Columbia Center on Sustainable International Investment (VCC), a joint center of the Columbia Law School and the Earth Institute at Columbia University in New York, are releasing the results of their fourth survey of Mexican multinationals today¹. The survey, conducted during 2012 is part of a long-term study of the rapid global expansion of multinational enterprises (MNEs) from emerging markets². The present report focuses on data for the year 2011.

Highlights

In 2011, the 20 largest Mexican MNEs had foreign assets to the tune of US\$ 129 billion (table 1), foreign revenue of US\$ 73 billion, and 266,715 foreign employees (Annex I, table 1). The two largest companies (América Móvil and CEMEX) together controlled US\$ 82 billion, equivalent to 64% of the total assets of the list. The largest four MNEs (including Grupo FEMSA and Grupo Mexico) held US\$ 105 billion, equivalent to about 82% of the total. Companies of the food and beverage sector (four) dominate the panorama, followed by those of the non-metallic minerals industry (three). Only two companies are not listed on a stock market: PEMEX, an oil company wholly-owned by the Mexican State, and XIGNUX, a family-controlled conglomerate.

The 20 MNEs have 262 subsidiaries overseas. Since the 1990s, the highest concentration of subsidiaries is in Latin America, followed by North America, primarily the United States. Europe is in the third place, closely followed by Asia.

¹ This report was prepared by Dr. Jorge Basave Kunhardt and Dr. María Teresa Gutiérrez-Haces, senior researchers at IIEc, UNAM. Research assistance was provided by Carmen Uribe and Iris Velasco.

² Known as the 'Emerging Market Global Players project' and led internationally by the VCC.

Table 1. Mexico: The top 20 non-financial^a multinationals, by foreign assets, 2011
(US\$ million)^b

Rank	Name	Industry	Status ^c	Foreign Assets
1	América Móvil	Telecommunications	Listed (Nil)	50,703
2	CEMEX	Non-metallic minerals	Listed (Nil)	30,958
3	Grupo FEMSA	Beverages	Listed (Nil)	13,045
4	Grupo México	Mining	Listed (Nil)	10,602
5	Grupo BIMBO	Food products	Listed (Nil)	6,825
6	Grupo ALFA	Diversified	Listed (Nil)	3,462
7	PEMEX	Oil & gas	Unlisted (100)	2,206
8	Mexichem	Chemical& petrochemicals	Listed (Nil)	2,152
9	GRUMA	Food products	Listed (Nil)	2,110
10	Industrias CH	Steel & metal products	Listed (Nil)	1,086
11	Cementos Chihuahua	Non-metallic minerals	Listed (Nil)	1,081
12	ARCA	Beverages	Listed (Nil)	1,036
13	Grupo Casa Saba	Pharmaceutical	Listed (Nil)	870
14	KUO	Diversified	Listed (Nil)	537
15	ICA	Engineering & construction services	Listed (Nil)	498
16	XIGNUX	Diversified	Unlisted (Nil)	426
17	Grupo ELEKTRA	Retail trade	Listed (Nil)	381
18	Grupo VITRO	Non-metallic minerals	Listed (Nil)	318
19	Altos Hornos de México	Steel & metal products	Listed (Nil)	146
20	San Luis Corp.	Auto parts	Listed (Nil)	140
Total				128,582

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

^a Financial firms are excluded from the ranking as per the methodology of the Emerging Market Global Players project.

^b The exchange rate used is the IMF rate of December 30, 2011: USD 1= Pesos 13.9787.

^c The percentage in parentheses shows the percentage of state-owned shares.

Profiles of the top 20 MNEs

- **Changes to the list**

Between 2010 and 2011 the ranking of MNEs did not vary with respect to the first half of the list. But there were some changes in the second half, which included the removal of one company, Televisa (TV, radio, entertainment and telecommunications) for no longer being considered an MNE, the drop of Interceramic (nonmetallic minerals) from among "the 20 largest", and the addition of two new companies, Grupo Casa Saba (pharmacies) and ICA (construction). Industrias CH (steel and metals) climbed three notches from the 13th to the 10th place; and the inclusion of Grupo Casa Saba in the 13th place and ICA in 15th place caused further changes in the ranking, with ARCA (beverages) moving from the 11th to the 12th place, XIGNUX (diversified) from the 12th to the 16th place, VITRO (nonmetallic minerals) from the 16th to the 18th place and San Luis Corp (auto parts) from the 18th to the 20th place.

In order to present additional information on Mexican MNEs, Annex I, table 1a, contains the same information as Annex 1, table 1, but for the six runners-up that did not make it into the top 20. In first place there is Interceramic, which last year was among the 20 largest; second place is occupied by a new company joining the list, Industrias Bachoco (food). The remaining four are companies that already belonged to this additional list last year: ACCEL (food), Biopapel (paper and paper products), ALSEA (food), and Homex (construction).

- **Driving factors of Mexican FDI**

The main factor driving Mexican FDI continues to be the desire to access new markets. However, some of the MNEs on the list made investments in the United States and Europe that were driven by the desire to increase the quality of their products through the acquisition of technological knowledge in more sophisticated markets. Examples include KUO's partnership with Repsol in Spain to found the company Dynasol, a producer of synthetic rubber, the acquisitions of high-tech companies by the Grupo ALFA's auto parts division, and the acquisitions made by Mexichem in the petrochemical industry.

During 2011, three MNEs from the list – América Móvil, FEMSA, and Elektra – continued to acquire companies in Latin America as part of a policy of regional expansion. Meanwhile, Mexichem continued to expand in the Asian markets. BIMBO, after having entered the Asian market, is further diversifying its investments in geographical scope by expanding to the United States, Europe, and Latin America. GRUMA placed its new investments in Turkey, Russia, and the United States.

- **Main industries**

Annex I, figure 1, shows the distribution of the foreign assets of the companies on the list according to investment sector. Mexican FDI is most prevalent in the telecommunications industry (39%), followed by the non-metallic minerals industry (25%). This reflects the weight of América Móvil and CEMEX in the top 20 MNEs. The latter company is accompanied in the non-metallic minerals sector by Cementos de Chihuahua and VITRO. The beverage sector is in third place with 11% (FEMSA and ARCA), followed by mining with 8.2% (Group Minera México), food with 6.9% (BIMBO and GRUMA) and diversified MNEs with 3.4% (ALFA, KUO, and XIGNUX). The rest of the industrial branches and sectors are oil and gas (1.7%), chemicals and petrochemicals (1.7%), steel and metal products (1.0%), pharmaceuticals (0.7%), construction (0.4%), retail trade (0.3 %) and auto parts (0.1%).

- **Geographical distribution of subsidiaries**

The top 20 Mexican MNEs have 262 foreign subsidiaries (Annex I, table 1). Of these, 147, or more than half, are located in Latin America and the Caribbean. An additional 45

subsidiaries are located in North America, followed by Europe with 32. The different regions of Asia (Asian Pacific developed countries, Southeast Asia, and East Asia and the Pacific) are home to 17 subsidiaries. CEMEX is the MNE with a presence in the most countries, 29, followed by BIMBO in 23, Mexichem in 18, and América Móvil and GRUMA each in 17 nations (Annex I, table 2).

Eleven MNEs are regional in character and nine are global, using the criterion of defining global MNEs as those companies that have a presence in at least one region in addition to the Americas. The globalized MNEs are CEMEX, present in seven of the eight regions under consideration; GRUMA in six regions; and BIMBO, ALFA, and Mexichem in five each. No Mexican MNE is present in sub-Saharan Africa.

- **Transnationality Index**

The transnationality index (TNI) is calculated as the average of the following three ratios: foreign assets to total assets, foreign sales to total sales, and foreign employees to total employees. It is expressed as a percentage (that is, 41% instead of 0.41). CEMEX has the highest TNI, at 79% (Annex I, table 1). In addition to CEMEX, five other MNEs have a TNI above 50%: América Móvil (63%), Grupo BIMBO (53%), Mexichem (61%), GRUMA (65%), and Cementos de Chihuahua (59%). This year it was not possible to completely calculate the TNI of seven companies due to lack of information on the number of employees abroad.

- **Ownership status**

PEMEX is the only MNE that is 100% owned by the Mexican State and therefore not listed on any stock exchange. The only other MNE included in the ranking that is not listed on a stock exchange is XIGNUX, which is controlled by the Garza-Herrera family. The rest of the 18 MNEs are listed on the Bolsa Mexicana de Valores (BMV, the Mexican Stock Exchange). Seven of them also trade on the NY Stock Exchange and/or on Latibex, the Spanish stock exchange for Latin American securities (Annex I, table 3).

- **The ten largest mergers and acquisitions (M&As), 2009-2011**

Most (6) of the largest acquisitions occurred during 2010: one by América Móvil in Brazil; one by Grupo Televisa, one by BIMBO, and two by ALFA in the United States; and one by Grupo Casa Saba in Chile. The most important for the entire 2009-2011 period was the acquisition of Net Serviços in Brazil by América Móvil (Annex I, table 4). The most important in 2011 was the purchase of Grupo Industrias Lácteas in Panama by FEMSA (Annex I, table 4a).

- **The 10 largest greenfield investments, 2009-2011**

América Móvil made four of the 10 largest greenfield investments during the period, for about US\$ 6 billion in Brazil, Chile, and Argentina. These latter two and an investment in Brazil were undertaken in 2011. Two other large investments were made by Grupo México in Peru and CEMEX in Poland (Annex I, table 5).

- **Location of home office and official language**

Nine of the 20 largest MNEs have their main corporate headquarters in Mexico City, six in Nuevo Leon, two in Chihuahua, two in the State of Mexico, and one in Coahuila (Annex I, figure 3). The official language of all the companies is Spanish.

- **Changes in volume of assets, sales, and number of employees**

As can be seen in Table 2 below, between 2009 and 2011, the foreign assets of the 20 largest Mexican MNEs increased by 9.6%, slightly below the growth in total assets, which rose by 10.3%. The ratio of foreign assets to total assets in 2011 was 60.7, very similar to the previous two years. In these three years, the MNEs' foreign sales increased by 17.4%, almost equal to the growth in total sales, which rose by 17.6%. These results are particularly significant considering that these were years marked by crisis; these results reflect, on the one hand, Mexico's relative economic stability during the crisis and on the other, the weight of the investments of the 20 MNEs as a whole in Latin America and Asia, regions that have been less affected than the United States and Europe.

In 2011 the ratio of foreign sales to total sales was 51.6. Foreign employment grew by 18.13% and total employment rose by 59.7%. In 2011 the ratio between the two was 26.4.

Table 2. Mexico: A snapshot of the top 20 multinationals, 2009-2011 (US\$-million)^a

Variable	2009	2010	2011	% change, 2009-2011
Assets				
Foreign	115,295	121,046	126,376	9.6
Total	188,680	210,167	208,106	10.3
Share of foreign in total (%)	61.10	57.6	60.72	
Sales				
Foreign	62,517	70,769	73,369	17.4
Total	120,897	136,144	142,115	17.6
Share of foreign in total (%)	51.71	51.98	51.63	
Employment				
Foreign	225,784	253,640	266,715	18.1
Total	633,173	701,797	1,010,532	59.7
Share of foreign in total (%)	35.66	37.22	26.39	

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

^a PEMEX is excluded from all three variables in order to avoid distortions due to the considerable weight that it represents in the aggregate data. If it is included, the share of foreign assets in total would be 40.5% in 2009, 38.2% in 2010 and 40.5% in 2011. In the case of employment, ALFA, XIGNUX, KUO, VITRO and Altos Hornos are also excluded in 2011, ARCA and KUO in 2010 and Cementos Chihuahua in 2009, because information on their foreign employment was unavailable.

The Big Picture

After decades of maintaining a closed economy and a severe crisis (known as the “external debt crisis”) that exploded in 1981, a series of reforms were introduced by the Mexican government in order to open up the Mexican economy. As soon as the signals for change were sufficiently clear, the largest and more dynamic enterprises in Mexico became export oriented and almost simultaneously started to invest abroad. This was limited to the country’s largest firms and was accelerated due to the pressure exerted by the risk of imminent competition in Mexico’s domestic market. More than two thirds of the firms in our list started their outward foreign direct investment (OFDI) during the first half of the 1990s.

The largest firms were able to partner with foreign companies as a successful strategy to internationalize. Latin America was an immediate target for investments by Mexican firms due to cultural proximity, existing trade relations, and a series of management skills and productive know-how relevant to similar markets.

Nevertheless, firms also targeted their OFDI toward the United States in order to acquire technological learning and synergies that later allowed them to become global enterprises.

Mexican MNEs in the ranking have continuously expanded for more than 20 years and, with few exceptions (see Annex II), have not stopped doing so during the global crisis.

We contend that there are two important factors that affected the OFDI of Mexican MNEs in relation to the global economic crisis.

The first factor is the Mexican MNEs’ “regional exposure”. Latin America showed resilience in the face of the most negative effects of the crisis, turning the region into a buffer zone for the economic actors there.

Although Mexico’s exports were affected due to the country’s pronounced dependence on the U.S. market, it did not experience the financial effects of the crisis as severely as occurred in the developed countries. The latter was due to the fact that the Mexican banks were not particularly involved in the so-called “shadow markets”.

At the same time, even though domestic demand plummeted (-7.8%) during 2009, it recovered during the following years, by 5.5% in 2010 and 3.9% in 2011³.

In analyzing OFDI flows from Latin American countries, it should be noted that between 2007 and 2011, FDI flows from Mexico had an annual average of US\$ 7.8 billion, just behind Chile, which had an average of US\$ 8.4 billion⁴. On an aggregate level in 2011, Mexican MNEs regained the levels they posted before the onset of the crisis⁵.

When comparing the main external (aggregate) variables of the largest Mexican MNEs in the year in which the crisis began (2008) with their corresponding figures two years later, the trends are notable (considering that the numbers include 2009, the most severe year of the crisis). These companies' assets rose by 27.1%; sales were up by 24.8%; and the number of employees grew by 30.8%⁶.

The second factor influencing the impact of the crisis on Mexican MNEs relates to how the crisis affected different business sectors. Some business sectors were seriously affected by the crisis while others maintained sustained growth rates. In the case of manufacturing and non-financial services (in which the MNEs of the sample operate), the sectors most related to construction were the most affected. Those linked to the auto industry posted declines in the first year of the crisis but have subsequently recovered. Meanwhile, the companies involved in the food and beverage and telecommunications industries experienced sustained growth and an important expansion of their activities. Food sector companies as a whole have been the most successful. This sector includes Grupo BIMBO, FEMSA, GRUMA, and the ALFA food division. They are followed by the companies in the mining sector (Grupo Mexico), telecommunications (América Móvil), chemicals and petrochemicals (Mexichem) and the retail trade (ELEKTRA).

The case of the companies in the auto parts sector (the auto parts division of Grupo ALFA and San Luis Corp.) is noteworthy because a very bad first year (2009) was followed by a significant recovery. These companies' recovery can be attributed to extraordinary U.S. government spending on a bailout program for that country's auto industry, which had

³ INEGI, Banco de Información Económica, www.inegi.org.mx/sistemas/bie/.

⁴ Brazil's average annual is US \$ 5.6 billion, which is less than in years prior to the crisis, because in two years, 2009 and 2011, several Brazilian subsidiaries abroad provided resources to their parent company. See UNCTAD, "World Investment Report 2012: Towards a New Generation of Investment Policies" (New York and Geneva, 2012), p. 171.

⁵ According to UNCTAD, "World Investment Report 2012: Towards a New Generation of Investment Policies" (New York and Geneva, 2012), p. 171, Mexican OFDI in 2007 was US\$ 8, 256 million and in 2011 was US \$8,946 million.

⁶ For more detailed information see IIEc-VCC, "First ranking survey of Mexican multinationals finds great diversity of industries" (December 10, 2009), available at: <http://www.vcc.columbia.edu/files/vale/documents/EMGP-Mexico-Report-Final-09Dec09.pdf> (last visited on December 14, 2012) and IIEc-VCC, "Striving to overcome the economic crisis: Progress and diversification of Mexican multinationals' export of capital, 2011" (December 28, 2011), available at: <http://www.vcc.columbia.edu/files/vale/documents/EMGP-Mexico-Report-2011-Final.pdf> (last visited on December 10, 2012).

positive repercussions for U.S. assembly plants located in Mexico, and for San Luis Corp., having the remaining 50% of its investment in Latin America.

The most affected group of companies undoubtedly belongs to sectors tied to the construction industry, which has been the most depressed because of the real estate crisis. This category includes companies such as VITRO, CEMEX, Cementos de Chihuahua and Interceramic.

VITRO's Spanish subsidiary, Cristalglass, which produces flat glass for buildings and homes and windows for trucks and busses, filed for bankruptcy in 2011. CEMEX has 46% of its subsidiaries in the USA and Europe, and 44% in Latin America. It has had financial problems since 2007 due to an over-appreciation of its expansion capabilities⁷.

Growing sales in the domestic Mexican and foreign markets have led several of the MNEs in our ranking to take advantage of the crisis to expand their international operations through purchases of companies abroad (see Annex 1, table 4).

If in the near future the global crisis continues affecting the developed economies more than the emerging economies we may see that market-seeking Mexican MNEs will continue to focus in Latin America and expand to other developing countries, while strategic-asset-seeking MNEs may continue to pursue opportunities in developed countries. Given that most Mexican MNEs are at the very early stage of internationalization, their global expansions in the near future will likely to continue to be concentrated in the Americas, where economic, geographic, and cultural distances are closer.

⁷ The purchase of the Australian cement company Rinker (US\$14 billion) in 2007 triggered a severe indebtedness and cash flow problem.

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Emerging Markets Global Players Project

This report on Mexican multinationals was prepared in the framework of the Emerging Markets Global Players (EMGP) Project, an international collaborative effort led by the Vale Columbia Center on Sustainable International Investment. It brings together researchers on FDI from leading institutions in emerging markets to generate annual reports on the leading multinationals in each participating country. Since 2007, reports have been published on 14 countries: Argentina, Brazil, Chile, China, Hungary, India, Israel, Republic of Korea, Mexico, Poland, Russia, Slovenia, Taiwan and Turkey. For further information, visit: <http://www.vcc.columbia.edu/content/emerging-market-global-players-project>.

Institute for Economic Research, UNAM

The Institute for Economic Research (IIEc) is an academic institution of the National Autonomous University of Mexico (UNAM). Its main functions are research into, and circulation of, information on issues related to the economy. Participating in the IIEc are more than 110 academic specialists involved in 14 research units. Annually, the IIEc publishes three specialized journals on economic questions and several books. *For further information visit: www.iiec.unam.mx.* The UNAM is a public university and the largest in Latin America. *For further information visit: www.unam.mx.*

Vale Columbia Center on Sustainable International Investment

The Vale Columbia Center on Sustainable International Investment (VCC), a joint center of Columbia Law School and the Earth Institute at Columbia University, is a leading forum for discussion by scholars, policy makers, development advocates, practitioners, and other stakeholders of issues related to FDI in the global economy, paying special attention to the impact of this investment on sustainable development. The VCC bridges education, scholarship and practice in the field of sustainable investment. Its objectives are to analyze important topical policy-oriented issues related to investment and to develop and disseminate practical approaches and solutions to promote development outcomes. For more information, visit <http://www.vcc.columbia.edu>.

ANNEX I: Tables and figures

Annex I, table 1: Mexico: The top 20 multinationals: Key variables, 2011 (US\$ million^a and number of employees)

(Ranked by foreign assets)

Rank	Name	Industry	Assets		Sales		Employment		TNI (%)	Number of foreign affiliates	Number of host countries
			Foreign	Total	Foreign	Total	Foreign	Total			
1	América Móvil	Telecommunications	50,703	67,647	28,026	47,594	86,480	158,694	63	45	17
2	CEMEX	Non-metallic minerals	30,958	35,065	10,414	13,516	32,068	44,104	79	30	29
3	Grupo FEMSA	Beverages	13,045	19,652	5,784	14,525	42,485	177,470	43	8	8
4	Grupo México	Mining	10,602	16,646	5,023	10,436	6,907	26,990	46	5	4
5	Grupo BIMBO	Food products	6,825	10,121	4,961	9,565	51,224	126,747	53	28	23
6	Grupo ALFA	Diversified	3,462 ^(b)	9,912	7,858 ^(c)	13,074	n.a	56,978	(32)	26	15
7	PEMEX	Oil & gas	2,206 ^{(d)(e)}	109,692	5 ^(f)	111,486	1,700 ^(d)	150,561	1	1	1
8	Mexichem	Chemical & petrochemicals	2,152	4,325	2,264	3,509	7,553	11,173	61	23	18
9	GRUMA	Food products	2,110	3,186	2,702	4,124	13,494	21,318	65	17	17
10	Industrias CH	Steel & metal products	1,086	2,688	1,106 ^(c)	2,318	1,936	5,348	41	7	2
11	Cementos Chihuahua	Non-metallic minerals	1,081	1,690	332	515	1,228 ^(d)	2,558	59	6	1
12	ARCA	Beverages	1,036	4,322	820	3,205	5,830	38,172	22	2	2
13	Grupo Casa Saba	Pharmaceutical	870	2,296	733	3,331	6,451	19,702	31	2	3
14	KUO	Diversified	537 ^(b)	1,626	973 ^(c)	1,912	n.a	16,652	(28)	7	4

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15	ICA	Engineering & construction services	498	7,074	196	3,060	n.a	40,003	(4)	26	14
16	XIGNUX	Diversified	426	1,787	1,410 ^(c)	2,557	n.a	19,328	(26)	6	4
17	Grupo ELEKTRA	Retail trade	381 ^{(b) (g)}	12,698	n.a	3,721	7,934	52,064	(6)	7	7
18	Grupo VITRO	Non-metallic minerals	318 ^(d)	2,376	95	1,562	n.a	17,300	(6)	8	8
19	Altos Hornos de México	Steel & metal products	146	4,381	380 ^(c)	2,922	n.a	20,958 ^(d)	(5)	4	2
20	San Luis Corp.	Auto parts	140	614	292	669	1,425	4,412	33	4	2
Total (average for the TNI percentage)			128,582	317,798	73,374	253,601	266,715	1,010,532	(32)^(h)	262	181

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

^a The exchange rate used is the IMF rate of December 30, 2011: US\$ 1= Pesos 13.9787.

^b Estimated.

^c Exports included.

^d As of 2010.

^e Represents 50% of the 50-50 joint venture with Shell Oil Co. in Deer Park Refining Ltd. of Texas.

^f Registered under the equity method.

^g Financial assets excluded.

^h The TNI is calculated as the average of the following three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment. It is expressed as a percentage (i.e., “41” rather than “0.41”). When the TNI appears in parentheses, it has been calculated without the employment data.

Annex I, table 1a. Mexico: Key variables for runners-up, 2011 (US\$ million ^a and number of employees)

Rank	Name	Industry	Assets		Sales		Employment		TNI (%)	Number of foreign affiliates	Number of host countries
			Foreign	Total	Foreign	Total	Foreign	Total			
1	Bachoco	Food products	132	1,658	99	1,984	2,853	25,326	8	5	1
2	Interceramic	Non-metallic minerals	96	365	149	460	600	4,065	22	5	4
3	Accel	Food products	93	184	194	234	n.a	1,708	(44)	2	1
4	Bio Pappel	Paper & paper products	91	1,172	187	787	179	7,938	11	4	1
5	ALSEA	Food products	82	673	172	763	14,827	23,212	33	8	3
6	HOMEX	Construction	71	2,960	43	1,563	880	11,299	4	2	2
Total (average for the TNI percentage)			565	7,012	844	5,791	19,339	73,548	(16) ^b	26	12

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

^a The exchange rate used is the IMF rate of December 30, 2011: US\$1= Pesos 13.9787.

^b The TNI is calculated as the average of the following three ratios: foreign assets to total assets, foreign sales to total sales and foreign employment to total employment. It is expressed as a percentage (i.e., “41” rather than “0.41”). When the TNI appears in parentheses, it has been calculated without the employment data.

ANNEX I: Tables and figures

Annex I, table 2. Mexico: The top 20 multinationals: Regionality Index, 2011 (percentages, except for last column)

Company	Middle East & North Africa	East Asia & the Pacific	South Asia	Developed Asia Pacific	East Europe & Central	Other Europe	Latin America & the Caribbean	North America	Number of foreign affiliates
América Móvil							96	4	45
CEMEX	10	7	7		16	27	30	3	30
Grupo FEMSA							100		8
Grupo México							60	40	5
Grupo BIMBO		7			7	17	54	15	28
Grupo ALFA		8			15	35	15	27	26
PEMEX								100	1
Mexichem		4		4		9	66	17	23
GRUMA		12		6		18	40	6	17
Industrias CH								100	7
Cementos Chihuahua								100	6
ARCA							100		2
Grupo Casa Saba							100		2
KUO		28	16			28		28	7
ICA					4	4	88	4	26
XIGNUX			17				33	50	6
Grupo ELEKTRA							100		7
Grupo VITRO						25	62	13	8
Altos Hornos de México	75							25	4
San Luis Corp.							50	50	4

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

^a The regionality index is calculated by dividing the number of a firm's foreign affiliates in a particular region of the world by its total number of foreign affiliates and multiplying the result by 100. Sub-Saharan Africa is not included among the regions as there is no Mexican presence there.

ANNEX I: Tables and figures

Annex I, table 3. Mexico: The top 20 multinationals: Stock exchange listings, 2011

Company	Domestic	Foreign
América Móvil	Mexican Stock Exchange	New York Stock Exchange; Latibex in the Madrid Stock Exchange; Frankfurter Stock Exchange
CEMEX	Mexican Stock Exchange	New York Stock Exchange
Grupo FEMSA	Mexican Stock Exchange	New York Stock Exchange
Grupo México	Mexican Stock Exchange	<i>None</i>
Grupo BIMBO	Mexican Stock Exchange s	<i>None</i>
Grupo ALFA	Mexican Stock Exchange	Latibex in the Madrid Stock Exchange
PEMEX	<i>None</i>	<i>None</i>
Mexichem	Mexican Stock Exchange	<i>None</i>
GRUMA	Mexican Stock Exchange	New York Stock Exchange
Industrias CH	Mexican Stock Exchange	<i>None</i>
Cementos de Chihuahua	Mexican Stock Exchange	<i>None</i>
ARCA	Mexican Stock Exchange	<i>None</i>
Grupo Casa Saba	Mexican Stock Exchange	New York Stock Exchange
KUO	Mexican Stock Exchange	<i>None</i>
ICA	Mexican Stock Exchange	New York Stock Exchange
XIGNUX	<i>None</i>	<i>None</i>
Grupo ELEKTRA	Mexican Stock Exchange	Latibex in the Madrid Stock Exchange
Grupo VITRO	Mexican Stock Exchange	<i>None</i>
Altos Hornos de México	Mexican Stock Exchange	<i>None</i>
San Luis Corp.	Mexican Stock Exchange	<i>None</i>

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

ANNEX I: Tables and figures

Annex I, table 3a. Mexico: The runners-up multinationals: Stock exchange listings, 2011

Company	Domestic	Foreign
Industrias Bachoco	Mexican Stock Exchange	New York Stock Exchange
Interceramic	Mexican Stock Exchange	None
Accel	Mexican Stock Exchange	None
Bio Pappel	Mexican Stock Exchange	None
ALSEA	Mexican Stock Exchange	None
HOMEX	Mexican Stock Exchange	New York Stock Exchange

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

ANNEX I: Tables and figures

Annex I, table 4. Mexico: Top 10 outward M&A transactions, 2009-2011 (US\$ million)

Date	Acquirer's name	Target company	Target industry	Target country	% of shares acquired	Value of transaction
10/2010	América Móvil	Net Serviços	Telecommunications	Brazil	100	2,600
01/2009	Grupo BIMBO	Weston Foods Inc.	Food	United States	100	2,500
06/2009	Grupo México	ASARCO	Mining	United States	100	2,200
03/2011	Grupo FEMSA	Grupo Industrias Lácteas	Food	Panama	50	2,154
12/2010	Grupo Televisa	Univision Communications Inc.	Television broadcasting stations	United States	35	1,200
11/2010	Grupo BIMBO	North American Fresh Bakery	Food	United States	100	959
11/2011	Grupo BIMBO	Iberia	Food	Spain	100	749
09/2010	Grupo Casa Saba	Farmacias Ahumada S.A.	Drug stores and proprietary stores	Chile	97.8	604
12/2010	Grupo ALFA (Alpek)	PTA & PET business of Eastman Chemical	Chemicals	United States	100	600
09/2010	Grupo ALFA (Sigma)	Bar-S	Food	United States	100	583
Total						14,149

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

Annex I, table 4a. Mexico: Top outward M&A transactions, 2011 (US\$ million)

DATE	Acquirer's name	Target company	Target industry	Target country	% of shares acquired	Value of transaction
03/2011	Grupo FEMSA	Grupo Industrias Lácteas	Food	Panama	50	2,154
11/2011	Grupo BIMBO	Sara Lee	Food	United States	100	749
12/2011	Grupo BIMBO	Iberia	Food	Spain	100	411
08/2011	CEMEX	Ready Mix	Non-metallic minerals	United States	100	352
01/2011	Mexichem	Alphagart	Chemicals	United States	100	322
09/2011	Grupo ALFA	Wellman Inc.	Chemicals	United States	100	185
09/2011	Grupo BIMBO	Fargo	Food	Argentina	100	159
05/2011	Mexichem	Showa Denko	Chemicals	Japan	100	26
11/2011	GRUMA	Casa de Oro Foods	Food	United States	100	23
11/2011	GRUMA	Semolina	Food	Turkey	100	17
Total						4,398

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

ANNEX I: Tables and figures

Annex I, table 5. Mexico: Top 10 outward greenfield transactions, announced^a, 2009-2011 (US\$ million)

Date	Company	Destination	Industry	Value of transaction
04/2011	América Móvil	Chile	ICT & Internet infrastructure	2,000
04/2011	América Móvil	Argentina	ICT & Internet infrastructure	1,500
11/2010	América Móvil	Brazil	ICT & Internet infrastructure	1,231.8 ^b
06/2011	América Móvil	Brazil	ICT & Internet Infrastructure	1,200
06/2009	Grupo México	Peru	Metals	600.0
02/2009	CEMEX	Poland	Building & construction materials	514.0
11/2010	América Móvil	Colombia	ICT & Internet infrastructure	249.9 ^b
09/2009	GRUMA	Australia	Food & tobacco	168.1 ^b
08/2010	Infra Group (Grupo Productor Infra)	El Salvador	Chemicals	93.6 ^b
03/2009	Productos Laminados de Monterrey (Prolamsa)	United States	Metals	89.8 ^b
Total				7,647.2

Source: Adapted from fDi Intelligence, a service from the Financial Times Ltd.

^a Note that these transactions may not have materialized exactly as here listed.

^b Estimated.

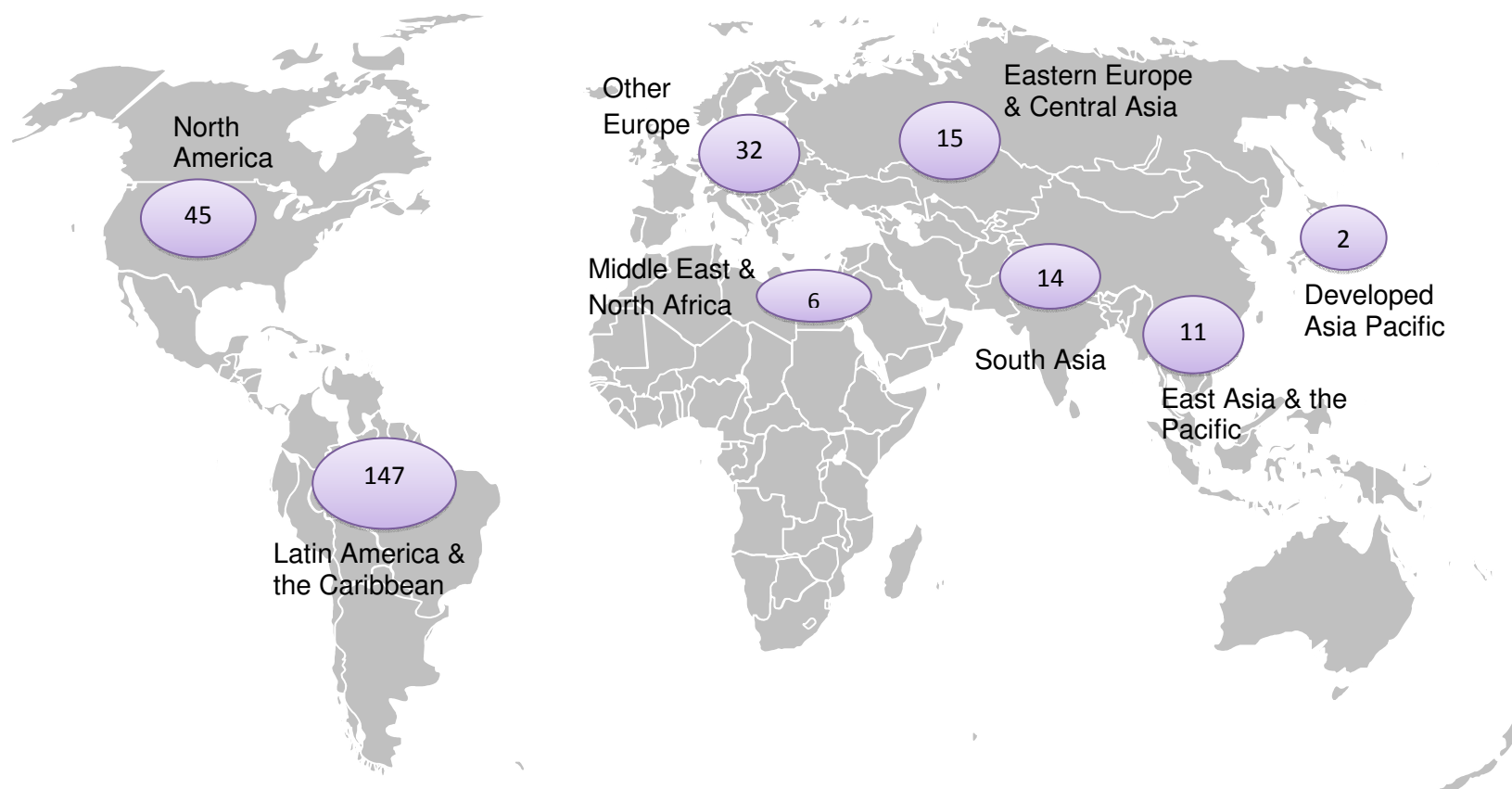
Annex I, figure 1. México: Breakdown of the foreign assets of the top 20 multinational, by main industry, 2011 (percentages)



Industry	Foreign assets (USD million)	Number of companies	Companies
Telecommunications	50,703	1	América Móvil
Non-metallic minerals	32,357	3	CEMEX, Cementos Chihuahua, VITRO
Beverages	14,081	2	Grupo FEMSA, ARCA
Mining	10,602	1	Grupo México
Food	8,935	2	Grupo BIMBO, GRUMA
Diversified	4,425	3	Grupo ALFA, KUO, XIGNUX
Oil & gas	2,206	1	PEMEX
Chemical & petrochemicals	2,152	1	Mexichem
Steel & metal products	1,232	2	Industrias CH, Altos Hornos de México
Pharmaceutical	870	1	Grupo Casa Saba
Engineering & construction services	498	1	ICA
Retail trade	381	1	Grupo ELEKTRA
Auto parts	140	1	San Luis Corp.
Total	128,582	20	

Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

Annex I, figure 2. Mexico: Foreign affiliates of the top 20 multinationals, by region 2011



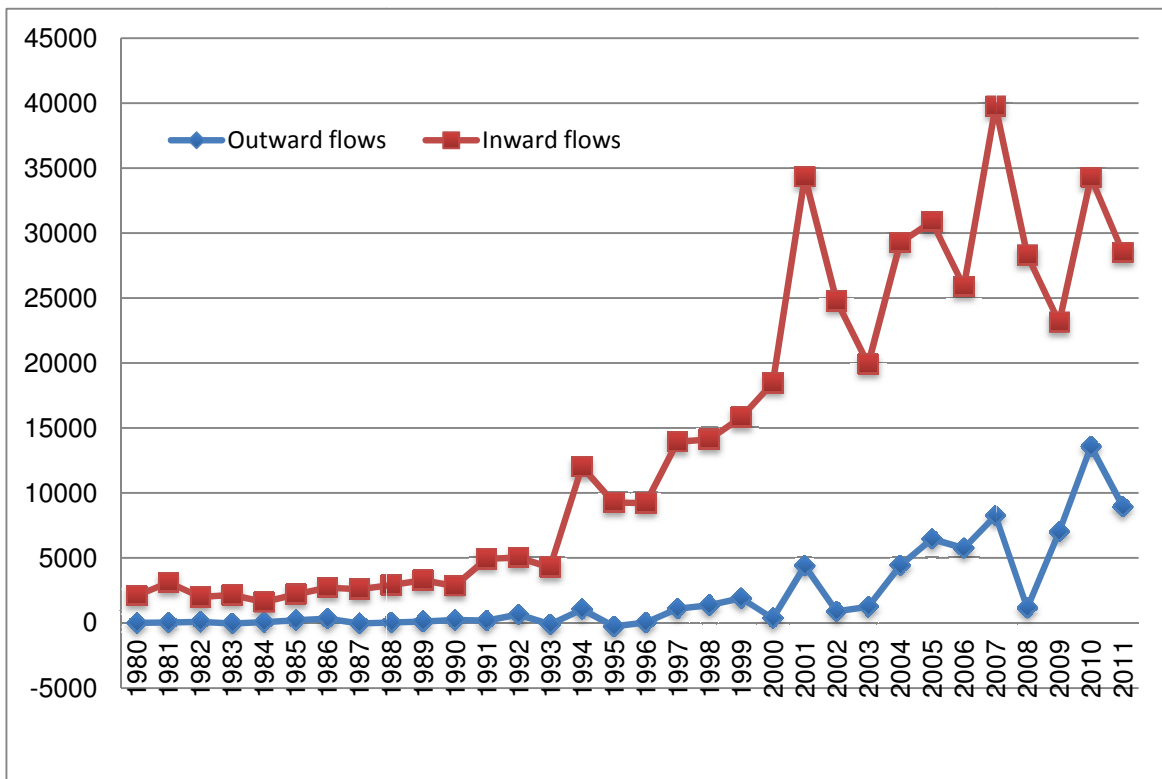
Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

Annex I, figure 3. Mexico: Head quarters locations of the top 20 multinationals, 2011



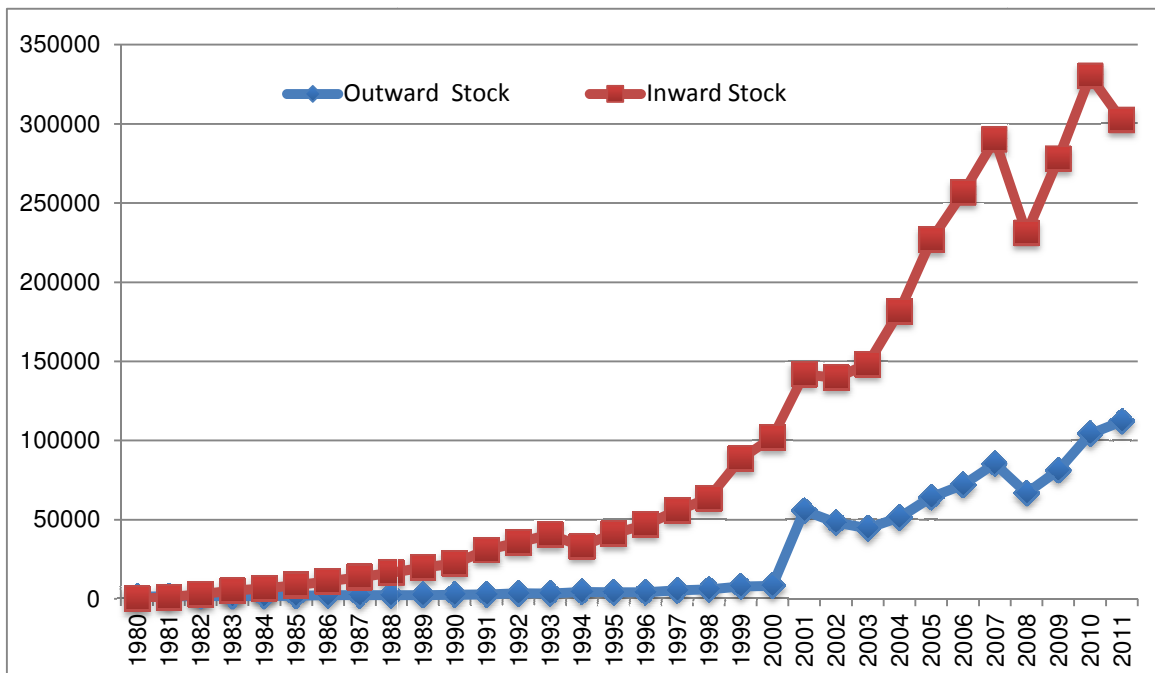
Source: Basave and Gutiérrez-Haces, Survey of Mexican multinationals, 2012, IIEc-VCC, and consolidated company reports and websites.

Annex I, figure 4. Mexico: Inward and Outward FDI flows, 1980-2011 (US\$ million)



Source: United Nations Conference on Trade and Development (UNCTAD), FDI STAT On-line database, (Geneva: United Nations Conference on Trade and Development), <http://unctadstat.unctad.org/TableViewer/tableView.aspx>, accessed October 1, 2012.

Annex I, figure 5. Mexico: Inward and Outward FDI stock, 1980-2011 (US\$ million)



Source: United Nations Conference on Trade and Development (UNCTAD), FDI STAT On-line database, (Geneva: United Nations Conference on Trade and Development), <http://unctadstat.unctad.org/TableViewer/tableView.aspx>, accessed October 10, 2012.

Annex II. Activities of the top 20 in 2011**América Móvil**

América Móvil was founded in 1996 as a result of the spin-off of Grupo Carso, owner of Teléfonos de México (TELMEX), the largest Mexican telephone company that was privatized in 1990. It currently operates in 18 countries and is Latin America's largest provider of wireless telecommunication services. It ranks first in terms of market share in Mexico, Colombia, and Ecuador, and third in Brazil.

The company has experienced steady growth in terms of revenue in most of its markets. In 2011, América Móvil's operating income increased 9.5% compared to 2010. The main factors that stimulated the growth in revenue were its pay-TV services and the increased use of its wireless voice and data services, especially in Brazil, the Southern Cone countries, and the Andean Region. Between 2008 and 2011, América Móvil invested at least US\$ 7 billion to buy Estesa Holding Co. in Nicaragua, Net Services in Brazil, and Digicel in Honduras.

The main shareholder of América Movil is Carlos Slim Helú.

CEMEX

Cementos Mexicanos (CEMEX) founded in 1906 under the name of Cementos Mexicanos is a global company specializing in materials for the construction industry. It produces, distributes, and markets cement, ready-mix concrete, aggregates, and other related products in the Americas, Europe, Africa, the Middle East, and Asia. The company has commercial relations with about 102 nations.

Its consolidated net sales in 2011 increased by about 6% over the previous year. Its operations in Mexico account for about 21% of net sales, while the corresponding figures for the United States are 16%; Europe, 37%; South America and the Caribbean, 12%; the Mediterranean, 11%; and finally, Asia, 3%.

The company's main shareholder is the Zambrano family.

Grupo FEMSA

Originally known as Cervecería Cuauhtémoc, the company was founded in 1890 and has been operating as FEMSA since 1980. FEMSA is a leading company in Latin America. It is comprised of the world's largest Coca-Cola bottler, the OXXO convenience store chain, and has a significant investment in Heineken. Coca-Cola FEMSA operates in nine countries: Mexico, Guatemala, Nicaragua, Costa Rica, Panama, Venezuela, Colombia, Brazil, and Argentina. OXXO is the largest convenience store chain in Latin America, and currently has a total of 9,561 outlets strategically located in Mexico and Colombia.

FEMSA's total revenue increased by 19.6% in 2011 in relation to 2010. All FEMSA operations –beverages and retail sales- contributed positively to this increase. The total revenue of Coca-Cola FEMSA increased by 20.5%. FEMSA Comercio's total revenue rose by 19%, mainly attributable to the opening of new stores during the year.

The company's main shareholder is the Garza Lagüera family.

Grupo Mexico

This company started as American Smelting and Refining, which in 1956 established Asarco Mexicana and in 1978 created Grupo Industrial Minera México Holding Co. Grupo Mexico is one of the most important mining companies in Mexico, Peru and the United States, and one of the world's leading copper producers. In addition, it operates Mexico's largest multimodal rail shipping service and has an infrastructure division.

The year 2011 was very positive for Grupo Mexico, with its net sales increasing by 25% in relation to 2010. The group's Mining Division, which consolidates Americas Mining Corporation, accounted for 83% of company revenue. Its mining operations in Mexico represented 42% of total revenue, with 36% corresponding to Peru and 22% to the United States. The group's Transportation Division, which includes Infraestructura y Transportes México, accounted for 16% and the Infrastructure Division, which consolidates México Proyectos y Desarrollos, the remaining revenue.

The main shareholder of Grupo México is the Larrea family.

Grupo BIMBO

Grupo BIMBO was founded in 1945. It is one of the largest baked goods companies in the world and one of the largest processed food companies in the Americas. BIMBO operates in 19 countries, including the United States, Mexico, Latin America, Spain, and, to a lesser extent, Portugal and China.

In 2011, the group's net sales increased by 14.1%. This can mainly be attributed to price increases applied in all regions and rising sales volumes in Mexico and Latin America as well as the acquisitions made in 2011.

In the United States, sales increased by 12.4% due to the acquisition of Sara Lee, while in Latin America they grew by 30.7% due to growing market penetration in Brazil and the purchase of Fargo in Argentina.

The main shareholder of BIMBO is the Servitje family.

Grupo ALFA

ALFA Group has its origin in a series of steel and chemical companies founded in the 1940s. It is one of the largest industrial companies in Mexico. It consists of five business

groups: Alpek (petrochemicals), Nematik (high tech aluminum auto parts), Sigma (refrigerated food), Alestra (information technology and telecommunications), and Newpek (natural gas and hydrocarbons).

ALFA currently has production facilities in Germany, Argentina, Austria, Brazil, Canada, China, Costa Rica, the United States, El Salvador, Slovakia, Hungary, India, Mexico, Peru, Poland, the Czech Republic, and the Dominican Republic. In addition, ALFA markets its products in over 40 countries.

ALFA's consolidated sales in 2011 increased by 34% in relation to 2010. Sales of its subdivision Alpek grew by 48%, due to strong demand for food and beverage containers. Of particular importance is the strong demand in the Chinese market for caprolactam, a raw material used in the production of nylon that Alpek exports from Mexico.

Sigma's sales increased by 24%, primarily due to steady demand during most of the year in the food markets in Mexico and the United States.

Nematik sales increased by 23%. This growth can be attributed to the replacement of iron by aluminum in car engines, increased sales of Nematik's main customers, the company's exports of German cars to other regions, and the launching of new programs.

Alestra boosted sales by 3%, with this increase mainly underpinned by growing sales of value-added services. These services accounted for 82% of the company's total revenue in 2011. Finally, in Newpek, revenues increased by 265% compared to previous year.

The main shareholder of Grupo ALFA is the Garza Sada family.

PEMEX

PEMEX, founded in 1938 is the sole producer of crude, natural gas, and oil in Mexico and it is the federal government's largest source of revenue and the country's largest 100% State-owned enterprise.

Since 1993 PEMEX has participated, through its subsidiary PMI Norteamérica, S.A. de C.V., in a refinery in Deer Park, Texas, United States, in a 50-50% partnership with Shell Oil Company. The refinery has the capacity to process 340 mbd of crude oil.

During 2011, Pemex acquired 4.69% of shares in Repsol YPF S.A. (Repsol), the largest oil and gas company in Spain at a cost of US\$ 21 billion.

Mexichem

Mexichem was founded in 1953 as Cables Mexicanos S.A. It is a leading company in the Latin American chemical and petrochemical industry. Its products are exported to over 50 countries worldwide. The company produces and markets a wide range of raw materials, industrial derivatives, and finished products that meet the demand for essential goods for

construction, water supply and treatment, electric power generation, transportation, communications, and health care, among many others. In 2011, Mexichem reported 34% growth in net sales compared to 2010.

The main shareholder of Mexichem is the Del Valle family.

GRUMA

GRUMA, founded in 1949, is one of the largest producers of corn flour and tortillas in the world. The company is mainly engaged in the production, marketing, distribution, and sale of corn flour, tortillas, and wheat flour. GRUMA has operations in the United States, Mexico, Venezuela, Central America, Europe, Asia, and Australia and exports to 105 countries worldwide.

In 2011, GRUMA's sales volume rose by 5% in relation to 2010. Sales operations outside of Mexico represented 66% of the company's consolidated net sales in 2011.

In December 2011, GRUMA announced that it had reached an agreement with the Venezuelan government that ends the dispute that had been ongoing since the publication of the expropriation decree of May 12, 2010 against DEMASECA and MONACA. The agreement signed between GRUMA Venezuela and the Venezuelan government is aimed at creating two companies. One of the companies will center its activities on the production and marketing of precooked corn flour and packaged rice, and the other on the production and marketing of wheat, pasta, and oatmeal, among other items.

GRUMA has invested at least US\$ 67 million between 2010 and 2011 to acquire Albuquerque Tortilla Co. and Casa de Oro Foods in the United States; Altera I and II in Ukraine; Semolina Co. in Turkey; and Solntse México in Russia.

GRUMA's main shareholder is the González Barrera family.

Industrias CH

The company's origin dates back to 1934 when it was known as Herramientas S.A. Industrias CH produces, processes, and markets different steel products. It has enjoyed steady growth in the past few years. The company has 14 steel production and processing plants located in different parts of Mexico, the United States, and Canada.

Industrias CH posted 20% growth in net sales in 2011. This is mainly because in 2011 world steel prices rose by 17% on average due to a recovery in world production of about 6.8% over the previous year. In February 2011, through two subsidiaries, Industrias CH acquired SimRep Corporation (Solon Wire Processing LLC and Republic Memphis LLC), the assets of BCS Industries LLC, and subsidiaries (Bluff City Steel). For these assets, it paid US\$ 2.5 million in cash and canceled net assets of US\$ 6 million owed by BCS.

The main shareholder of Industrias CH is the Vigil González family.

Cementos Chihuahua

Founded in 1941 Cementos Chihuahua (GCC) is a producer of cement, ready mixed concrete and aggregates, with operations in Mexico and the United States. The company's net sales in 2011 were up 4.9% compared to the previous year. Its Mexican market sales accounted for 35% of the total, and its U.S. market operations for 64.5%.

In August 2011, GCC completed the sale of its 47.02% equity stake in Sociedad Boliviana de Cemento, S.A. to Consorcio Cementero del Sur, S.A., a subsidiary of Grupo Gloria based in Peru. The resources obtained from this transaction will mainly be applied to debt reduction.

The main shareholder of Cementos Chihuahua is the Terrazas family.

ARCA

ARCA Continental was founded in 2011 by the merger of Embotelladoras ARCA and Grupo Continental, making it the second largest bottler of Coca-Cola in Latin America and one of the most important in the world. The company serves a population of over 53 million customers in northern and western Mexico as well as Ecuador and northern Argentina. ARCA Continental also produces and distributes salty snack foods under the Bokados trademark.

The main shareholder of ARCA is the Barragán family.

Grupo Casa Saba

Grupo Casa Saba was founded in 1892 as Casa Autrey. This company provides health-related services ranging from the purchase, distribution, and marketing of pharmaceutical, health, beauty, personal care, and consumer products, as well as the distribution of publications, hospitalization, and short-stay surgery, and specialized treatments. The company currently operates more than 1,300 pharmacies in Mexico, Brazil, and Chile. It should be noted that in late 2010 and during 2011 it also had pharmacies in Peru. During 2011, Grupo Casa Saba sales increased by 37.61% compared to 2010.

The company's main shareholder is Isaac Saba Raffoul.

Grupo KUO

Previously known as Grupo DESC, the company was founded in 1973. Grupo KUO operates through 11 strategic business units – Pork production, Agglomeration, JV Herdez Del Fuerte, Dynasol, Elastomers, Plastics, Macro-M, Bioenergía, Power Systems, Aftermarket, and KUO Aerospace – whose activities center on three divisions: consumption, chemicals, and automotive.

In 2011, the company's cumulative sales increased by 18% in relation to 2010. This can be attributed to increased sales in Grupo KUO's three divisions. KUO Chemical sales increased by 28%; KUO Automotive sales were up 2%, and KUO Consumer sales grew by 16%. Exports were 24% higher than the previous year, representing 48% of Grupo KUO's total sales.

In September 2011, KUO signed an agreement to form a 50/50 joint venture with the Chinese company Jiangsu GPRO Group Co. Ltd. (GPRO). This agreement stipulates that Grupo KUO and GPRO will establish a company called INSA GPRO (Nanjing) Synthetic Rubber Co. Ltd. and jointly invest US\$ 60 million in a new plant located in Nanjing, Jiangsu Province, China, with an initial production capacity of 30,000 metric tons of nitrile butadiene rubber. INSA (Industrias Negromex, Ltd.), a subsidiary of Grupo KUO, will provide the technology for this new joint venture.

In December 2011, KUO through its subsidiary Transmisiones y Equipos Mecánicos S.A. de C.V. (Tremec), acquired the dual clutch transmission business through the purchase of equity in HOERBIGER Drivetrain Mechatronics BVBA (HDM) in Loppem, Belgium. This purchase will allow Grupo KUO to enter new market segments characterized by high growth.

The main shareholder of Grupo KUO is the Senderos Mestre family.

ICA

Founded in 1947 and previously known as Ingenieros Civiles Asociados S.A., Empresas ICA is the leading company in infrastructure operation and construction in Mexico. Its main lines of business are engineering and civil and industrial construction, infrastructure operations, including airports, highways, municipal water systems, and housing.

In 2011, the company's total revenue increased by 24%. This increase mainly corresponded to civil and industrial construction, which accounted for 73% of consolidated revenues, as well as growth in the concession project segment, which represented 14% of consolidated revenue during the year.

In August 2011, a stock purchase agreement was signed to sell ICA Panama, the company that held the concession for the Corredor Sur toll highway to the Empresa Nacional de Autopistas S.A. (ENA), a company owned by the Panamanian government, for US\$ 420 million. The transaction was completed on August 24, 2011.

The main shareholder of ICA is the Quintana family

XIGNUX

Originally Conductores Monterrey, founded in 1956, XIGNUX consists of four divisions: cables and transformers, infrastructure, and food. The company operates more than 25

production plants and several distribution centers in Mexico, the United States, India, Brazil, and Colombia. It currently exports to over 40 countries worldwide. Sales in 2011 were for almost US\$ 36 million of which 54% corresponded to foreign sales.

The main shareholder of XIGNUX is the Garza Herrera family.

Grupo ELEKTRA

Originally known as the Salinas y Rocha department store, the company was founded in 1906. Grupo ELEKTRA is a financial services company and specialized retail trade company, and a leader in its fields in Latin America. It currently operates in eight countries: Mexico, Guatemala, Honduras, Peru, Panama, El Salvador, Brazil, and Argentina, through its Elektra and Salinas y Rocha stores, and its Banco Azteca branches. In 2011, the group's consolidated revenue increased by 19% in relation to 2010. This increase is the result of a 26% rise in revenue from the financial business and 13% growth in retail sales.

The company's main shareholder is Ricardo Salinas Pliego.

Grupo VITRO

Vitro was founded in 1909 as Vidriera Monterrey. It is a company focused on serving flat glass and glass containers markets.

Net sales in 2011 were up 8.7%. This increase can be attributed to the improvement of the construction industry in Mexico, as well as to recovery of the automotive sector, even though its Spanish affiliate was severely affected by the European economic crisis and, in particular, a weak demand in the construction sector.

The main shareholder of Grupo VITRO is the Sada family.

Altos Hornos de Mexico

Founded in 1932, Altos Hornos de Mexico (AHMSA) is the country's largest steelmaker. The company operates an extensive industrial chain ranging from the extraction of iron ore and coal to steel production. AHMSA produces and sells flat products such as hot rolled steel plate, cold rolled steel plate, plates, tinplate, and chrome plate.

The domestic market is AHMSA's main market. In 2011, 86% of the total sales volume of steel products corresponded to items made in Mexico. Export sales accounted for 14% of steel product sales. In 2011 the main export market for AHMSA was the United States, which accounted for 86% of the company's total foreign sales while Europe accounted for 6% and Latin America for 8%.

The main shareholder is the Ancira family.

San Luis Corp.

Founded in 1929 as Rassini S.A., San Luis Corp. is a globally recognized group of companies in the automotive industry. It designs and manufactures parts for suspension systems and brake systems for light and heavy motor vehicles. San Luis is the leading company in the manufacturing of springs for commercial vehicles in the North American and South American markets, with a 92% and 65% market share, respectively. It is also the world's largest manufacturer of components for suspension systems of light commercial vehicles.

Net sales in 2011 increased by 25% in relation to 2010, primarily due to increased motor vehicle production volume in the United States. The company's sales are mainly targeted to markets in the United States, Canada, and Brazil. San Luis Co. supplies companies such as Chrysler, Ford, General Motors, Nissan, Toyota, Mercedes Benz, Mitsubishi, MAN, Scania, and Volkswagen, among others.

The main shareholder of San Luis Corp. is the Madero family.