



THE UNITED STATES-MEXICO
CHAMBER OF COMMERCE
MID-AMERICA CHAPTER



MÉXICO
CONSULADO GENERAL EN CHICAGO

Sponsor

**Baker
McKenzie.**

Aerospace Industry in Mexico Current Situation and Post-Pandemic Perspectives

Luis G. Lizcano

CEO
FEMIA

October 13th, 2021
Mexico City.



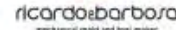
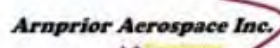
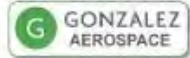
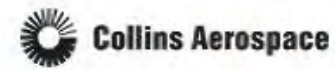


Federación Mexicana de la Industria Aeroespacial

- **Mexican Association of Aerospace Companies**
- **Private, non-profit organization.**
- **Established in 2007.**
- **Over 120 member companies.**
- **Member presence in 13 states of Mexico.**
- **Private counterpart of the Mexican Federal Government.**



MEMBERS



American Industries



FEMIA
FEDERACION MEXICANA DE LA INDUSTRIA AEROSPAZIAL, A.C.



FEMIA[®]
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New Associate Member
ICCAIA



International Coordinating Council of
Aerospace Industries Associations



AeroSpace and Defence Industries Association of
Europe (ASD)



Aerospace Industries Association of America (AIA)



Aerospace Industries Association of Brazil (AIAB)



Aerospace Industries Association of Canada
(AIAC)



Society of Japanese Aerospace Companies (SJAC)



Union of Aviation Industrialists (UAI)



International Collaboration



United States



United Kingdom



France



Germany



Malaysia



M-AEROTECH™

Argentina



Canada



Turkey



Belgium



CArAE
Cámara Argentina
Aeronáutica y Espacial


COMMISSIONS

1



Honor & Justice

2



Competitiveness

3



Promotion

4



Human Talent
Formation

5




Technical

6



Supply Chain
Development

7



Institutional
Relations

8

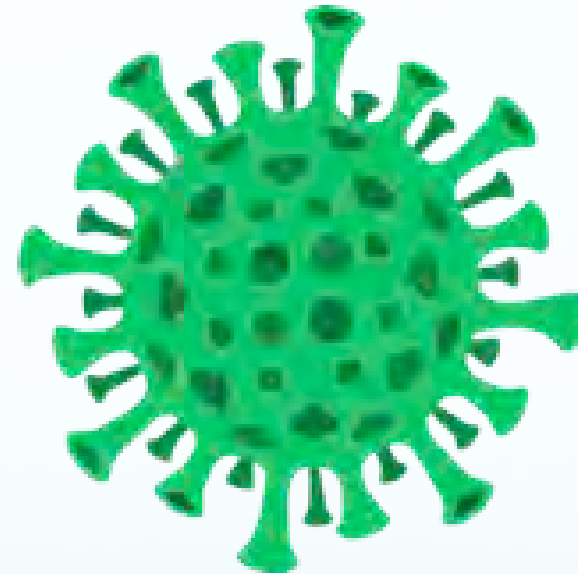


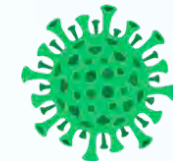
Space

9



MRO





Mexico's Aerospace Industry Profile

New Industry in Mexico with an outstanding growth 2004 – 2018 (+14% avg annual)

- Mainly Civil / Commercial

368 Industrial Facilities

- 318 MFG – 86%
- 43 MRO – 12%
- 40 D&E – 11%

Exports: \$9.68 Billions USD (2019)

- Moved from 10th to 6th place as exporting country to the USA Aerospace Industry in less than 10 years.

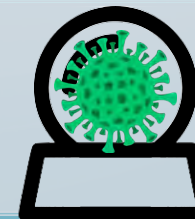
Jobs: +60,000

- 19 of the 32 states in Mexico

Competitive manufacturing platform in less than 10 years

- Mexico's global ranking in the Industry is 12th

Expectation for 2020:





Global Aerospace Companies in Mexico



- Aernnova (Spain)
- Airbus Group (Europe)
- Bombardier Aerospace (Canada)
- Collins Aerospace (USA)
- Daher Aerospace (France)
- Eaton Aerospace (UK)
- General Electric (USA)
- GKN (UK)
- Gulfstream Aerospace (USA)
- Honeywell Aerospace (USA)
- Rolls Royce / ITP (UK)
- Groupe Latécoère (France)
- MD Helicopters (USA)
- Meggitt (UK)
- Safran Group (France)
- Sargent Aerospace (USA)
- Textron – Cessna, Bell Helicopter, Beechcraft (USA)

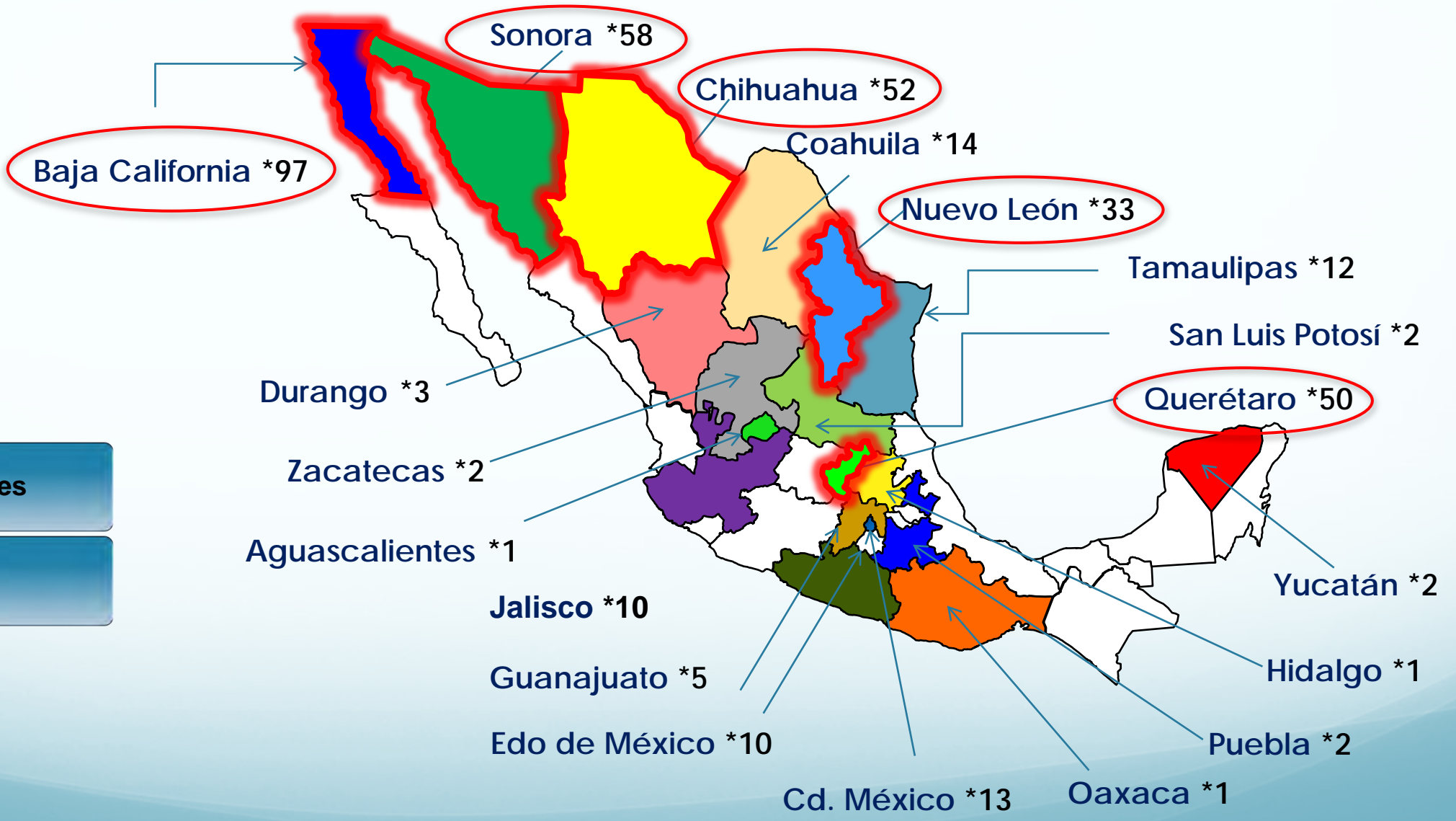


Products & Services in Mexico

- Propulsion system components
- Aerostructures & sheet metal
- Landing system components
- Braking systems
- Precision machined parts
- Plastic injection molding parts
- Heat & surface treatment
- Electrical & electronics
- Composite material parts
- Design & engineering services
- MRO services
- Aircraft interiors



Geographic Distribution 2019



 368 Facilities

 19 States



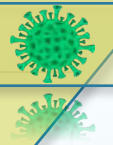
Mexico – Aerospace Industry Exports 2019 - 2021 (millions of USD) (May 2021)

2019



737 MAX stops flying
\$9,682 million USD
However assembly lines are still running
+12.41% vs. 2018

1st report
Coronavirus in
Wuhan



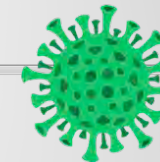
● 2019



Mexico's Aerospace Industry

Imports & Exports

(Millions - USD)



Average Annual Exports
Growth:
14.3%



2020: Cautious Expectations



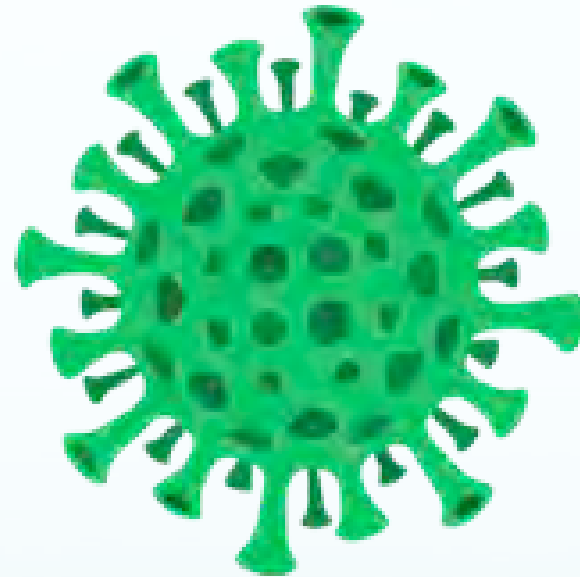
- Boeing 737 MAX not flying
- Aeronautical authorities reacting more stringently
- FAL continued working in 2019
- Oh...and potential demand drop in Asia because of virus



2020: Happy New Year!!!



- Boeing 737 MAX stops production in January 2020
- Global Pandemic
- Traffic of passengers is paralyzed world wide





Global Passenger Air Traffic

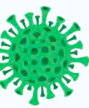
Traffic: Like Nothing We've Ever Seen Before
IATA's 48% Decline in 2020 Very Unlikely At This Point
 2019 Totals: RPKs 4.2%, ASKs 3.4%, FTKs -3.3%
 2018 Totals: RPKs 6.5%, FTKs 5.4%; 2017: RPKs 7.6%, FTKs 9%



Source: IATA

— RPKs — ASKs — FTKs

OEMs: Significant Reduction on Production



BOEING

- 737MAX & 777X delayed to 2021

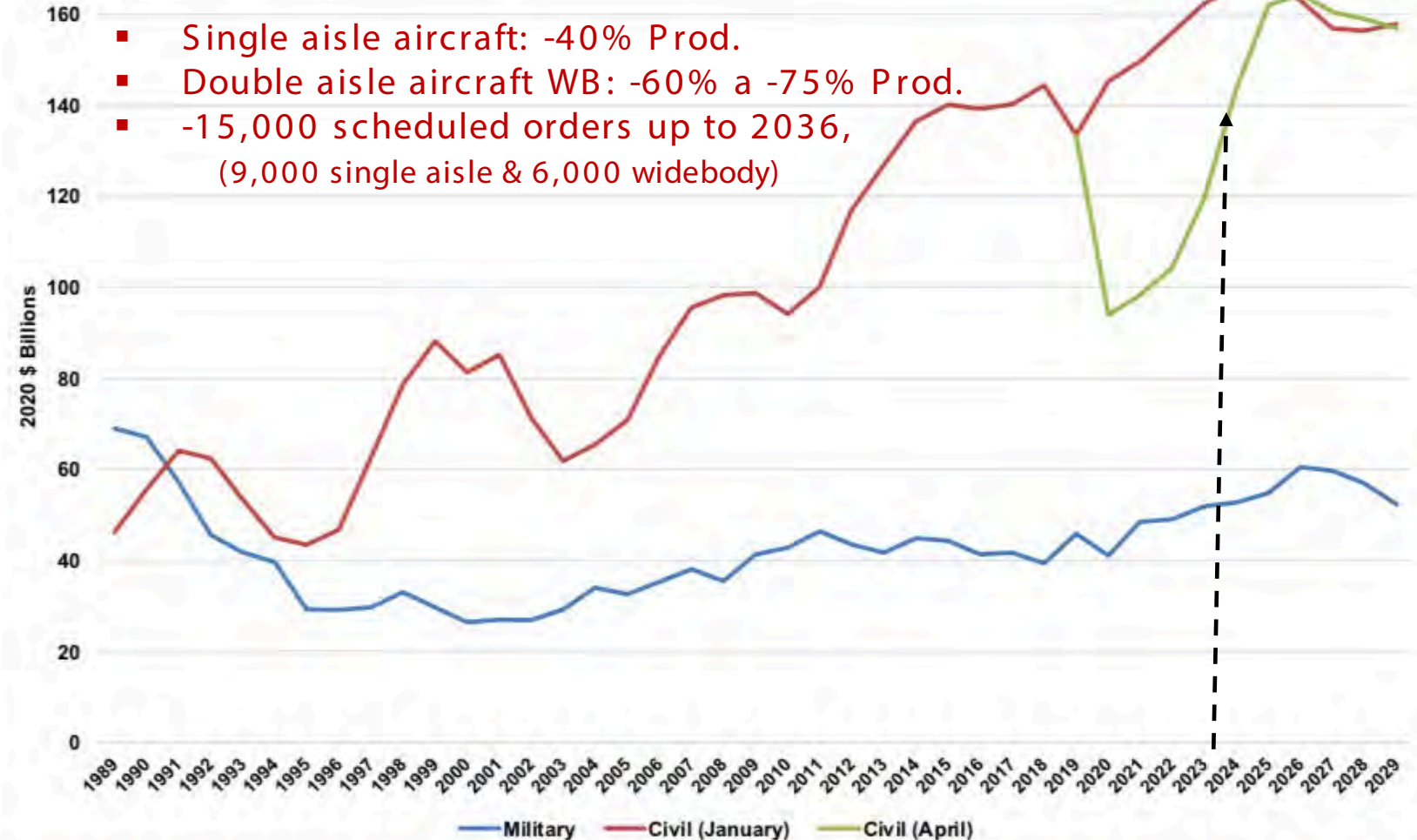
AIRBUS

- 3,000 workers in France
 - Temporary lay-off

EMBRAER

- Plants in Brazil temporarily closed 60 days.

World Aircraft Deliveries By Value, 1989-2029





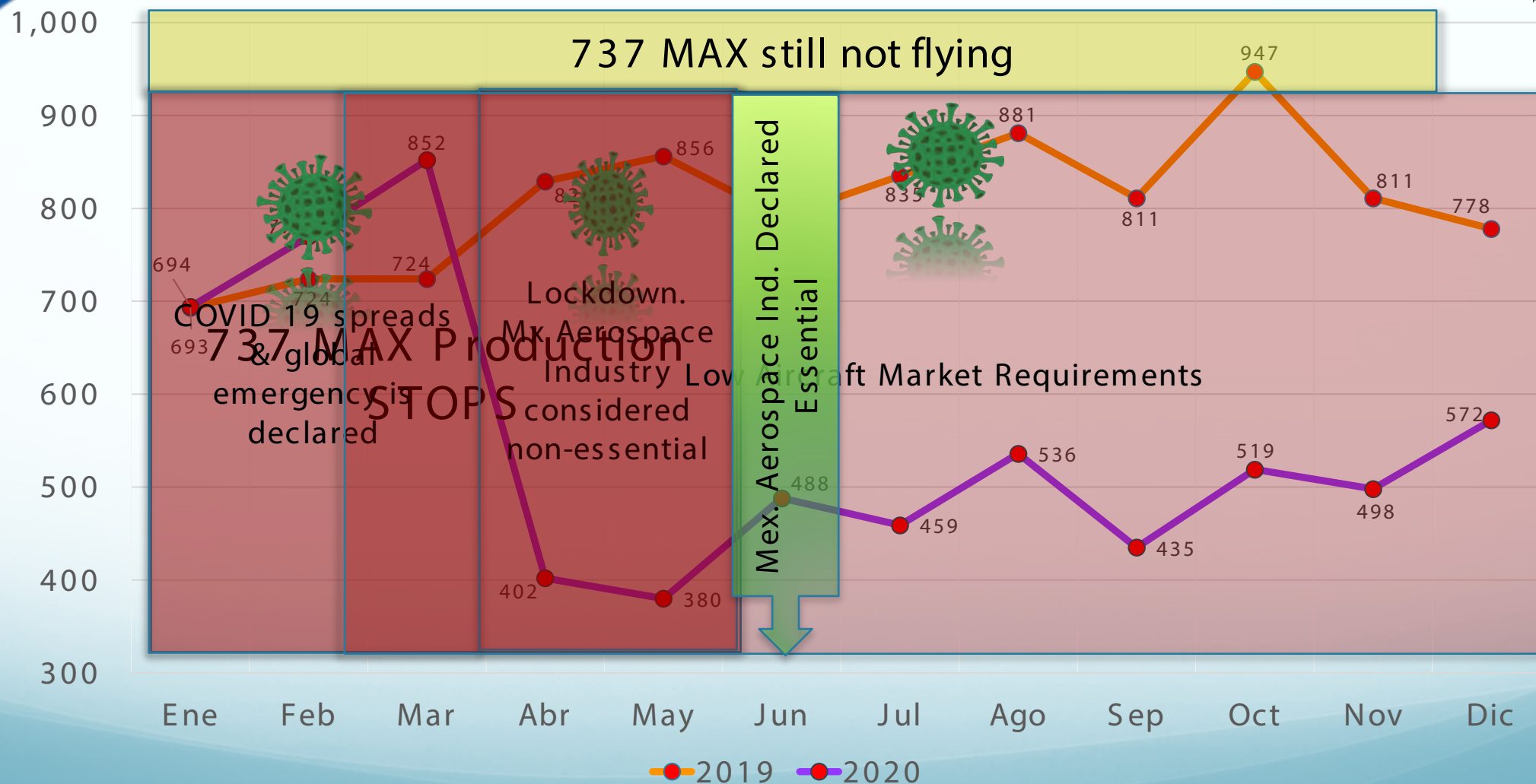
Mexico – Aerospace Industry

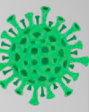
Exports 2019 - 2021

(millions de USD)

(May 2021)

2020





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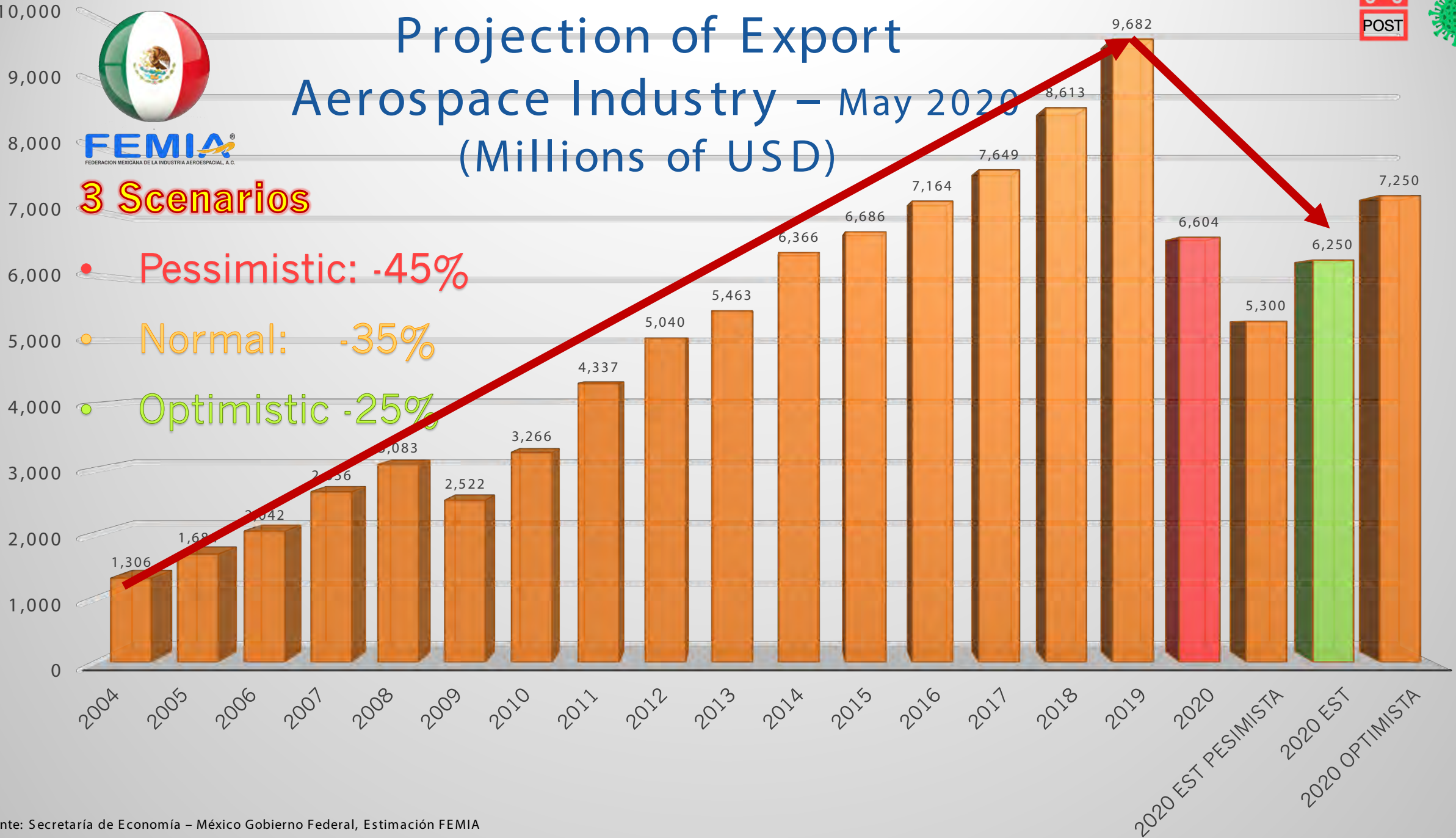
Projection of Export Aerospace Industry – May 2020 (Millions of USD)

3 Scenarios

● Pessimistic: -45%

● Normal: -35%

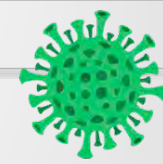
● Optimistic -25%





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Mexico's Aerospace Industry Imports & Exports (Millions - USD)



Exports (2019 vs 2020): -31.8%



Fuente: Secretaría de Economía - Gobierno de México

Imports Exports Balance

Global Market Expectations

- Short Term: Demand focused on fleet renewal
- Mid Term: Aviation has proven to be resilient

Aviation proven resilient over and over again



Global Market Expectations

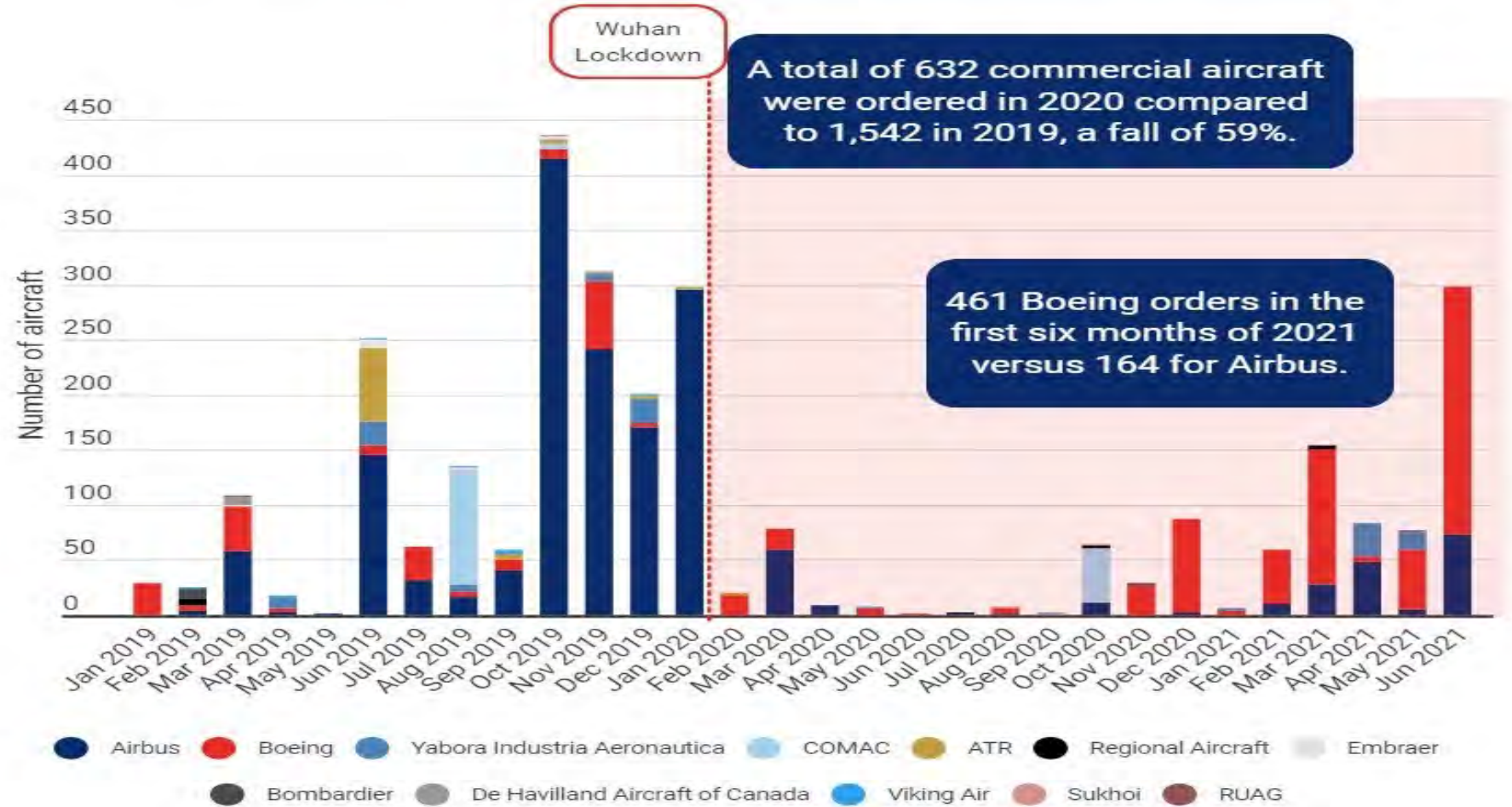
- Long Term: Emphasis on fleet versatility





Orders – Commercial Aircraft by OEM

Monthly gross firm orders of commercial aircraft





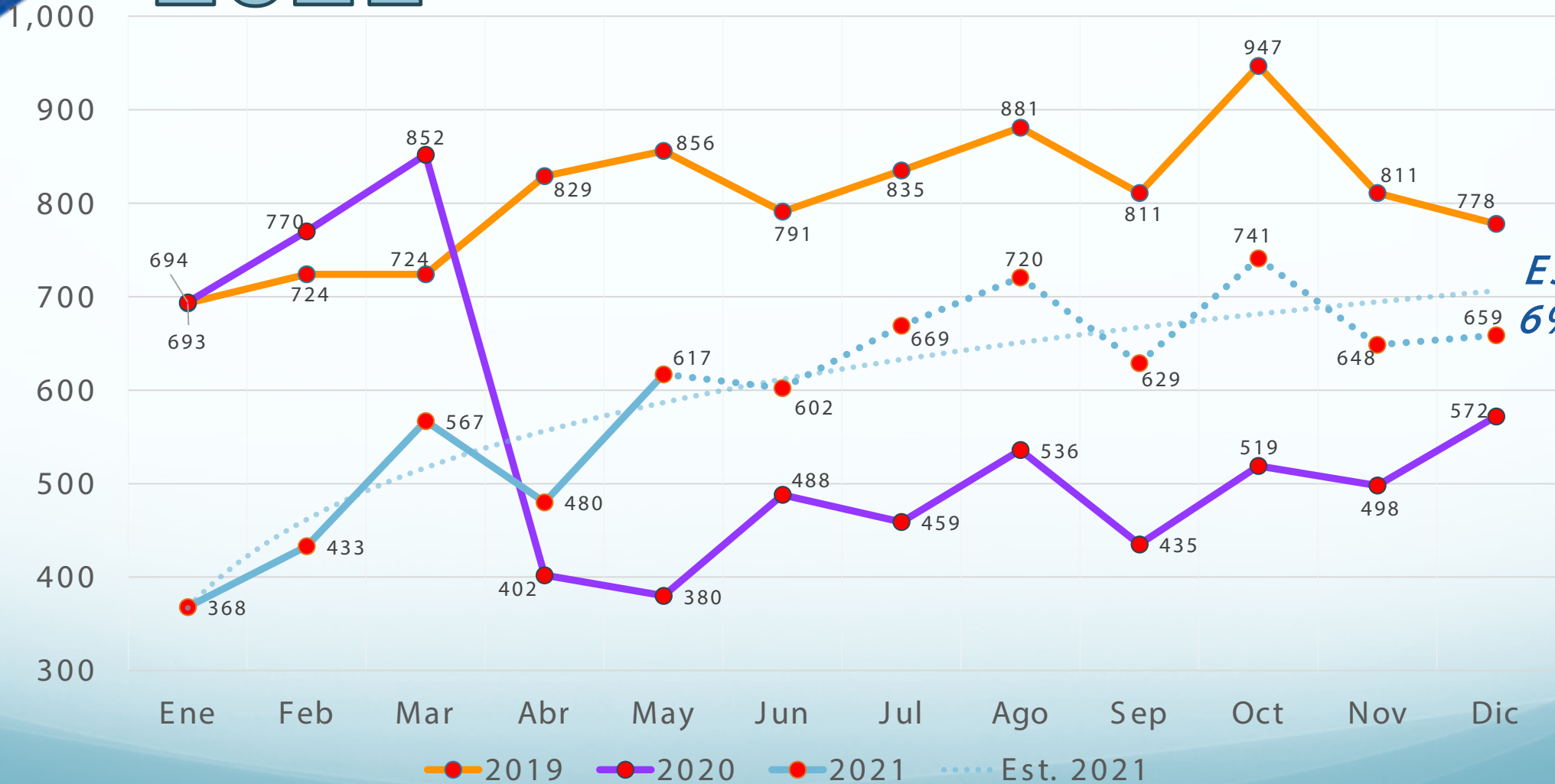
México – Aerospace Industry

Exportations 2019 - 2021

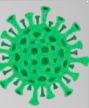
(millions of USD)
(May 2021)



2021



Est. 2021
6% a 10%
Vs
2020



Mexico's Aerospace Industry Imports & Exports (Millions - USD) – Aug 2021

Recovery between 2023 and 2024 (level 2019)





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¡Thank You!

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