

Nearshoring investments in Mexico: MOVE Sectors

What's happening

- Mexico is increasingly attracting nearshoring operations, drawing both domestic and foreign investments
- 198 announcements of foreign direct investment totaling US\$68 billion in 2023 through July
- Seven international firms in the automobile industry and lithium battery sector dominate Mexico's top 10 nearshoring investments

Why

- Mexico's strategic location, talented workforce, and favorable business climate make it competitive
- Under US Inflation Reduction Act, production in Mexico is eligible for incentives for EV tax credits and investments in renewable energy equipment
- Mexico has 12 Free Trade Agreements with 46 countries and 32 Treaties protect foreign investment in Mexico
- Mexico has invested in manufacturing infrastructure and its foreign trade incentives provide tax and administrative benefits

Why it matters

- As ongoing geopolitical challenges lead to increased nearshoring, major investors in the automotive manufacturing industry, including EV manufacturers, will consider Mexico for expanding, relocating and starting manufacturing operations
- Increased manufacturing of automotive and related components in Mexico will likely lead to increased investments in energy, mining, and other sectors important to the automotive industry supply chain

How we can help

- We evaluate supply chains and advise on nearshoring, friendshoring, onshoring and other options to reduce supply chain disruption and mitigate risk
- We provide strategic counsel regarding foreign direct investment options, including available incentives and potential risks
- We advise foreign investors on all matters related to nearshoring in Mexico, including trade programs, USMCA benefits, labor matters and foreign investment protection

What we do

Broad capabilities

- We provide assistance on all required legal areas in the process, including corporate, tax, employment, IP, antitrust, and litigation
- We have significant experience helping clients comply with regulatory standards



Mergers & Acquisitions

- We help companies of all sizes engage in transactions to create, acquire, build and operate significant enterprises
- We help clients negotiate M&A transactions to gain access to business opportunities



Global reach

- Our Automotive and Mobility sector team is comprised of more than 400 lawyers across the globe focused on Automotive and Mobility issues
- We have 45+ offices around the world, including in Mexico City and Monterrey

