Isthmus of Tehuantepec: Global competitiveness for investment and development
Mexico has an ideal location for business by connecting the Atlantic Ocean and the Asia-Pacific region thanks to its extended line coast.

It has a market with potential, human capital, a solid open economy and a competitive business climate.

The Tehuantepec Isthmus is the narrowest point in North America, measuring 300km between the Pacific Ocean and the Gulf of Mexico which makes it a strategic position for interoceanic travels and exporting products within the continent and to the world.

The Isthmus connects Mexico to the world!
The Mexican Economy:

- 15th worldwide
- 1.67% of the world GDP
- 2nd in Latin America
- 5th of the Trans-Pacific Partnership (TPP)
- USMCA: +200 commercial partners
- 13 commercial treaties with 50 countries
- Ninth receiver of direct foreign investment in the world

The Isthmus of Tehuantepec region's

- 79 municipalities: 33 from Veracruz and 46 from Oaxaca
- Population: 2.4 million in the region of the Isthmus of Tehuantepec
- 34.6% of the population belong to an indigenous group

Foreign trade:

- 461 billion dollars in exports
- 89.2% of the exports are manufactures, the main destinations are:
  - EUA
  - Canada
  - Germany
  - China
  - Korea
  - Japan
  - Colombia
  - Brazil

Consolidated industrial base:

- Automobile
- Electronics
- Aerospace
- Audio and video equipment
- Medical equipment

Only country in Latin America part of the top countries that export advanced technologies
Why the Isthmus of Tehuantepec?

Because it is an important region both national and internationally:

Competitive location in the maritime routes and for the development of regional cabotage.

Access to local, national and international markets.

Human, energetic and natural resources available.

Huge potential for industrial development and insertion into value chains.

Isthmus of Tehuantepec Development Program

The Program is supported at the presidential level and by an administration committed to the principles of austerity, honesty and the fight against corruption. The program has two main pillars:

The logistic platform and the strengthening of productive sectors

Fostering economic development

Position the Isthmus thanks to its strategic advantages, place it as a competitive factor in the regional, national and global economy.

Strengthening of productive sectors

<table>
<thead>
<tr>
<th>Agribusiness</th>
<th>Industrial development</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture, Livestock</td>
<td>Big scale, MSMEs, Community entrepreneurship</td>
</tr>
<tr>
<td>Fishing and aquaculture, Silviculture</td>
<td></td>
</tr>
</tbody>
</table>

Community and sustainable tourism

<table>
<thead>
<tr>
<th>Commerce/Services</th>
</tr>
</thead>
</table>

Transversal programs

To promote the creation of opportunities and contribute to reinforce the bases of equity, sectoral, cultural, territorial and ecological balance, in the broadest sense of sustainability:

- Public security and peace
- Human capital
- Social development
- Social communication and diffusion
- Innovation
- Culture/identity
- Finance

Ecologic ordering

Modernization and infrastructure strengthening

Territorial ordering
The Port of Coatzacoalcos, Veracruz has a strategic location in the Gulf of Mexico. It has preferential access to southeastern United States, markets in Europe and the rest of the continent.

The Port of Salina Cruz, Oaxaca has access to the main markets in Asia, the entire Pacific Rim and the Silk Road.

The Isthmus of Tehuantepec Railroad joins the two ports allowing the interoceanic transit of merchandise and the export of local production to the rest of the world.

As complementary infrastructure, the Isthmus has the interoceanic highway that connects the two oceans and the rest of the country.

A gas pipeline will be built to supply natural gas to promote industrial development.

It has 3 airports for connectivity in the area: Minatitlan, Ixtepec and Huatulco.

Optical fiber will be installed along the railway line to guarantee connectivity and broadband throughout the region.

2050 perspective
Increase 16 times the logistic potential of the region

2,920,000 TEU
General cargo: 3,730,000 tons
Bulk cargo: 43,300,000 Ton

Pillars of the development strategy
Mexico has the second place from Latin America regarding infrastructure quality

Logistic Platform

Industrial Production Ecosystem: Development Poles
To promote an Industrial Production Ecosystem, ten Development Poles will be created:
- Configuration aimed at attracting productive investments.
- Strategic positioning along the Isthmus.
- Ecosystem integration through agglomerations of companies or clusters.
- Link to local vocations and regional productive chains.
- Granting of a scheme of fiscal and non-fiscal incentives.
- Availability of favorable business environment: public security and peace.

Productive vocations:
- Agro-industrial
- Food
- Metals
- Chemical
- Petrochemical
- Textile
- Optical fiber
- Plastic and rubber
- Machinery and equipment

2050 perspective
Attraction of an additional 50 billion dollars of investment to the region

1.9 thousand new population
1.6% additional contribution to Mexico's total GDP
Port capacity

**Coatzacoalcos**

**Phase 1**
- Operations start in 2022
- 31 docking positions
- New containers terminal
- $54,793 \text{ m}^2$ Total storage area
- 28.7 millones de Tm

Coatzacoalcos has the 3rd place in national cargo

**Phase 2**
- Operations start in 2024
- 800 m New terminal of containers with a front of 800 meters

**Salina Cruz**

**Phase 1**
- Operations start in 2022
- 495 m gas specialized terminal with a front of 495 meters

**Phase 2**
- Operations start in 2024
- 800 m New terminal of containers with a front of 800 meters

**Competitive advantages**
- Exports from the US West Coast to Europe entering through Salina Cruz, leaving through Coatzacoalcos
- Imports from the West Coast of South America
- 16 m draft in the current port vs 21 m draft in the new port

**Railroad that connects two oceans and Mexico with the world**

- 303 km Distance of 303 kilometers
- 2022 Start of operations
- Connection with the Mayan Train and Central America
- Link with the railway lines in the center and north of the country

**Connection with USA**

- Connection with the Central North American Rail system and access to the 25 metropolitan areas of the Central East of the USA through the dedicated *Ferrobuque* service that connects Coatzacoalcos with Mobile, Alabama.
We want your business to prosper!

The Program seeks market niches aimed at sustainable development, environmentally friendly, and respecting the cultural diversity of the Isthmus of Tehuantepec.

Fiscal benefits:

a. ISR and VAT to promote competitiveness.

b. Customs facilitation within the Development Poles.

c. Foreign trade: Foreign trade taxes or countervailing duties will not be paid.

Non-tax benefits:

d. Last mile infrastructure.

e. Housing, educational and health services, urban development.

f. Agile and corruption-free procedures, research and technological development, as well as association and social linkage schemes.

g. Single window for agile and corruption-free procedures.

h. Security and peace.
Social and environmental responsibility

Sustainable development

The Program will improve the quality of life of 2.4 million people in the region, of which 59% currently live in poverty.

Employment and income opportunities will be provided, which will increase GDP per capita by 240%.

It will promote a process of economic and social growth, inclusive of all groups, compatible with cultural diversity and with local ways of understanding and practicing activities.

A wide consultation was carried out with these groups, with the participation of more than 5,000 representatives, with the accompaniment of the UN, the National Commission for Human Rights, and government agencies at all levels.

The communities gave their free, prior and informed consent for the implementation of the Isthmus Program, which incorporates the needs and orientation of the local population.

The Isthmus Program explicitly incorporates the UN Sustainable Development Goals (SDGs) to achieve shared prosperity and poverty reduction, based on strengthening institutions, knowledge, competitiveness and preservation of natural wealth of the isthmus.

The Isthmus Program is the Federal Government’s response to integrate the Isthmus of Tehuantepec with other parts of the country and the world. Based on a new way of understanding development, the areas of opportunity extend throughout the Isthmus territory, in the area between Veracruz and Oaxaca.

As the local population participates the increase in the well-being of the region will be possible.

The success of the Isthmus of Tehuantepec depends on everyone!