



# Location Spotlight – Monterrey, Mexico

August 2024: Complimentary Abstract / Table of Contents

Market Report  
Locations Insider™



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# This report provides perspectives on key aspects of the global sourcing market in Monterrey

## Monterrey | executive summary



### Current overview

- Leading location in Mexico leveraged by both enterprises and service providers to serve the US and other LATAM countries
- One of the most prominent locations in Mexico for engineering and IT-application development services

### Key drivers

- Recognized as an industrial and manufacturing hub of the country with a large available talent pool
- Offers substantial cost arbitrage over onshore locations and has lesser market congestion
- Favorable time zone and close cultural proximity to the US and Canada

KEY PLAYERS: **accenture**



**CHUBB**



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## Monterrey | operating and business environment risk profile (page 1 of 2)

It has a resilient macroeconomic environment and moderate infrastructure; however, there are concerns of geopolitical stability

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Parameter	Everest Group rating	Comments
<p>Geopolitical</p>	Medium maturity	<ul style="list-style-type: none"> <li>The recent elections, in which Claudia Sheinbaum was elected as President, were marked by considerable political violence and were considered less fair</li> <li>Mexico's relationship with the US remains a key factor. Issues such as migration, security concerns, and potential US trade actions including tariffs pose a concern</li> <li>Mexico is ranked 90 out of 167 countries in the Democracy Index 2023, due to its unstable political environment</li> </ul>
<p>Macroeconomic</p>	Medium maturity	<ul style="list-style-type: none"> <li>Mexico's economy has shown growth and resilience, due to factors including nearshoring, increased foreign direct investment, and strong trade relationships with the US</li> <li>The fiscal deficit of the government will increase further with increased government spending, making it a more severe challenge</li> <li>Fitch's credit rating for Mexico was reported at BBB- with a stable outlook, indicating a stable economy</li> <li>Monterrey metropolitan area attracts the highest share of foreign direct investment, which grew significantly in the last year (Monterrey also attracted considerable investment from China)</li> </ul>
<p>Infrastructure</p>	Medium maturity	<ul style="list-style-type: none"> <li>Monterrey hosts numerous industrial parks that cater to various sectors, including automotive, aerospace, and electronics</li> <li>Mexico is ranked 62 out of 64 countries in basic infrastructure in the IMD World Competitiveness 2024 ranking</li> <li>Monterrey offers a good public transportation system through extensive road, rail, and air network                             <ul style="list-style-type: none"> <li>Monterrey International Airport serves as a major gateway for both domestic and international flights</li> </ul> </li> </ul>

Source: Everest Group (2024); EIU; Transparency International; World Bank; WEF; investment agencies; interviews with market participants

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<a href="#">Location Spotlight – Monterrey, Mexico</a>			August 2024
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