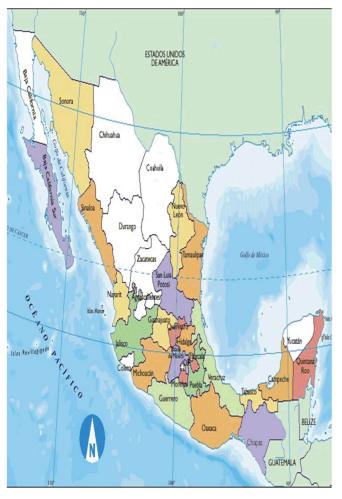
C SWITZERLAND GLOBAL ENTERPRISE

MEXICO Business Guide

Compiled by: Rubén Araiza Díaz Swiss Business Hub Mexico

Mexico City, October 2018

General Information*



*Source: SECO (Economic Ministry & World Bank)

Area: 2,000 000 sq km

Population: 113 million (July 2015)

Population Density: 57 habitants per sq km

Capital: Mexico city (22 million)

Major Cities: Mexico city, Monterrey and Guadalajara.

Government: Federative Republic

Head of State and Government: President Enrique Peña Nieto (since 2013)

Currency: Mexican peso

GDP: \$ 1,149 usd billion (2017) \$ 8,902 usd per capita (2017)

Inflation (INEGI): 4.6% (2018)

Ethnic Groups: mestizos 99%, Nahuatl, .04%, Mayas 0.3% and others.

Religions: 80% roman catholicism, 15% protestantism, 5% no religion

ARRIVAL AND DEPARTURE

Documents: Swiss passport holders, tourists and businessmen (for business discussions only) do not require a visa to enter Mexico for a stay of up to 90 days, which is extendable, at the discretion of the Immigrant Office (Oficina de Migración), for a further 90 days in any 12-month period.

However, passports must be valid for at least six months and a return ticket may be requested on arrival.

Other nationals can find further information on the website of the Mexican Embassy in Switzerland: https://embamex.sre.gob.mx/suiza/

An immigration form has to be filled in on arrival (normally distributed on the flight). Half of the form must be retained and shown at the departure.

Additionally a customs declaration has to be filled in.

Money above 10,000.00 USD, whether in cash, checks or traveller's checks, has to be declared at Mexican customs.

- Work visa: There are different visa for different sectors (cultural, temporary work / technical assistance, emergency technical assistance, journalists, missionary work, students, trainees, voluntary work etc.) Please contact the Embassy for further information.
- Custom Duties: Baggage carried by the traveller consisting of a) items for the own use (clothes, shoes, hygiene items), b) books and newspapers c) other items (i.e. gifts) with a value up to US\$ 500.00 (air or maritime travel) or US\$ 500.00 (land travel, river or lake crossing), and d) other personal or professional used items, are duty free.

Restrictions: Travelers to Mexico cannot bring the following products with them:

- Plants and animal without the required licenses from the responsible
- Alcohol and cigarettes
 - Falsified or contraband goods
- Unethical products as well as products that affect health and public order negatively
- Narcotics or drugs

Should you bring the following items, please go through the "items to declare" exit:

- Products for resale
- Products for temporary import
- Animals, plants, seeds, food, medicines requiring sanitary inspection, weapons, munitions and explosives. These items require licenses from the responsible organs.

Further information, currently only in Spanish: http://www.sat.gob.mx/aduanas/pasajeros/Paginas/Mercancia_ingresar_Me xico.aspx

Duty Free Shops: Mexico's international airports are special: They offer duty free goods on arrival and visitors, on presentation of their passport and ticket.

LANGUAGES USED FOR BUSINESS

The national language is Spanish. In Mexican companies with international activities, English is widely understood.

PUBLIC HOLIDAYS

Date	Day	Holiday
02.11.2018	Friday	Day of the Dead
19.11.2018	Monday	Mexican Revolution
01.12.2018	Saturday	Transition of the Federal Executive Power
25.12.2018	Tuesday	Christmas
01.01.2019	Tuesday	New Year's Day
05.02.2019	Tuesday	Mexican Constitution
18.03.2019	Monday	Benito Juárez Birthday
01.05.2019	Wednesday	Work Day

HEALTH AND INOCULATIONS

WHO/PAHO and partners have set out the strategic response to Zika, which places a greater focus on preventing and managing medical complications caused by Zika virus infection. Around US\$122.1 million were needed to implement the Zika Strategic Response Plan, from July 2016 to December 2017.

The Response Plan outlines 4 main objectives to support national governments and communities in preventing and managing the complications of Zika virus and mitigating the socioeconomic consequences: Detention, Prevention, Care and Research.

On the other hand, Mexico has declared the epidemic of diabetes a national emergency and is seeking to improve the quality of care for some 13 million people with the disease.

In order to minimize any health risks all routine vaccinations should be up to date. For more information, please see: <u>http://www.who.int/countries/mex/en/</u>

Hospitals:

Medical care is inadequate in most public hospitals and the sanitary condition is precarious. Therefore it is advised to use private hospitals.

Mexico has an excellent network of private hospitals in the major metropolitan areas. Private medical care nevertheless is expensive, so it is advisable that all visitors purchase medical insurance prior to their arrival.

TIME ZONES

	Summer time	In between
CENTRAL ZONE Mexico City, Puebla, Guanajuato, Guerrero, Hidalgo, Jalisco, Coahulia, Colima, Chiapas, SLP, Quintanaroo, Tabasco, Tamaulipas, Tlaxcala Veracruz, Edo de Mexico, Yucatán, Oaxaca, Querétaro, Michoacán, Nuevo León, Zacatecas, Campeche, Aguascalientes, Durango	-7	-7
PACIFIC ZONE Baja California Sur Chihuahua Nayarit, Sinaloa	-8	-8
NORTH EAST ZONE Baja California	-9	-9

Weather: Mexico City has a subtropical highland climate, with warm summers and mild winters, and an annual average temperature of 64°F (18°C).

Weather forecast: www.weatheronline.co.uk/Mexico.htm

ELECTRICITY SUPPLY

In Mexico the power sockets are of type A and B. The standard voltage is 127 V and the standard frequency is 60 Hz.

You need a power plug adapter in Mexico, when living in Switzerland.

You also need a voltage converter.

Be extra careful with certain appliances because of the difference in frequency.

Below you find pictures of the applied power sockets and corresponding plugs. And we provide more information about the voltage and frequency.

Which power plugs and sockets in Mexico?

In Mexico the power sockets are of type A and B. Check out the following pictures. When living in Switzerland you will need a power plug adapter for sockets type A and B.

Your appliances with plug C don't fit socket A or B

Your appliances with plug J don't fit socket A or B



Type A: This socket has no alternative plugs



Type B: This socket also works with plug A

Buy a power plug (travel) adapter

We don't sell power plug adapters. We refer you to Amazon, where you will find a great selection of travel adapters. Because you may also need a voltage converter, you should consider a combined power plug adapter/voltage converter (see below).

Dates, numbers and Measures

Date	Day, month, year; e.g., 16 September, 2017, or 16/09/2017
Currency	\$ (singular: Peso; plural: Pesos)
Numbers	2.000,40 (two thousand pesos and forty cents); point after thousands and comma to denote fractions
Weight	Kilogram
Distances	Metre

METHODS OF PAYMENT

Currency:	The currency in Mexico is the Peso (MX\$), for each Peso there are 100 centavos.	
	1 CHF = approx. 19.31 MX\$ (October 2018)	
	1 MX\$ = approx. 0.051 CHF	
Currency calculator:	www.oanda.com/convert/classic	
Cash:	Mexican Pesos are usually not readily available at banks in Switzerland and they must be ordered in advance. In addition the exchange rate (cash) is normally unfavourable in Switzerland, that's why it is recommended to exchange money only in Mexico.	
	Restaurants and shops do not accept cash in US\$. Foreign currency normally can be exchanged in money exchange offices (called "casa de cambio") and not in banks. At arrival, it is worth getting hold of some low denomination notes and coins, as shops and restaurants always are short of change.	
Master cards:	There is also an extensive network of ATMs and at the ones with the Master card or VISA card, visitors can use their Swiss cash cards (Master or Visa cards) to cash money.	
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It is advisable to use ATMs only inside of supervised banks and this only during the day.

- Credit cards: Almost in all commercial places (hotels, restaurants, night clubs, shops) credit cards are accepted. Most major international credit cards (especially MasterCard, Visa and American Express) are accepted in Mexico.
- Traveller's cheques: Traveller's cheques are more difficult to be exchanged. Normally they are accepted at hotels, banks and money exchange offices ("casa de cambio"). To avoid additional exchange rate charges, travellers are advised to take travellers cheques in US Dollars.

Make sure you have additional identification when using your credit card or travellers cheques (passport, identity card or driver's license).

TRANSPORTATION

Travel and tourist: For general information on Mexico and its tourist attractions, you can visit the following pages: English: https://www.planetware.com/mexico-tourism-vacations-mex.htm Spanish: https://www.gob.mx/sectur/

Traveling to Mexico

Mexico has one international airport in Mexico city, but many local airports.

Flight time from Europe to Mexico city is about 11 hours

Companies flying from Europe to Mexico city: Air France, Alitalia, British Airways, Iberia, KLM, & Lufthansa.

Distances: <u>http://maps.google.com/</u>

Air travel: Unless you have plenty of time, air travel for long distances is the best way to get from one city to another. Flights between major cities are frequent. Major Companies: Aeromexico (https://world.aeromexico.com/es/mx/), Interjet (<u>www.interjet.com/</u>), Volaris (www.volaris.com). Buses: There are good long-distance express bus services among different cities. Seats can be reserved in advance https://www.primeraplus.com.mx/ City buses: there are usually plenty of buses in all major cities but for personal security reasons we do not recommend their use. Taxis: Taxis are the best way of getting around. Taxis in Mexico City are fitted with black numbered plates and have taximeters. Do not rely on taxi drivers knowing the major cities well (especially outside the centre). Radio taxis can be booked in advance and, although they are more expensive, they offer a better service since their drivers usually know the city very well. Most of the main hotels have 24-hour taxi ranks nearby. Authorized Taxis (normal taxis) are pink and white in Mexico City. Please see image below. Uber is generally used and works well.

> If your journey takes you away from the town centre, it is recommended to ask the taxi to wait in case your appointment will not take too long. Expect most drivers to treat you fairly but take extra care in Mexico City. Bear in mind that Mexico City is a large city and it can take much longer than you think to get around.



Car rental: Cars can be hired at airports and in major cities. It is advisable to choose one of the major national or international firms and ask for a full explanation of the insurance covered on the offer. Some companies offer lower rates if the reservation is made from abroad and in advance. The minimum age to hire a car is normally 21 years and the driver must have 2 years of experience. To avoid inconveniences, an international driver's licence is recommendable.

> As an alternative, most good hotels can arrange a car with an Englishspeaking driver on a daily basis. Street parking can be difficult, mostly in Mexico city, and it may be necessary to pay a street "guard".

Speed limit:	Speed limits are almost always signalled and can also exceed the limits mentioned below. If not otherwise indicated, speed limits are the follows:		
	Urban streets:	80 km/h fast line (vías de tránsito rápido)	
		60 km/h slower line (vías secundarias)	
		40 km/h communication road (vías primarias)	
		20 km/h local road (vías locales)	
	Non-urban streets:	110 km/h cars and pick ups	
		90 km/h buses and microbuses	
		80 km/h other vehicles	
Maps:	Political and regiona www.maps.google.co	l maps can be found on the website om.mx	
	Please be aware: roa	ads are not always in the best conditions.	
Hotels:	There are a variety of hotels to choose depending on your budget and needs. Below is a list of web sites that provide information on hotels in Mexico:		
	www.booking.com		
	www.hotel.com.mx		
Tipping:	also add 15% to the to	a service charge to the bill, usually 10%. Most restaurants otal of the bill, but must make it clear that they have done normally tip taxi drivers, although they may round the total	
Safety:	considered as an iss murders and robberie over the last years Me world. Petty crimes su are common in the m traffic lights and cross	a stable country; nevertheless criminality must be sue. Mexico has high rates of violent crimes such as es. Although some regions show decreasing crime rates exico is still one of the most criminalized countries in the ich as carjacking, pickpocketing, and express kidnappings lajor cities. Most assaults happen in quite streets, at red sroads; but also beaches, public transportation and even n places for robberies lately.	

In big city centres it is therefore advisable not to walk on dark and deserted streets or to go out alone at night. Also unknown places and locations should be avoided if not accompanied by a person of trust.

In case of any emergencies the most important phone numbers are:

060 / 511	Police and general Emergencies
065 / 5722 8800	Ambulances, Medical Emergency
068 / 5768 3700	Fire Service

COMMUNICATION

Mobile:	From Switzerland	00 52 (+ city code + mobile phone number)
		00 52 1 (+ city code + phone number)
	From Mexico	00 (+ city code + phone number)
	Within Mexico	0 xx (+city code + phone number)
	Same city	phone number only
	xx are the phone ope	erators' codes, http://mexicotelefonos.com/codigos
Mobile telephone:	Approx. 87% of Mexi	co's territory has mobile phone coverage.
Internet:	hotels and restaurant	net cafés around the major cities and all major ts have internet access. The domain for Mexico is mx but many organizations and institutions use

BUSINESS HOURS

	Formal business hours in Mexico are from 9:00 AM to 6:00 PM, some exceptions are listed below.
Banks:	Monday to Friday, 10:00 – 16:00
	Automated Teller Machines (ATM's) can be found at most banks, shopping centres, big supermarkets, petrol/gas stations and main avenues.
Offices:	Monday to Friday, 8:00 – 17:00 or 9:00 – 18:00.
Petrol stations:	Petrol stations are allowed to operate 24 hours a day, although not all of them do so.
Shopping centres:	Monday to Saturday, 10:00 – 22:00. The largest shopping centres also open on Sunday from 14:00 – 20:00
Stores:	Monday to Friday, 9:00 – 19:00
	Saturdays, 9:00 – 13:00, depending on the city.
Supermarkets:	Monday to Saturday, 8:00 – 22:00. Some also open on Sundays or are open 24 hours.

ADRESSES AND OPENING HOURS OF THE MEXICAN EMBASSY IN SWITZERLAND

Mexican Embassy in Bern Switzerland Weltpoststrasse 20, 3015 Bern Tel.: +031 357 4747 E-mail: <u>informacionsui@sre.gob.mx</u> Open from 09:00am – 13:00pm

ADRESSES OF THE SWISS EMBASSY AND CONSULATES

Swiss Embassy Mexico City

Av. Paseo de las palmas 405 - 11th floor Col. Lomas de Chapultepec C.P 11000 Ciudad de México Tel.: +55 9178-4370 Fax: +55 208-685 E-mail: <u>www.eda.admin.ch/mexico</u> E-mail: <u>mex.vertretung@eda.admin.ch</u> Open from Monday to Friday 09:00 am –16:45 pm

General Consulate in Queretaro

Consul Mr. Philipp Moser Consulado Honorario de Suiza MOSER café kultur Av. Industrialización 4 Col. Alamos 2da Sección 76160, Querétaro, Qro. Phone: 01442 245 2733 Mobile: +521 442 219 2970 / 045 442 Email: <u>queretaro@honrep.ch</u> Email: mex.vertretung@eda.admin.ch

General Consulate in Monterrey

Consul Mr. Andrés Engels Consulado Honorario de Suiza Blv Diaz Ordaz 250 Ote. Col Santa Maria 64650 Monterrey Phone: +52 81 8248 8400 Mobile: +52 1 81 1578 4484 / 045 81

Email: Monterrey@honrep.ch

General Consulate in Cancún

Consul Mr. Sandro Müller

Consulado Honorario de Suiza PA Restaurant Rolandi's Av. Coba No.12, local 214 Edif. Venus, SM5, Mza. 1 Col. Centro 77500 Cancún Phone: +52 998 884 8446 / +52 998 881 4370 Mobile: +52 1 998 845 1418 / 045 998 Email: <u>cancun@honrep.ch</u>

General Consulate in Guadalajara

Consul Mr. Siro Azcona Lemoine Edificio LOB Camino al Iteso 8851 45609 Tlaquepaque

Switzerland Global Enterprise – Business Guide 13/17

TIPS FOR INITIATING BUSINESS CONTACTS

Business etiquette

- First contact: Mexicans are mostly very warm and friendly. Shake hands every time you meet or take leave of a Mexican. Meeting with a group, shake hands with everyone. If you are male, remember that Mexico is a Latin country; expect Mexican men to stand close to you, to hold your hand or arm for extended periods, and to put their arms around your shoulders and hug you in some cases. These are normal and socially acceptable signs of friendship. Shake hands with Mexican women on a first meeting, and expect to be kissed (on the cheek, usually more like a kiss in the air) on subsequent encounters. If you are female, both Mexican men and women will shake hands with you on a first encounter but may kiss you on subsequent meetings and leave-takings.
- Forms of address: In Mexico people address foreigner by his/her first name. Thus, Dr José Sánchez García would normally be referred to as Dr. José. However, Mexicans are often known only by their last names, e.g Dr. Sánchez. You should also bear in mind that the title Dr. is sometimes used as a mark of respect and may have nothing to do with professional qualifications.

BUSINESS PRACTICES

- Indication: Personal relationship is an essential element of business in Mexico, sometimes personal contacts count more than a convincing business plan, that's why referred contacts can open doors and facilitate contact with new business partners.
- Meetings: Allow yourself ample time to get to your appointment since traffic and long distances in major cities like Mexico City could cause serious delays, especially if it rains or if it is prior to a local holiday or purchasing season. During a business trip, it is recommended to arrange one or two meetings in the morning and depending on the location, maximum two in the afternoon if you want to make it on time. Check beforehand the best alternative path to get to the desired places.

Poor punctuality is sometimes a characteristic of Mexican business culture.

Big meetings, seminars and social events normally start 20 to 30 minutes late. Business entertaining is conducted over breakfast, lunch or dinner. Breakfast meetings are very common. Sometimes, brunches are used during seminars. Set aside two hours for a business lunch and around three hours for a business dinner.

Swap business cards during introductions. Expect a number of appointments to be cancelled or re-arranged at short notice; on the positive side, you may be able to arrange further meetings at very short notice.

Spend the first few minutes of a meeting in social chat –Mexicans like to get to know you and a little of your background and interests. It is appreciated when foreigners show that they value people and relationships over business. Reluctance on your part to chat may be interpreted by your host as representing a lack of interest in doing business. Resist the temptation to get straight down to business, even if time is short.

Do not expect to do much business on a first visit - Mexicans like to get to know a business partner first, so be prepared that it will probably take several contacts and trips to bring the negotiations to a satisfactory conclusion. A midterm vision is necessary.

- Negotiation: Mexican business culture is intensely hierarchical; only the highest person in authority makes the final decision. Therefore, it is indeed important to find the "key person", it saves time and facilitates negotiations. It is important to show commitment and the desire to establish a long-term business relationship. During negotiations, avoid confrontations and mask frustrations. Mexicans take criticism less issue-related but very personally.
- Communication: Most Mexicans are very polite and diplomatic and will often avoid giving an outright "no". Instead of disagreeing, they will try to find other ways of showing what is preferable.
- After the meeting: Usually documents are not signed immediately after an agreement is reached.
- Deadlines: A handshake and person's word are considered sufficient. The necessary papers will be prepared and signed later. After a meeting, if your Mexican counterpart is expected to take the next step, feel free to charge it in case of a delay. In general, Mexicans are not keen on following agendas or deadlines, even if it is something of their interest. Mexicans time perception is quite different from the Swiss one.

- Business dress: Mexican business people dress business attire and they generally expect visitors to wear appropriate business dress too.
- Business cards: Bring a plentiful supply of business cards, since Mexicans tend to be very keen about exchanging them. Not being able to present a business card or a material from your own company could be viewed by your Mexican contact as unprofessional and eventually hurt your credibility as a legitimate and serious business.
- Conversation: People stand closely in front of each other, even when talking. Mexicans tend to be very fast talkers. It is normal for a conversation to be highly animated. During meals, business is usually discussed.
- Gifts: Small gifts are very welcomed by Mexicans. Something typical from Switzerland might be a good idea. It is very common to invite them to have lunch or dinner and use this opportunity to create a close relationship.
- Considerations: If your Mexican counterparts have doubts about you, use your personality effectively, cultural awareness, and other interpersonal skills to win your Mexican counterparts over to your side.

In general, being a foreigner is a plus. Mexicans like to know about other countries and cultures.

Mexicans perceive Swiss products as reliable, high tech and high quality. The brand "Swiss Made" makes a good impression and facilitates the entrance of Swiss goods in the Mexican market.

SPECIAL FEATURES ON THE MARKET

Doing business in Mexico represents challenges and opportunities for every foreign company interested in penetrating this exciting but complex market.

The size of the country's domestic market is one of the main attractions for companies that seek to invest and expand their presence in the world. Just over 125 million people live in Mexico, of which more than 30% belong to the middle class with an average buying capacity and the possibility to travel at least once a year. Additionally another 20% of the population has the highest-income level and concentrates the wealthy.

Cultural aspects can represent the success or failure for a new company in Mexico. We encourage you to keep in mind following observations:

- Long-lasting face-to-face negotiations are quite common
- Unpunctuality must not be interpreted as a lack of interest
- Work times differ. While it may be difficult to reach people at their offices before 09 am in the morning, they may work there until 8 pm or later
- Negotiations with Mexicans may take longer than in Europe
- Hierarchies are more important than in Europe. Often, decisions are made at up hierarchical positions only.

The most common reasons for Swiss firm's failure in the Mexican market are:

- Misunderstanding of Mexican culture and insufficient adaptation
- Impatience, no long-term vision and no long-term commitment
- Market entrants do not train and qualify local workforce sufficiently
- No clear contracts and no knowledge of the legal framework
- Overestimation of the market and underestimation of competition

The Swiss Business Hub and the Swiss Embassy want to continue promoting and increasing the trade relation between Switzerland and Mexico by providing support and networking and by creating trust in both countries. For these reasons, we strongly recommend you to use the Swiss Business Hub services as a starting point to analyze, make decisions and operate in this market. We can provide you with detailed and focused response according to your specific needs