

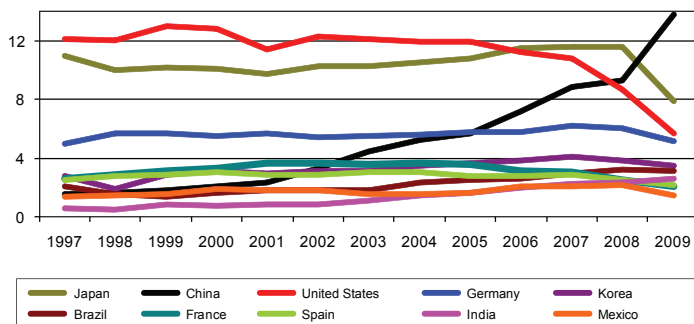
From the ECLAC report:

Foreign Direct Investment in Latin America and the Caribbean 2009

- The rise in conventional oil prices, stricter regulations to reduce contaminating emissions and the global financial crisis deepened the structural problems of the world automobile industry.
- This context sped up the relocation of production to emerging economies (mainly BRIC – Brazil, Russia, India and China), which combine large domestic markets, lower production costs and proximity to important export markets.
- The relevance of Asia in the value chains of multinational companies rose. In 2009, China became the biggest producer and main consumer market in the world. Corporate concentration and competition in brands and innovation (more efficient motors, hybrid cars, flex-fuel) also increased.

PRINCIPAL AUTOMOBILE PRODUCER COUNTRIES, 1997-2009

(in millions of units)

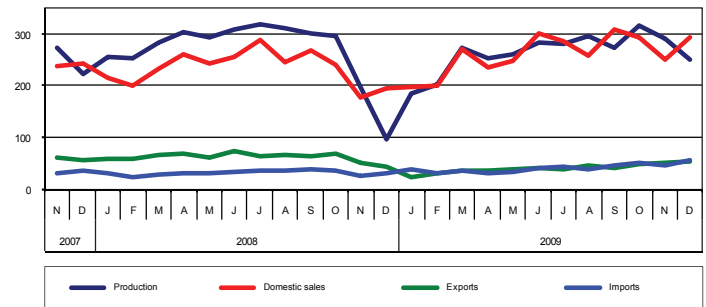


Source: ECLAC, based on data from the Organisation Internationale des Constructeurs d'Automobiles (OICA) and national associations.

- Industrial policies have been fundamental in the dynamics and orientation of the sector in larger emerging economies. The instruments used included mechanisms to attract FDI, financial, tax and tariff incentives, the strengthening of value chains and the creation and promotion of domestic companies, especially in China.
- In Latin America, Brazil and Mexico concentrate over 90% of production, occupying the sixth and tenth place, respectively, among the world's biggest producers.

BRAZIL: PRODUCTION, DOMESTIC SALES, EXPORTS AND IMPORTS OF THE AUTOMOBILE INDUSTRY, MONTHLY 2007-2009

(in thousands of units)

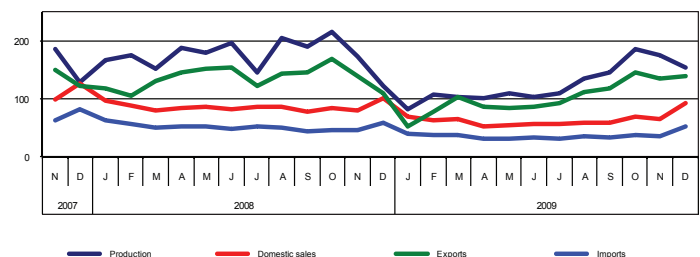


Source: ECLAC, based on data from the Associação Nacional dos Fabricantes de Veículos Automotores (ANFAVEA).

- The competitiveness of Brazil's industry is based on its specialization in compact vehicles, a dynamic domestic demand and its productive and commercial complementarity with Argentina. This, along with an aggressive policy of fiscal support and stimuli, permitted the industry to recover rapidly after the recent crisis.
- Mexico has consolidated as an export platform for medium and large vehicles. In 2009, while 80% of total production was exported, 60% of Mexico's domestic demand was covered by imports, especially compact cars. Mexico's automobile industry depends strongly on the United States market, which made it highly vulnerable to external turbulence and restricted its response to the crisis.

MEXICO: PRODUCTION, DOMESTIC SALES, EXPORTS AND IMPORTS OF THE AUTOMOBILE INDUSTRY, MONTHLY 2007-2009

(in thousands of units)



Source: ECLAC, based on data from the Asociación Mexicana de la Industria Automotriz (AMIA).