



# Mexico's Manufacturing Costs Overview

Get a Clear View Of How You Will Succeed.



start-ops

# Table of Contents

The idea of this document is to give you a clear view of how much it could cost your company to start manufacturing in Mexico. Costs fluctuate constantly and, for example, things like real estate depend on the negotiation and circumstances of each deal, however, this ebook should give you a clear overall picture. If you would like to get a more accurate view, contact us and we will give you a free cost analysis session.

1. Introduction
2. About Start-ups
3. Labor Cost Overview
4. Cost Simulation
5. Overhead Costs Overview
6. Set-up & Legal Costs
7. Administrative Costs
8. Cost Simulation

# Introduction

Hi! Thanks for downloading our ebook. At Start-ops, we are always happy to see a company planning ahead and caring about lowering their manufacturing costs. After all, a business needs profits to survive & grow and small & medium companies deserve a fair chance to compete too.

What this ebooks aims for is to give you an overall picture of the costs of manufacturing in Mexico. Manufacturing cost includes the costs of all resources consumed in the process of making a product and this may get a little complex for one small ebook so we had to reduce it to the cost of labor and factory overhead. **This should give you a fairly good idea of the savings you will get.**

The cost information is presented in ranges. It is not possible to give one specific quantity of for example how much the square foot of land or real estate cost. If you need more accurate information on the costs that your company would incur if you move a part of your operation to Mexico, please contact us and we will give you a **Cost Simulation Session completely free of charge.**

We focused on the highest costs that a manufacturing company usually has:

- Industrial Real Estate Leasing
- Utilities Cost
- Labor
- Setup & Legal Costs
- Administrative Costs

Thanks again for giving us the opportunity of informing your company on the competitive advantages that Mexico offers. We really hope this document helps you make the right decision.

*Roberto Cornejo*

# About Start-ops



At Start-ops, we are experts at providing **all-inclusive soft-landing solutions**. For everything your company needs to operate in Mexico and become a powerful competitive global enterprise, you can rely on us.

Mexico has great advantages and thousands of companies have moved their operation here to make millions of dollars in savings.

## How do we know?

We know its hard to think about moving a part of your operations to a different country. We have helped many companies of different sizes to do it, hassle-free.

When you lower your costs, you increase your profits, and your board of directors and shareholders get happier than ever when presented with the financial information.

Mexico is a different country with a different language, culture, business ways and, the most important, different laws.

**This is where your company meets Start-ops; your Mexican partner.**

## How do we help?

[We have a step-by-step plan to help your company succeed.](#) The first step is to get to know your company a little. There are many great industrial clusters in Mexico and, to understand your company and industry, helps us localize the one that suits your company best.

A person is working at a wooden desk. On the desk, there is a laptop, a smartphone, and a notebook with a pen. The person's hands are visible, typing on the laptop keyboard. The background is slightly blurred, showing a wooden chair.

# 1

## Labor Costs

Overview of labor costs in Mexico

# Labor Cost Overview

Labor Costs fluctuate vary across regions in Mexico and across industries as well. Furthermore in order to be able to retain employees and keep them happy there are some fringe benefits and market benefits that some companies offer. This helps to maintain a stable working environment. Market benefits might include savings fund, transportation, cafeteria, medical insurance, among other.

That being said, here are some generic positions with salary ranges:

## Unskilled Direct Labor

Ranges from US\$2.00 to US\$3.50 per hour.

## Skilled Direct Labor

Ranges from US\$2.85 to US\$7.20 per hour.

## Technicians

Ranges from US\$4.50 to US\$7.90

## Engineers

Ranges from US\$7.83 to US\$19.00

## Managerial Staff

Ranges from US\$22.00 to US\$55.00



start-ops

## Get a Costs Simulation Session!

Since you are awesome, we'll do a cost simulation for your company free of charge.

[Schedule a Meeting](#)

A person's hands are shown typing on a silver laptop. The laptop is on a light-colored wooden desk. To the left of the laptop, a smartphone and a dark notebook with a pen are visible. The background is slightly blurred, showing a wooden chair. A large blue vertical bar is overlaid on the right side of the image, containing the text.

# 2

## Overhead Costs

Overview of factory overhead costs in Mexico.



# Real Estate Leasing Overview

Real estate lease rates vary across regions. However, we can average the per month cost of a standard class A industrial building in most markets leasing at a range from US\$0.33 per square foot to US\$0.45. This is on a monthly basis, how it is customary to pay leases in Mexico. A lot of Industrial parks require an additional \$0.015 to \$0.03 USD per square foot as a fee for the maintenance of the common areas shared with the rest of the tenants .

## Utilities Costs Overview

### Electricity Cost

Range between **US\$0.09 and US\$0.11 KWh.**

### Natural Gas Cost

.Range from **\$0.038 USD to \$0.096 USD per m3.** It depends on monthly consumption volume.

### Water Cost

Range from **US\$5 to US\$9 per 1K Gallons.**

### Internet

A good Industrial Internet connection range from US\$80 and \$750 depending on your specific needs.



# 3

## Set-up & Legal Costs

An overview of the set-up & legal costs of starting a business in Mexico.

# Set-up & Legal Costs

An Overview of the set-up & legal costs if you decide to start-ops with us.

## Set-up Costs

### **Setup Package: \$5,000 (One-Time Fee)**

#### What's Included?

1. Register the company name and file the draft deed of incorporation online.
2. Register to the Mexican Social Security Institute.
3. Sign the deed of incorporation with a Public Notary.
4. Obtain Tax Registry Number (RFC).
5. File the deed of incorporation with the Public Register of Commerce.
6. Register with the local tax administration.
7. Register with the National Business Information Registry.
8. Obtain the authorization for the company name from the Ministry of Foreign Affairs.
9. Register the company statutes with the Public Registry of Commerce.
10. Obtain operational license.

## Legal Services

Mandatory Legal Annual Compliance: \$4,000 (Annual Fee)

Privacy Notice: \$800 (per event)

Know-Your-Customer Process: \$120 (per event)

Secretary Non-member of the Board: \$1,200 (Annual Fee)



# 3

## Administrative Costs

An overview of the administrative costs of your day-to-day operation in Mexico.

# Administrative Costs

An Overview of the day to day costs of running the business.

## Accounting, Reporting & Tax Compliance

Service	Type of payment	Fee
<b>Set-up Fee</b>	One-Time Fee	\$4,000
<b>Tax Electronic Invoicing set-up</b>	One-Time Fee	\$1,000
<b>Monthly Services</b>		
Up to 15 transactions	Monthly Fee	\$1,250
Up to 30 transactions	Monthly Fee	\$2,000
Up to 60 transactions	Monthly Fee	\$2,900
<b>Annual Tax Compliance</b>		
Up to 15 transactions	Yearly Fee	
Up to 30 transactions	Yearly Fee	
Up to 60 transactions	Yearly Fee	

# Administrative Costs

An Overview of the day to day costs of running the business.

## Payroll Administration

Service	Type of payment	Fee
<b>Set-up Fee</b>	One-Time Fee	\$2,000
<b>Minimum Payroll Monthly Services</b>	Monthly Fee	\$750
<b>Monthly Payroll Services</b>	Month Fee Per Employee	\$38
<b>Termination Fee</b>	Per Employee per Event	\$50



start-ops

## Get a Costs Simulation Session!

Since you are awesome, we'll do a cost simulation for your company free of charge.

[Schedule a Meeting](#)