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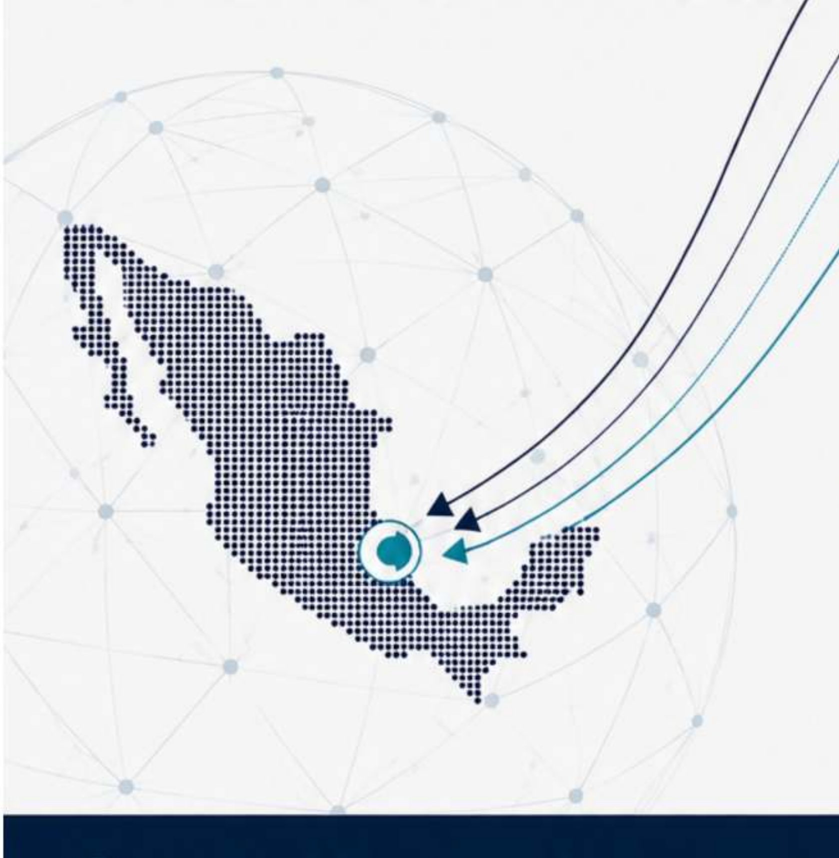
NMA INSIGHT

INTERNATIONAL MARKET ENTRY

What European Companies Often Underestimate When Entering Mexico

Mexico is not simply another market to enter.
It is a market that can force you to rethink how you enter.



> THE QUESTION IS NO LONGER WHETHER MEXICO IS ATTRACTIVE.
> **THE QUESTION IS WHETHER YOUR BUSINESS MODEL CAN ACCESS THE OPPORTUNITY.**

EVIDENCE-BASED INSIGHTS
Backed by data, experience and trusted sources.

STRATEGIC PERSPECTIVE
We go beyond the numbers to understand what drives access.

PRACTICAL IMPACT
Turning insight into decisions that create access.

BUILT FOR GROWTH
Helping companies enter with clarity and scale with purpose.

The Question Is No Longer Whether Mexico Is Attractive.

> “THE QUESTION IS **WHETHER YOUR BUSINESS MODEL CAN ACCESS THE OPPORTUNITY.**”

Mexico offers scale, proximity, talent and a growing economy.
The real challenge is not the opportunity —
it is your ability to **access** it.

WHY THIS MATTERS

Many European companies approach Mexico as if it were an extension of home.
In reality, Mexico operates by its own rules — commercial, regulatory, operational and cultural.
Success belongs to those who **adapt their model to the market**, not the other way around.

THREE REASONS WHY ACCESS IS THE REAL CHALLENGE

01 IT'S NOT JUST ABOUT ENTRY.

Entering is the beginning.
Accessing distribution, customers, talent, permits and decision makers is where the real journey starts.

02 ONE MODEL DOES NOT FIT ALL.

What works in Europe rarely works in Mexico without adjustment.
Local dynamics, incentives and relationships shape the outcome.

03 ACCESS REQUIRES A STRATEGY.

It is not about having a product.
It is about building the right route to market — with the right partners, structure and timing.

THAT IS WHERE MARKET ENTRY BECOMES

MARKET ACCESS.

And that is where we create value.

The market is national. The opportunity is regional.

The first assumption is simple: **"We are entering Mexico."**

In reality, a company is making a series of decisions about where opportunity, customers, capabilities and access actually exist.

Mexico is a large national market, but economic activity and investment are not distributed evenly across the country.

In 2025, Mexico City accounted for **54.8% of the country's foreign direct investment inflows.** Other regions have developed very different industrial and commercial ecosystems.

The U.S. Commercial Service therefore recommends a regional approach, highlighting Mexico City, Guadalajara, Monterrey and Baja California as distinct commercial centres.

For a European company, the question should not simply be:

How big is Mexico?

It should be:

Where, within Mexico, is our opportunity actually accessible?

That can determine where to sell, where to build partnerships, where to establish operations and where to invest first.

The size of the Mexican market is national.
The opportunity is regional.

02 | ACCESS

Market access is an ecosystem, not a contact list.

The right partner can open a door. It cannot map the whole building.

Once a company knows where it wants to compete, another assumption often appears:
"We just need the right local partner."

A distributor. A representative. Someone who "knows the market".

Local relationships can accelerate access. But access is rarely controlled by one relationship.

Depending on the sector and business model, the relevant ecosystem may include customers, distributors, regulators, industry associations, institutional stakeholders, local partners, advisers and decision-makers.

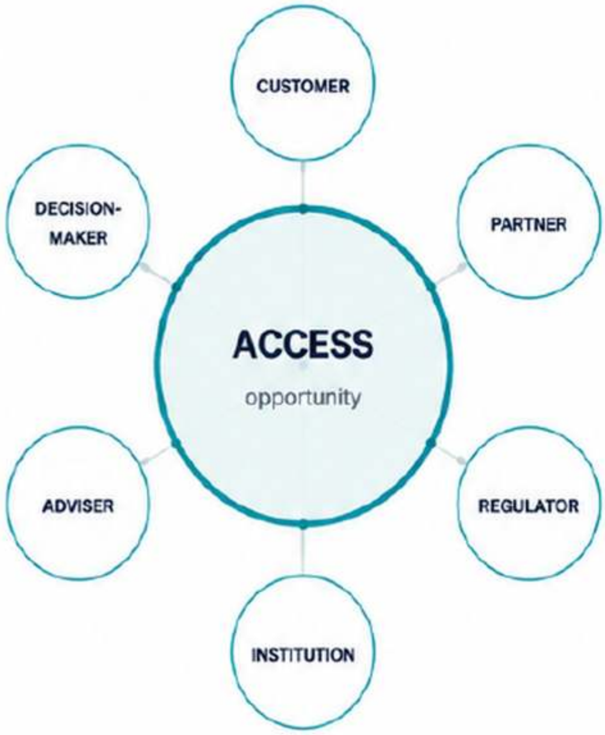
And their relative importance can change by geography.

This is why a contact list is not a market-access strategy.

Spanish company Cosentino provides an interesting illustration. Its international development has combined direct commercial structures with local distribution relationships, evolving over time as its presence in Mexico has grown.

The lesson is not that companies should always enter through local partners.

It is that **access can need to be built before scale can be built.**



Access is shaped by an ecosystem of influence — not a single relationship.

The strategic question is therefore not:

Who do we know in Mexico?

It is:

Who influences access to the opportunity we have identified?

A contact list can open conversations.
An ecosystem understanding opens opportunities.

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Regulation is part of the strategy.

Regulation is not simply a compliance question.

Regulation is often treated as something that comes after strategy.

The business identifies the opportunity, chooses its customers and route-to-market, and then asks the legal or regulatory team what is required.

That sequence can be too late.

Mexico's regulatory environment involves federal, state and municipal layers. The OECD's 2026 assessment identifies a fragmented regulatory landscape with inconsistent requirements across states and municipalities, while regulatory compliance remains a significant obstacle for businesses in parts of the country.

The strategic issue is not simply regulatory complexity.

It is what regulation does to the commercial model.

- where a company operates;
- how quickly it can enter;
- which partners it needs;
- how products or services must be configured;
- how customers can be reached;
- and whether the economics of the opportunity remain attractive.

So regulatory intelligence should not simply answer:

Can we comply?

> **Regulation does not simply determine whether you can enter a market.**
> **It can determine how you should enter it.**

Adaptation is not localisation.

The challenge is deciding what should travel, what should adapt, and what should be built locally.

This may be the hardest decision of all.

There are two obvious mistakes.

The first is replication:
Our model works in Europe. Let's transfer it.

The second is over-localisation:
Mexico is different. Let's change everything.

Both can destroy value.

The real challenge is deciding what should travel, what should adapt and what needs to be built locally.

Technology, intellectual property, brand and operational capabilities may be central to competitive advantage.

Pricing, distribution, partnerships, sales processes, customer propositions and routes-to-market may require adaptation.

The objective is not to localise everything.

The objective is to remove the barriers that prevent the model from working.

PROTECT

- technology
- IP • brand
- capabilities

ADAPT

- pricing
- routes • sales
- partnerships

BUILD

- local
- capabilities
- & access

A useful principle is:

Adapt what creates access.
Protect what creates advantage.

A peer-reviewed case study of a Brazilian multinational's re-entry into Mexico illustrates why previous international experience can be misleading. The company initially overestimated its knowledge of the Mexican market and later encountered problems involving funding, logistics, distribution, suppliers and intermediaries. Its eventual re-entry required a different partnership structure and a more formal internationalisation approach.

The lesson is not that international business models fail in Mexico.

It is that a successful model still has to earn the right to be transferred.

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Mexico may be more than a market.

The strategic question is not only where to sell — but what role Mexico should play.

There is another question European companies may not ask early enough:

What role should Mexico play in our international strategy?

The answer does not have to be "a market where we sell".

Mexico can potentially be:

01 A MARKET

Sell into Mexico.

02 A MANUFACTURING BASE

Build and produce locally.

03 A REGIONAL HUB

Coordinate regional operations.

04 A NORTH AMERICAN PLATFORM

Use Mexico within a broader North American strategy.

THE STRATEGIC POINT

These roles can coexist.

SIEMENS

Siemens provides a useful example. Its long-term presence in Querétaro has developed beyond a conventional local commercial operation into a broader industrial platform incorporating manufacturing, engineering and R&D capabilities.

In April 2026, Siemens announced a further investment of more than MXN 1.3 billion to expand production capacity in Querétaro, describing the site as a key hub for advanced manufacturing serving regional markets.

The important lesson is not what Siemens has done.

It is the question the example raises for other companies:

What role could Mexico play in our global architecture?

- A company looking only at the domestic market may prioritise sales and distribution.
- A company looking at Mexico as part of its global architecture may make very different decisions about manufacturing, talent, partnerships, investment and supply chains.

Mexico does not necessarily have to be another market in the portfolio.

It can be a strategic node within the portfolio.

The market itself is moving.

The Mexico you enter today may not be the Mexico in which you compete tomorrow.

There is one final assumption worth challenging:

That the market you study today will be the market you enter tomorrow.

Mexico's position within North American supply chains continues to evolve. Its industrial policy is changing. Foreign investment patterns are shifting. And its relationship with the European Union is entering a new phase.

For companies considering entry, the implication is straightforward:

The Mexico you enter today may not be the Mexico in which you compete tomorrow.

Market intelligence therefore cannot always be a one-time exercise performed before launch. The more strategically important the market, the more important it becomes to understand **not only where the market is, but where it is going.**

THE MARKET DOES NOT STAND STILL

The variables around market entry continue to move.

But understanding change is not simply about collecting more information. The strategic challenge is distinguishing between changes that are temporary and those that can fundamentally alter the attractiveness, structure or accessibility of the market.

SUPPLY CHAINS
A shift in supply chains can change where production makes sense.

INDUSTRIAL POLICY
Changes in industrial policy can influence where investment opportunities emerge.

INVESTMENT
Shifting investment patterns can reshape regional priorities.

INTERNATIONAL RELATIONSHIPS
Changes in Mexico's relationship with its international partners can create new opportunities — or alter the assumptions behind an existing entry strategy.

For a company planning a significant market entry, this matters because the strategy may take months or years to implement.

The conditions under which the strategy was designed may not be the conditions under which it is executed.

That means market entry should not be designed as a fixed plan. It should be designed with the ability to evolve.

The objective is not to predict exactly where the market will be.
It is to build an entry strategy that can evolve as the market moves.

Market entry is a moving target.

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The questions that matter.

The questions that determine whether potential becomes meaningful market access.

European companies rarely underestimate Mexico's potential.

More often, they underestimate what it takes to convert that potential into access.

A strong product is not enough. A market study is not enough. A local distributor is not enough. Even previous international success is not enough.

01 **Where is the opportunity actually accessible?**

02 **Who influences access to it?**

03 **How does regulation shape the route to market?**

04 **What should be adapted — and what should remain unchanged?**

05 **What role should Mexico play in our broader international strategy?**

THE RIGHT MARKET-ENTRY STRATEGY DOES NOT BEGIN WITH ANSWERS.

It begins with the right questions.

At **NEXT MARKET ACCESS**, we help companies identify the questions that matter, challenge the assumptions behind them, and build the intelligence needed to answer them.

WHAT THIS MEANS IN PRACTICE

That means understanding where opportunity actually exists, how access works, what can prevent it, what needs to adapt, and what role the market should play in the broader strategy.

Because sometimes the most important step is not finding a better answer.
It is discovering that you were asking the wrong question.

These are not simply Mexico questions. They are market-entry questions.

That is the difference between entering a market and gaining access to it.

Sources & further reading

The evidence base behind this NMA Insight.

01 **European Commission**

EU Trade Relations with Mexico

policy.trade.ec.europa.eu

02 **Secretaría de Economía, Mexico**

Foreign Direct Investment in Mexico, 2025

gob.mx/se

03 **U.S. Commercial Service**

Mexico: Market Entry Strategy

trade.gov

04 **OECD**

OECD Economic Surveys: Mexico 2026

oecd.org

05 **Aguzzoli et al.**

Here We Go Again: A Case Study on Re-entering a Foreign Market, British Journal of Management

onlinelibrary.wiley.com

06 **Siemens**

Investment to expand production capacity in Querétaro, April 2026

news.siemens.com

07 **ECLAC**

Nearshoring in Mexico: Diverse Options for Industrial Upgrading

cepal.org

08 **Cosentino**

Group / Mexico Operations

cosentino.com

WHY THESE SOURCES MATTER

Together, these sources provide the trade, investment, regulatory, regional, strategic and company-level evidence used to frame the six market-entry assumptions explored in this Insight.

Source links are provided for verification and further reading. NMA does not present these sources as endorsements of its strategic conclusions.

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Turning international expansion into market access.

NEXT MARKET ACCESS helps companies understand, enter and grow in new markets.

ABOUT NEXT MARKET ACCESS

We combine market intelligence, strategic analysis and market-access thinking to help companies identify where opportunities exist, understand how access works, and build strategies designed for the realities of the target market.

Our work sits at the intersection of **market intelligence, strategy, access and execution.**

WE WORK ACROSS SECTORS AND MARKETS

We work across sectors and markets, particularly where complexity makes a conventional expansion approach insufficient.

HOW WE WORK

1. **UNDERSTAND**
   Understand the market, the context, stakeholders, regulation and opportunity.

2. **PRIORITISE**
   Identify where the most meaningful and accessible opportunities actually exist.

3. **ADAPT**
   Design the right approach, adapt the value proposition, and align the strategy to the realities of the market.

4. **ENTER**
   Execute the entry, navigate pathways, and meet what is required to establish market access.

5. **SCALE**
   Turn initial access into sustainable growth.

Because successful market entry is not about copying what worked somewhere else.
It is about knowing what needs to work here.

THINKING ABOUT YOUR NEXT MARKET?

Let’s start with the questions that matter.

Before you enter, understand where the opportunity is, how access works, and what needs to change.

UNDERSTAND

Understand the market, the context, stakeholders, regulation and opportunity.

PRIORITISE

Identify where the most meaningful and accessible opportunities actually exist.

ADAPT

Design the right approach, adapt the value proposition, and align the strategy to the realities of the market.

ENTER

Execute the entry, navigate pathways, and meet what is required to establish market access.

SCALE

Turn initial access into sustainable growth.

YOUR NEXT MARKET STARTS HERE.

Market intelligence · Strategy · Access · Execution

At NEXT MARKET ACCESS, we help companies turn international ambition into real, measurable access. Not by guessing. By asking the right questions.

LET’S TALK

Every market has its own rules.
Let’s find the right path for you.

CONTACT

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WEBSITE

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“ Markets reward preparation.
Access rewards the right strategy.

The difference is in the approach.
The result is in the access.