

Von Wobeser unveils US\$1 billion BMW factory in Mexico

Wednesday, 9 July 2014 (4 hours ago) by Rachel Hall

Von Wobeser y Sierra SC has helped German car manufacturer BMW invest US\$1 billion in a car plant in the central Mexican state of San Luis Potosí as part of a bid to expand the company's presence in the Americas.

The deal was announced by President Enrique Peña Nieto on Friday. Production at the plant, located near the state capital, also called San Luis Potosí, is expected to begin in 2019, when the plant will produce 150,000 vehicles annually. Von Wobeser, which has represented BMW since the carmaker entered the country some 20 years ago, will continue to assist the company with legal matters until production begins.

According to Von Wobeser partner Rupert Hüttler, the deal entailed an extensive site selection process initiated by BMW three years ago. "It was the most sophisticated site selection process I've ever seen because of the human resources involved, the detailed investigation made in different areas, not only from a legal perspective but also an investment point of view," he says.

When the plant is operational, it will create an initial 1,500 jobs, which Hüttler says resulted in extensive labour work given Mexico's complex legislation and the recent reforms enacted in 2012. "You have to be prepared, you have to work preventively, and find a union which is suitable for a project like this, with enough power to work with a company of this size and reputation," he says. Additionally, as Mexico's states have labour requirements of varying stringency, this played into the site selection process.

The move into Mexico enables BMW to take advantage of the country's low labour costs and the North American Free Trade Agreement, which provides a springboard into the US car market, the world's second largest. The car industry currently represents nearly a quarter of Mexico's total exports.

BMW is also set to open a plant in Brazil later this year, for which the carmaker is being advised by TozziniFreire Advogados and Pinheiro Neto Advogados.

Counsel to BMW

In-house counsel - Jens Rössing and Georg Rasche

Von Wobeser y Sierra SC

Partners Rupert Hüttler, Javier Lizardi, Edmond Grieger and Fernando Moreno, and associates Adolfo Salame and Rodolfo Trampe

Comments

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