

Aviation and drone demand in Mexico

Executive Summary

VEDP's global network consulting partner Neighbors has prepared a report on aviation sector demand in Mexico. Many Virginia aviation products and services, including those related to drones, can expect solid demand in Mexico despite or even because of the global coronavirus pandemic. The report assesses market scope and opportunities in scheduled and private civil aviation. The report analyzes demand derived from Mexico's cargo, passenger, and specialized commercial operations.

Mexico's passenger demand was once almost fully driven by passengers on private flights and international travellers flying commercially. After 2015 regulatory changes, and following global trends in low-cost air travel, Mexico's domestic passenger service demand has accelerated and is now on par with international passenger services in terms of seats sold per year. The number of cargo flights within Mexico has also increased significantly.

Mexico continues to have a busy market for private flights, both rotary and fixed-wing. Full of wide-open spaces, with mining, agriculture and other remote industrial operations, Mexico also historically lacked a safe, modern road network. It is still the 2nd-most active market in the world after the United States for private jet travel and for air/helicopter. Mexico's top cities are all busy for helicopter traffic, as is the Gulf region, which is the hub for offshore oil activity.

Because of the level of private flight activity, and because as an aerospace manufacturing location Mexico attracts strong investment in components production, Mexico also lends itself to MRO. Until recently the company Mexicana dominated the MRO landscape, but while that company's viability waned for various reasons (it is now up for sale), Delta and Aeromexico's joint TechOps center in Queretaro entered the market. There are over 300 MRO shops in Mexico with valid licenses and over 500 registered shops in total.

Analysts put about 5% of the world's drone market in Mexico. Currently, as in the global marketplace, US-made drones dominate in the military sector, while Chinese drones dominate civilian. The Mexican drone market is growing rapidly, both for consumer and business use. Commercial drone applications are numerous in Mexico. Together with the greater North American region, Mexico is expected to have significantly more demand for drones than other parts of the world due to its level of business activity related to land resources. Off-grid energy is one demand sector, and the report mentions many more.

Entering the Mexico market is normally most efficient via forming a strong relationship with one or more local sales partners, although there are exceptions depending on the product or service. VEDP's 2021 trade mission to Mexico, which will be in Queretaro the week of April 23, to coincide with the FAMEX trade show, offers the chance for exporters to participate in pre-arranged 1-1 meetings in Mexico that week, and/or via virtual meetings in the weeks prior.

Note: we have prepared a separate report on military and law enforcement demand; aviation and drone demand from those applications are addressed in that study. Another important aerospace sector for Virginia exporters, manufacturing, is also addressed in a separate study. Please contact your trade manager for those reports.