



## Economic intelligence to improve decision making

HARBOR's Market and Economic Intelligence Division provides economic intelligence and forecasting models to assist our clients in their operation, project evaluation, annual budgeting, and medium-term planning.

### ¿Why HARBOR?

- **25 years** of experience.
- Timely market monitoring.
- 5 or more years projections under three scenarios.
- Logically supported economic perspectives.
- Extensive experience in developing econometric forecasting models for specific business needs.
- Long term clients for more than 60 medium and large companies.

We carry out economic analysis and projections to better understand the economic environment and the implications it may have for your company.

**Econometric models, technical, and fundamental analysis** are the pillars of our work to provide Mexico's main macroeconomic variables projections or generate specific forecasts according to our clients' needs.

### What are our econometric models for?

- Having reliable sales projections allow companies to have a **better timetable** of the amount of products they need to produce, supply purchases, the cash flow required, etc. You will have a **more accurate knowledge of the operational requirements** for your daily operation.
- By knowing how many products you will sell, you can obtain reliable estimates of your possible profits, and the capacity and investment requirements for the medium and long term, thus **facilitating your strategic and financial planning**.
- As businesses are surrounded by an uncertain environment, having a tool that allows them to obtain **sales forecasts under different possible scenarios**, helps them make **better-supported decisions and plan a B scenario**.
- Currently, there is a highly competitive, dynamic business environment that demands immediate responses, so knowing the main factors that affect your sales and the impact each of these external factors have on your sales, gives you a **competitive advantage through timely and better-informed decisions**.

## Sales econometric models

### > Explicative

- Econometric models that help understand sales' dynamics
- They identify the main factors that move sales
- They quantify the impact that each of these factors have on sales.

### > Short term projections (for operational purposes)

- Mathematical models specially designed to generate accurate forecasts in the short term (daily, weekly, fortnightly)

### > Medium- and long-term projections (for planning purposes)

- Specially fitted models to generate trustworthy medium and long term (months or years) projections.
  - They can be based on explanatory econometric models.
  - They can also be based on econometric models that identify historical patterns such as trend, cycle, and seasonality, and use these patterns to forecast sales.

## Sales simulation tools

- Tools that allow you to build future scenarios of your sales using econometric models and different future assumptions of prices, economic activity, etc.
- The simulations are made considering the existing uncertainty in the economy and in the market.

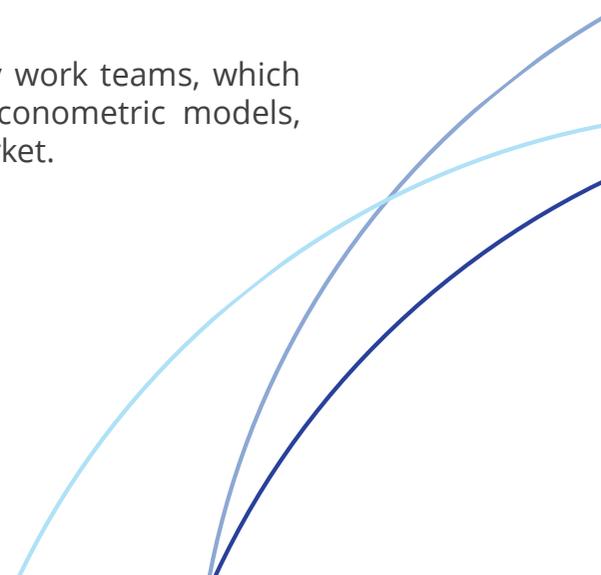
## ADDITIONALLY

### Service tailored to your needs

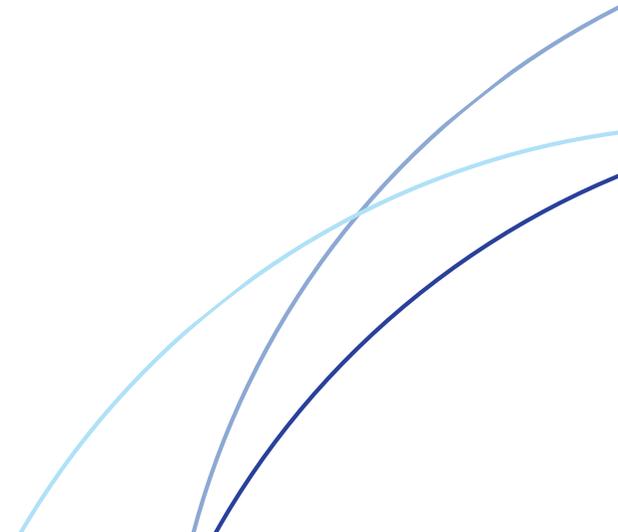
Our methodology's flexibility on constructing econometric models allows us to create econometric models that are based on the specific requirements of each of our clients, considering their own environment. This allows us to create more accurate and reliable econometric models.

### Multidisciplinary team

A key to our success is the formation of a multidisciplinary work teams, which includes experts in databases, computer programming, econometric models, economic analysis, and in issues specific to the analyzed market.



## Some of HARBOR intelligence's econometric models

- > **Econometric models to forecast paint sales in Mexico**  
*Client: Paint manufacturer*  
The macroeconomic and market factors that affect the paints' demand behavior were identified and included in the econometric model.
  - > **Quantified impact of an increase in the IEPS beer rate on beer consumption and tax revenues in Mexico**  
*Client: Beer Industry National Chamber*  
Econometric models to quantify the impact of an increase in the IEPS on beer consumption and tax collection. Elaboration of an executive presentation with the main findings using clear, simple and understandable language for people who do not have the technical econometrics knowledge. These models were used by the BEER INDUSTRY NATIONAL CHAMBER to present evidence to Mexico's Treasury Secretary. This work was submitted successfully by Mexico's Treasury Secretary for validation to experts in econometric models.
  - > **Model to forecast Mexico's coatings demand**  
*Client: Coatings manufacturer*  
We identified macroeconomic and market factors that affect Mexico's coating products demand. Based on the information provided by this study, an econometric model was developed to estimate Mexican coatings' demand at a national and State level.
  - > **Regional Key Variable Forecasts**  
*Client: soft drinks manufacturer*  
We forecast each year by State and region key variables to determine Mexico's demand for non-alcoholic beverages for the short- and medium-term budget.
  - > **Econometric models to forecast Mexico's cement sales**  
*Client: cement company*  
Econometric models to forecast cement sales for each of the Mexican States. Our team, together with expert personnel from the cement company, identified macroeconomic factors that affect the cement's demand behavior and included them in the econometric model. At the end, an executive presentation was prepared where the main results found were presented in a clear, simple and understandable way to the company's high-level executives who are not familiar with the econometric models' techniques and methodologies. A document was also prepared where the technical details of the study were presented, and a company team was trained in the use of the models and forecasting techniques.
  - > **Forecast new students at the undergraduate level in Monterrey**  
*Client: University*  
Econometric model to forecast the number of new students entering the Bachelor's degree for a private University in Monterrey.
  - > **Quantifying the impact of the 2008 economic crisis on private health spending**  
*Client: hospital chain*  
Study to identify and quantify the impact that the 2008 economic crisis had on private health spending in Mexico and forecast health demand.
- 

## Some of HARBOR intelligence's econometric models

### > Econometric model to detect the existence of a structural change in US Aluminum imports

*Client: US government*

Use of an econometric model to prove the existence of a structural change in US Aluminum imports amid a use of a lower price than the competitive market price. The results were presented as evidence by an expert witness in the aluminum market invited by the United States government in an international anti-dumping trial. The work was submitted to an expert opinion and validated by experts from the University of Chicago using a document written in a purely technical and academic format.

### > Vehicle flow forecast

*Client: Nuevo Leon State in Mexico*

Long-term forecast of the Cadereyta-Reynosa toll road vehicular flow.

### > Quantification of the 2008 economic crisis impact on Mexico's non-alcoholic beverages sales

*Client: soft drinks manufacturer*

Study to quantify the 2008 economic crisis impact on Mexico's non-alcoholic beverages sales. This study allowed the company to identify which type of non-alcoholic beverages suffered the biggest drop in sales, as well as provided future scenarios for soft drink sales given the speed of the economic recovery.

### > Econometric models to forecast Mexico's cookie sales

*Client: cookie manufacturer*

Econometric models to forecast cookie sales by type of presentation in Mexico. Our team, together with expert personnel from the cookie company, identified macroeconomic factors that affect the cookie's demand behavior and included them in the econometric model. At the end, an executive presentation was prepared where the main results found were presented in a clear, simple and understandable way to the company's high-level executives who are not familiar with the econometric models' techniques and methodologies. A document was also prepared where the technical details of the study were presented, and a company team was trained in the use of the models and forecasting techniques.

### > Creation of demographic, economic and purchasing consumer profiles in Mexico

*MULTI-CLIENT*

Assessment of Mexico's consumer economic attractiveness by State in order to create demographic, economic and purchasing consumer profiles. To create these profiles, various indicators referring to consumers were used.

### > Creation of an indicator of market attractiveness of Mexico's main cities

*MULTI-CLIENT*

Through the use of statistical models, an economic evaluation of Mexico's main cities and metropolitan areas was carried out in order to create an indicator of market attractiveness by city.

### For more information about our models:

Contact **Lucía Garza**

Tel: 83638360

Email: [luciagarza@askharbor.com](mailto:luciagarza@askharbor.com)

[www.harboeconomics.com](http://www.harboeconomics.com)