Rising crime pushes Mexico bulletproof car production to record

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MEXICO CITY (Reuters) - Historic levels of violent crime in Mexico have sparked a record increase in the country's car-armoring business, with an industry group predicting a double-digit jump in the number of vehicles bulletproofed this year.

FILE PHOTO: A general view shows armored vehicles at the garage of Blindajes EPEL company in Mexico City, Mexico April 9, 2018. REUTERS/Gustavo Graf

There were more than 25,000 murders across Mexico last year, the highest annual tally since modern records began, government data shows, with 2018 on track to be even worse.

That insecurity will help drive a 10 percent rise in car-armoring services this year to 3,284 cars, above the previous all-time high in 2012, according to the Mexican Automotive Armor Association (AMBA).

That figure is small relative to the 15,145 cars armored in 2017 in Brazil, which expects to see a 25 percent jump this year.

Demand in Mexico has grown so strong that more global automakers have started bulletproofing cars on their own Mexican production lines as opposed to the usual practice of after-market armoring.

Audi (<u>VOWG p.DE</u>) began making an armored version of its Q5 light sport utility vehicle exclusively in the central state of Puebla in mid-2017 for local sale and export to Brazil and Argentina. The company declined to give recent sales figures.

Audi's Mexico arm said its factory-made armored Q5, which cost \$87,000 locally, was cheaper for consumers than using an after-market firm, which one industry expert estimated would boost the car's cost to more than \$95,000 and void the factory guarantee.

BMW, Jeep and Mercedes-Benz have made armored cars in Mexico for several years.

After being assaulted and robbed multiple times in recent years, Arturo Avila, who owns a security company, now only travels in armored cars to traverse the streets of Mexico City.

"One of the crimes that hurts us most is kidnapping, that's what we're afraid of," he said, adding he changed his car every two years.

About 1.5 million cars were sold in Mexico in 2017, but just a tiny portion were armored, since the cars remain a luxury for the affluent and for companies that require executives to travel in bulletproof vehicles with bodyguards, said Avila.

Those companies include Mexico's largest banks and multinationals like Unilever Plc < ULVR.L> and Procter & Gamble Co. Both companies did not immediately respond to a request for comment.

Mexican security companies have also expanded rental and leasing offerings, services that are increasingly popular.

About 80 percent of armored car providers' business is in the private sector, which seeks to protect executives and their families, with the rest from government.

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