

SPECIAL EDITION

ALLIANCE



United States - Mexico Chamber of Commerce
Bilateral Business Magazine



INSTITUTO NACIONAL ELECTORAL

NATIONAL ELECTORAL INSTITUTE, MEXICO'S NEW DEMOCRACY MODEL:

SPECIAL REPORT

Insight into
Mexico's
Presidential
Candidates
Thinking

Presented by
The United State -
Mexico Chamber
of Commerce

AN INTERVIEW WITH
LORENZO CORDOBA,
PRESIDENT OF INE



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EDITORIAL

Dear Friends,

Mexico is preparing for its largest election in history, with 3,400 elected positions in play: an unprecedented number. All of them relevant for Mexico's democracy, but the presidential election of course is, the one that grabs the most attention and will have a major impact on the future of the country, and the U.S.-Mexico relationship.

For that reason we considered it important to prepare a special report on Mexico's Presidential Elections. We are very grateful to Dr. Lorenzo Córdova, President of the National Electoral Institute (Instituto Nacional Electoral-INE), who took the time to have a conversation with us and participated in this report, providing us the details of what it takes to conduct an electoral process of such magnitude. This will be in fact the first presidential election carried out by the INE, after the constitutional reform of 2014 that transformed the Federal Electoral Institute (IFE) into INE, with homogeneous standards for federal, state and local elections.

We also approached all presidential candidates to learn more about their vision for the future, their priorities and the strategies that they have in mind to tackle Mexico's challenges in the areas of economy, infrastructure, trade, energy, employment, the rule of law and security. Candidates Ricardo Anaya, Andrés Manuel López Obrador, José Antonio Meade and Margarita Zavala accepted our invitation, and we are very pleased to present to you their plans for Mexico's future in the event they are elected President.

The U.S.-Mexico Chamber of Commerce, since its inception in 1973 and throughout its history, has been neutral in the electoral processes in both countries, and expressed its best intention to collaborate with federal, state and municipal governments, irrespective of their political party affiliation. We hereby reiterate that we will continue to carry out our mission of fostering good business relations, and collaborate with the candidate that Mexicans elect as their President on July 1, 2018.

Since the presidential elections in the year 2000, the Chamber has been certified by the IFE at the time, and now the INE as an organization authorized to conduct an electoral observers mission. This year, we are looking forward to be once again a first hand witness of Mexico's electoral journey and we invite our Board members to be part of the 4th Mexico Presidential Election Observers Mission. If interested in participating as a mission observer, please contact Gabriela Kenny at gabriela.kenny@usmccoc.org for further information no later than May 31, 2018.

Democracy is not an easy path: in a true democracy citizens are allowed to express their dissents, which leads to inevitable tensions, but at the same time it provides individuals with the right to pursue their own aspirations. We wish our friends and partners in Mexico a successful election and a brilliant future.

Sincerely,

Albert Zapanta
President and CEO

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INSIGHT INTO MEXICO'S PRESIDENTIAL CANDIDATES THINKING

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NATIONAL ELECTORAL INSTITUTE, MEXICO'S NEW DEMOCRACY MODEL:

AN INTERVIEW WITH LORENZO CORDOBA

THE NATIONAL ELECTORAL INSTITUTE (INE, INSTITUTO NACIONAL ELECTORAL), IS AN AUTONOMOUS ORGAN OF THE MEXICAN STATE, RESPONSIBLE FOR ORGANIZING PRESIDENTIAL AND LEGISLATIVE ELECTIONS—FOR THE TWO CHAMBERS (REPRESENTATIVES AND SENATORS) THAT CONSTITUTE THE CONGRESS OF THE UNION— ELECTIONS.

In 2014, the then Federal Electoral Institute (IFE), created in 1990, was transformed into INE, with the purpose of organizing local elections in accordance with the same integrity standards of federal elections, and with strict compliance with the principles of lawfulness, certainty, impartiality, objectivity, independence and transparency.

INE's headquarters are located in Mexico City. It has offices in each of the 32 states and the 300 federal electoral districts into which the country is divided. Its maximum governing body is the General Council, composed of the President Councillor and 10 electoral councillors, the Institute's Executive Secretary, currently registered political parties' representatives, and representatives of parliamentarian groups of the Congress of the Union. The Executive Secretary, the parties' and Congress' representatives are members with voice, but no vote.

Currently, there are 2,954 officers who conform INE's National Professional Electoral Service, which is a body of functionaries who are directly responsible

for organizing elections across the country, and who are assisted by INE's administrative staff. For 2018, the training of the randomly selected citizens as poll officers will be conducted by 45,044 electoral supervisors and assisting instructors, who are temporarily hired for this task.

On 1 July 2018, Mexico will hold its biggest election so far, which entails an important organizational challenge for INE when compared with the last presidential elections in 2012.

The National Electoral Institute's President Councillor, Lorenzo Cordova, points out that, even as the upcoming elections are an important challenge for the highest regulatory organ, the institution has adequate preparation to provide transparency and security at the polls.

Cordova Vianello has been part of the electoral body for almost 8 years now, first as IFE's electoral councillor from 2011 to 2014, and then as INE's president of the General Council from 2014 to date.

ELECTION	VOTER'S LIST	POLLING SITES	POLLING OFFICERS	ELECTORAL ASSISTING INSTRUCTORS
2000	58,782,737	113,405	452,125	16,409
2018	89,393,298*	157,346	1,403,328	45,044
DIFFERENCE	+52%	+38.7%	+210%	+174%



In an interview with the United States-Mexico Chamber of Commerce, the electoral specialist informed that the challenges he expects in the upcoming elections will be met, along with the strategies the institution will undertake to encourage transparency throughout the electoral process.

USMCOC: INE arises from a constitutional amendment in 2014, when the once IFE (Federal Electoral Institute) ceases to exist. What are the material differences between the two entities? What advantages does the new INE bring to the Mexican electorate?

LC: After 20 years of successive legislative reforms that consolidated a federal electoral model, great political consensus was achieved in 2014 to design a new electoral system. Its three objectives were: 1) standardize electoral management's conditions across all national territory; 2) strengthen the electoral authorities' impartiality regarding the competition for political power in the states; and, 3) consolidate elections as an anchor for political stability and a source of governability throughout the national territory.

This new Mexican democracy model transformed IFE into a national authority so that it will not only be in charge of federal elections (with the 20-year experience accumulated by the then IFE), but also regulate –or even assume– the organization of the elections taking place throughout the country.

USMCOC: What is the current organisation structure of the Institution? What are INE's

objectives? Which other institutions or bodies take part in the electoral process?

LC: In Mexico, elections are organized by independent citizens, who also oversee them in every corner of the country. While INE issues guidelines for their organization and takes care of logistics matters, it does not decide who will receive their neighbors' votes, nor where the polling stations will be located, or count the votes on Election Day. Citizens that make up the Local and District Councils in each district and state of the country are the ones responsible for carrying out this task and for attesting to the job performed by INE's officials in each voting district.

For the organization of the 30 elections that will take place in 2018, INE will make a logistic deployment without precedent in Mexico's modern history. A little over 89 million Mexican citizens (about 72% of the country's population) will vote for 3,406 local and federal elective posts. More than 45,000 Electoral Supervisors and Assisting Instructors sweep the almost 2 million square kilometres of national territory to visit nearly 11.7 million citizens, of which around 1.4 million will be selected to receive their neighbors' votes on Election Day at the more than 157,000 polling stations that will be installed all over the country.

Organizing the Election Day demands that INE work jointly with the rest of the authorities in charge of this matter and with other government agencies, such as the financial authorities, the armed forces, and the Ministry of Foreign Affairs, just to name some examples. Even if the main responsibility for the success of the 1 July election is INE's, the support

of all the other political stakeholders, civil society organizations, and citizens, as well as the informed presence of the international community.

USMCOC: What are the challenges of leading a public institution like the National Electoral Institute (INE)?

LC: The national electoral authority faces a great challenge. INE must make the biggest field deployment of the Mexican State (except for the national census, which is carried out every 10 years).

The election requires the recruitment of more than 1.4 million polling officers, and they must be selected by a random procedure from the national voters list and then trained for the job.

The experience accumulated over many federal and local electoral processes translates into a professional body of functionaries who have successfully faced adverse circumstances; however, INE is confronted, also, with the need to (re)build the citizens' confidence in relation to its performance during a moment when distrust towards politics and institutions is one of the main threats to democratic systems around the world. Should there be no confidence in the electoral authority, there would hardly be any in the results of the polls and, consequently, in the elected governments. This capital challenge compels INE to not only an absolutely unbiased performance, but also to develop an explanatory capability about its decisions and to reinforce the shields established in the laws for the citizens to cast their vote with confidence and complete liberty.

This challenge is also related to the INE's arbitration capacity in three areas: propaganda (where the final decision belongs to the Electoral Tribunal); possible infractions to the duties and prohibitions of the parties, candidates, and supervision. In this sense, the challenge facing the electoral authority is, on the one hand, to be consistent when it comes to resolving those issues and, on the other, to explain very clearly the meaning and motives of its resolutions. With this, the denunciations of daily prejudices to unfavorable decisions against the participants of the competition would be counteracted.

USMCOC: What strategies does INE propose to promote transparency in the elections?

LC: In the Institute, we are convinced that transparency is a crucial element for the organization of clean and reliable elections. Therefore, almost every decision made by the

directive bodies and each activity developed by INE's officials, not only in the organization of the electoral process, but in their institutional tasks, can be verified by the public, by searching for the information available in the Institute's website (we have around 3 and a half million documents published on the site), by an express request of information (in 2017 INE attended 3,747 requests of this kind), or by participating directly as an observer in the electoral processes.

In order to contribute to the electoral process' transparency, INE also publishes, on its website, an information system where the public can find the federal candidates' résumés, and on the day of the elections it publishes the results of the Preliminary Electoral Results Program (PREP for its acronym in Spanish) which has a digital image of the counting booth that contains the results from each polling booth registered in the system and, afterwards, the system of district counting that registers the advance of the definitive voting counts, carried out in the District and Local Councils three days after the day of the elections.

Another element to inject equality and transparency to the elections, is to achieve that the elections in 2018 be the most supervised in our history. Hence, it is necessary to emphasize the size of the work that INE is carrying out. We have never had such a large and transversal political mobilization to all spheres of the election. This also means that we will be facing the largest mobilization of public and private money intended for the electoral competition: Over 13 billion pesos of public financing (about \$0.7 billion U.S.), besides the private money they can receive. According to our regulations, each peso invested in the campaigns, must be reported and audited, so INE has a continuous communication with the financial authorities that can provide us with information in a timely manner, during the electoral process.

USMCOC: What is the role of the media in the regulation of the campaigns?

LC: The concern towards guaranteeing equal access for all political forces to the media, is a permanent issue in our electoral system, which has been resolved through successive approximations. In this sense, the 2007 electoral reform was a cornerstone, which banned political parties from being able to purchase publicity in radio and television, and gave INE the authority to distribute, among them, the use of the State's official times in these media, according to the formula established in the Law.



However, the lack of a specific law that regulates the use and acquisition of official publicity in the media has created a series of difficulties to fully guarantee the equality in the access to the media on behalf of all the political forces.

Fortunately, I think we will be able to go one step further, thanks to the Supreme Court's ruling on an appeal by civil society organizations, and pronounced a sentence (in my opinion worthy of acknowledgment) ordering the Legislative Power to issue this necessary law to avoid the use of State resources for electoral propaganda ends.

USMCOC: Last February INE and Facebook signed an agreement for the non-proliferation of fake news. How is this agreement structured? Has any other mechanism been created to prevent and combat fake news on social media?

LC: One of the most important lessons the electoral authorities have learned during the elections celebrated worldwide over the past few years, is the growing influence of social media in the public conversations.

The access to internet, the use of social media, and the generational change have diversified the audiences, and modified the informative patterns of our societies; this has injected a greater dynamism to the political debate; however, the way the campaigns develop has become increasingly complex; this is, because it is now very easy to

manipulate and disclose false and/or inaccurate information circulating through these means. For this reason, INE has included this issue as one of the most important challenges we have to face immediately.

In order to deal with this situation, we had two alternatives: either try to contain misinformation about the elections with a persecutory and restrictive approach to the freedom of expression, or rely on the judgment and responsibility of the citizens, in such a way that the decision made was to contribute to reverse the effect of disinformation with authentic information. To this effect, we found a positive response both in the main social media companies, as in the traditional media, and civil society organizations; those who are also interested in finding an alternative to meet this challenge, as well as assuring social media to continue to be a space where free speech is respected, but with the responsibility required by its users, media, businesses, and political actors.

In this sense, the instruments of collaboration that we have signed with Facebook, Google and Twitter, are aiming to disseminate useful information to voters, the broadcasting of the presidential debates, and the diffusion of the PREP's results. We will also provide information materials or tools that contribute to facilitate the citizens' participation in the polls, as well as to create spaces for the analysis and discussions on the electoral process from the perspective of the digital media. ▽

4th Mexico Presidential Observers Mission

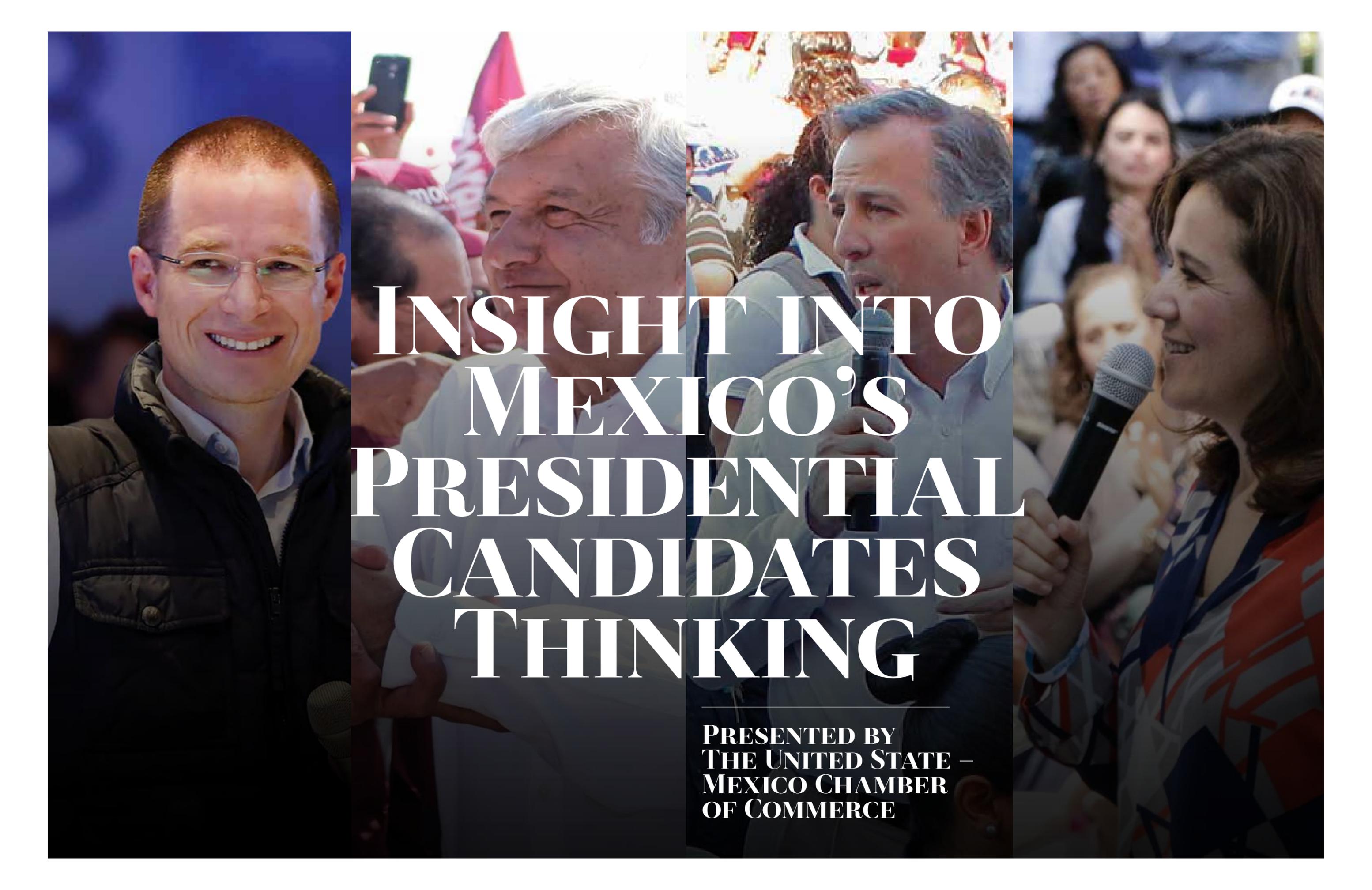
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INSIGHT INTO MEXICO'S PRESIDENTIAL CANDIDATES THINKING

PRESENTED BY
THE UNITED STATE –
MEXICO CHAMBER
OF COMMERCE

For more than 20 years, the U.S.-Mexico Chamber of Commerce (USMCOC), with the sponsorship of the U.S.-Mexico Cultural and Educational Foundation –the USMCOC sister organization– has participated as an “observer” in Mexican presidential elections, taking a select group of individuals, principally from the Chamber’s bi-national membership in the private sector.

The private sector is one of the pillars that shores up the country’s growth. Consequently, its participation in the decision making process is fundamental to determine the most opportune development path for the country.

Learning about the profiles of the presidential candidates in the upcoming presidential elections in Mexico should provide an idea regarding business and commercial programs to be developed in the coming years. This subject is extremely relevant for the U.S.-Mexico Chamber of Commerce as it relates to the strength of international trade relations.

Thus, in the interviews outlined below we shall analyze in great detail the profiles of the presidential candidates, as well as the activities of INE (“Instituto Nacional Electoral”), as the country’s regulating entity of the 2018 elections.

It is a distinct honor for the USMCOC to have the participation of the Mexican presidential candidates. The candidates are presented in alphabetical order: Ricardo Anaya Cortes, Andres Manuel Lopez Obrador, Jose Antonio Meade Kuribrena and Margarita Zavala. We asked each candidate independently the same question in order to present the information in an unbiased manner.



RICARDO ANAYA CORTES

Ricardo Anaya Cortés holds a bachelor’s degree in Law from the Autonomous University of Querétaro, a Master’s degree in Fiscal Law from Mexico Valley University, and a PhD in Social and Political Sciences from the National Autonomous University of Mexico (UNAM).

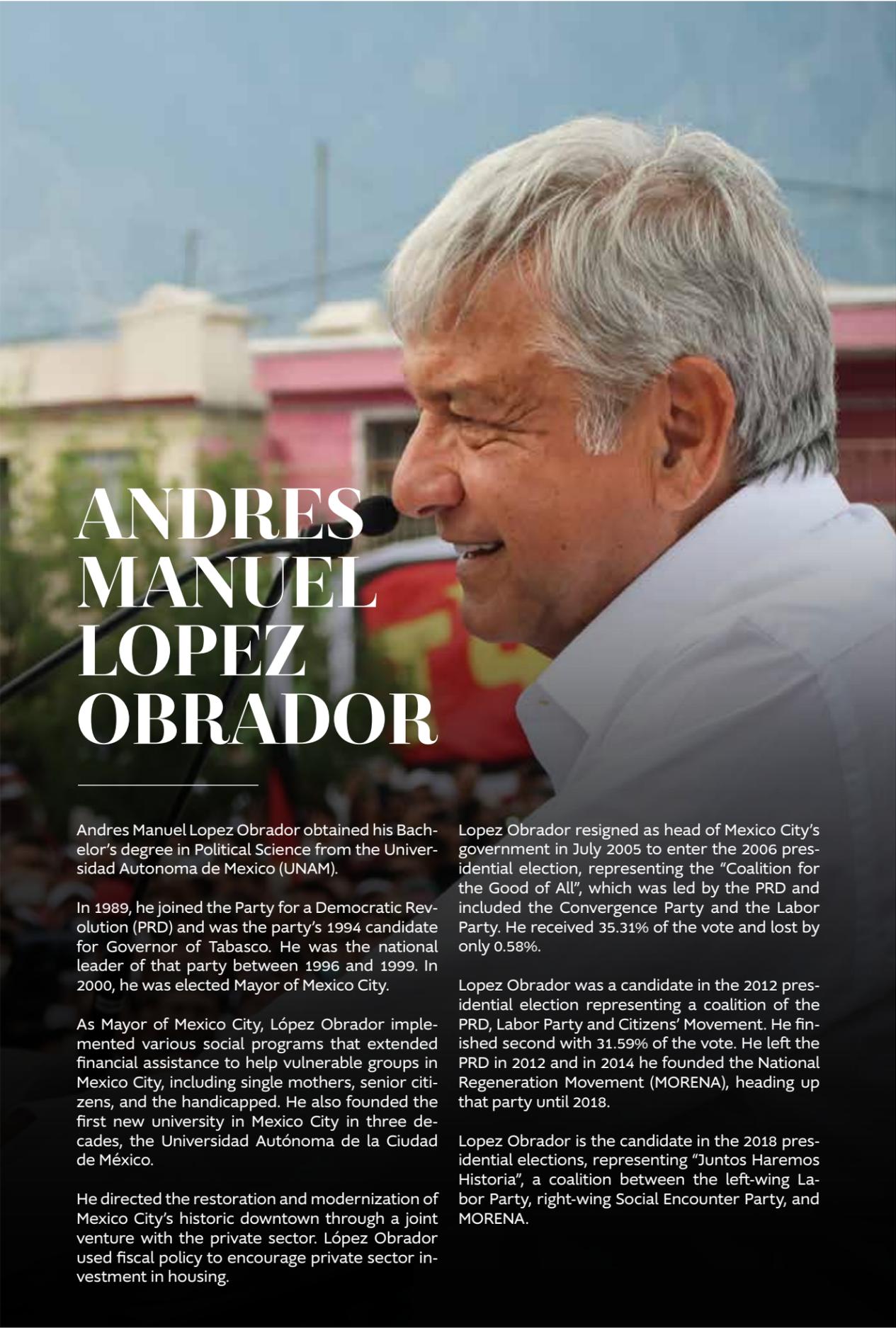
At the state of Querétaro, in 1997, he was Director of the Municipal Youth Institute. In 2000, at the young age of 21, he ran to become a representative of the XIV local district, increasing the voting for the National Action Party (PAN) by 400% with respect to the previous elections. From 2003 to 2008 he was the Private Secretary of the Governor and, subsequently, the Human Development Coordinator.

In 2009, he was elected State Representative in the local Congress, where he coordinated the Parliamentary Group of the PAN. From 2010 to 2011 he held the position of President of the State Steering

Committee of the PAN, and in 2011 he was appointed Undersecretary of Tourism Planning in the Federal Government Agency.

As Representative of the 62nd Legislature he also was the President of the Board of Directors of the House of Representatives and Coordinator of the Parliamentary Group of the PAN. In 2014, he was Secretary General and Acting President of the National Executive Committee of the PAN, and in August 2015, he was elected National President of this Party, position he held until December 2017.

Under his leadership, the states governed by the PAN increased from 5 to 12, while the municipalities governed by the PAN also increased significantly. Now he is candidate for the Presidency of Mexico on behalf of the coalition “Por México al Frente” integrated by the PAN, the Democratic Revolution Party (PRD) and Citizen Movement (MC).



ANDRES MANUEL LOPEZ OBRADOR

Andres Manuel Lopez Obrador obtained his Bachelor's degree in Political Science from the Universidad Autonoma de Mexico (UNAM).

In 1989, he joined the Party for a Democratic Revolution (PRD) and was the party's 1994 candidate for Governor of Tabasco. He was the national leader of that party between 1996 and 1999. In 2000, he was elected Mayor of Mexico City.

As Mayor of Mexico City, López Obrador implemented various social programs that extended financial assistance to help vulnerable groups in Mexico City, including single mothers, senior citizens, and the handicapped. He also founded the first new university in Mexico City in three decades, the Universidad Autónoma de la Ciudad de México.

He directed the restoration and modernization of Mexico City's historic downtown through a joint venture with the private sector. López Obrador used fiscal policy to encourage private sector investment in housing.

Lopez Obrador resigned as head of Mexico City's government in July 2005 to enter the 2006 presidential election, representing the "Coalition for the Good of All", which was led by the PRD and included the Convergence Party and the Labor Party. He received 35.31% of the vote and lost by only 0.58%.

Lopez Obrador was a candidate in the 2012 presidential election representing a coalition of the PRD, Labor Party and Citizens' Movement. He finished second with 31.59% of the vote. He left the PRD in 2012 and in 2014 he founded the National Regeneration Movement (MORENA), heading up that party until 2018.

Lopez Obrador is the candidate in the 2018 presidential elections, representing "Juntos Haremos Historia", a coalition between the left-wing Labor Party, right-wing Social Encounter Party, and MORENA.



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JOSE ANTONIO MEADE KURIBRENA

Jose Antonio Meade Kuribrena is a lawyer and economist. He graduated from the Universidad Nacional Autonoma de Mexico (UNAM), Instituto Tecnologico Autonomo de Mexico (ITAM) and Yale University, where he obtained a PhD in economics. He is not formally part of any political party and has served in separate administrations for more than two decades.

As Secretary of Energy (2011), he built a more sustainable and stronger energy sector by recovering the growth of oil production, which had not happened in the previous seven years; he tendered the first solar field and pipelines that allowed the arrival of natural gas to communities that lacked this service.

The first time he was Secretary of Finance (2011-2012), he managed to eradicate the effects of the 2008 financial crisis and also reach unprecedented levels of tax collection, thus strengthening economic growth and development.

As Secretary of Foreign Affairs (2012-2015), he was in charge of repositioning the good name of Mexico. He reestablished the relationship with Cuba, China, Latin America and France, and he also closed the gap between Mexican migrants and citizens, improving the access of undocumented

people to health and education, as well as to their identity documents.

As Secretary of Social Development (2015-2016), he designed a new strategy involving local governments, private sector and civil society where more than 2 million Mexicans abandoned extreme poverty.

During his second stint as Secretary of Finance (2016-2017), he achieved groundbreaking results for economic development through one of the most adverse economic contexts of the century. Three of the most prestigious rating agencies improved Mexico's rating from negative to stable, the country grew 50% more in 2017 than projected, the economy reached the first primary surplus in nine years and managed to reduce debt as a percentage of GDP, something that had not happened in a decade.

He is currently the candidate for the Presidency of Mexico for the coalition "Todos por México" and is determined to transform Mexico into a world power: a country where each family has their desired job and where their children have education to build the future they deserve; a country where welfare and security are guaranteed in every Mexican home.



MARGARITA ZAVALA GOMEZ DEL CAMPO

Ms. Margarita Zavala holds a law degree. She has served as a local and federal legislator, focusing on gender, human rights, and security issues. She has been a high school law teacher for 25 years and has motivated young professionals to strengthen the rule of law and work to promote the common good.

In her three decades in politics, she has promoted the participation of more women in Mexican politics and was a keystone in the creation of the National Institute for Women ("Instituto Nacional de las Mujeres").

During her time as first lady, she worked on programs related to the prevention of addictions among the young and fought to improve the rights and living conditions of unaccompanied migrant minors. She also participated actively in reconstruction efforts after several natural disasters.

In 2016 she announced her intention to run for President of Mexico. She resigned from her political party and decided to seek an independent candidacy, which required collecting the signature of over one million Mexicans.

1. ECONOMY

USMCOC: *Taking into consideration the possible impact in Mexico of the fiscal reform in the United States, what would be your fiscal policy to attract foreign investment into the country? And, what would be your strategy to increase economic growth and employment in Mexico?*

Ricardo Anaya: Our economic strategy recognizes that economic wealth –the added value in an economy- is generated by private firms. But for that to happen we require public infrastructure, security, rule of law, and social welfare.

A necessary element for economic development is macroeconomic stability. In our case, this stability requires a responsible fiscal policy, Central Bank autonomy, and consolidation of the structural reforms.

Stability also starts by recognizing that not everything needs to be reviewed; we need to keep what we Mexicans have built and is valuable and adjust what is not working.

In order to attract foreign investment, increase economic growth and employment we need to follow these four steps:

1. Increase public investment in infrastructure.
2. Improve the logistic infrastructure that links Mexico with the rest of the world.
3. Increase productivity.
4. Foster efficiency in social spending.

Andres Manuel Lopez Obrador: Certainty and confidence are two relevant elements to attract foreign investment and to develop a thriving economy as we are focused on doing. In this moment we don't see prudent to reduce business income tax rates because the effective tax rate that Mexican and Foreign Firms pay in Mexico is very similar to the new business income tax rate under the new US Fiscal Reform. Our proposed economic program is a very conservative one, based on maintaining macroeconomic balances.

I recognize that is very important to maintain fiscal balance to keep internal and external balances. We place importance on the external and private balances and will promote the actions needed to finance our imbalances attracting foreign investment. Additionally, it is the government's responsibility to maintain fiscal balance, to prevent the public sector from competing with the private sector for financing

Our economic program will be based on the adjustment and restructuring of public spending, in order to reduce the fiscal deficit and leave room for increasing the volume of financing to the private sector by the financial sector.

I have presented over 20 proposals to save and rationalize the use of public spending, their focus is on: Government payroll, official vehicles, official advertising, procurement processes and rationalizing the use of public trust and federalized spending.

We estimate savings in the order of 2.0% of GDP, that will be channeled to: Infrastructure, social programs and reducing deficit.

These efforts will be accompanied with an industrial policy that seeks to enhance productive chains. The goal is to increase economic growth, including employment, by maintaining macroeconomic balances.

Jose Antonio Meade: The economic agenda that I propose consists, first of all, of preserving the macroeconomic strengths that generate trust and that are now fully acknowledged, but with an approach that dynamizes our economy and leads us to a high, sustained and inclusive economic development. Given the current tax reform in the United States, it is important that the public finances of our country remain healthy through the implementation of correct actions so that, with responsibility and innovation, they continue to stimulate the domestic market and investment.

Second, this economic agenda includes taking advantage of our multiple geographic opportunities to consolidate Mexico as a global logistics platform. Let me explain: Mexico is a North American, a Latin American and a Caribbean country, it has natural shipping lanes to Europe, Asia and the Pacific Basin, it has developed a close relationship with Africa and now also with the Middle East. This advantage has not been fully exploited. I believe that Mexico can be consolidated as a global logistics platform, with a plan that deepens investment in energy, roads, ports and productive infrastructure that will allow us to expand our economic diversification. My proposal is to consolidate Mexico as a global coordinating bridge, so that we establish the greatest immersion of investment and job creation in history.

Finally, my proposal is to move towards higher levels of competitiveness, greater ease of doing business and to produce in a more efficient manner with higher quality to continue strengthening the foundations of our economy.

Margarita Zavala: One of the main obstacles for growth in Mexico is the role our government plays in the economy. In particular, we need to have healthier public finances and a more stable macroeconomic environment. To put it clearly: we need to stop living beyond our means. We can achieve this by cutting wasteful spending and by spreading out the burden of taxes more fairly, not only amongst few taxpayers. We can also reduce government spending by cutting corruption and by getting rid of programs that have not demonstrated to increase the well-being of our people.

I am aware that all policy decisions in the US have an impact on the Mexican economy. The fiscal reform recently approved is no exception. In this sense, I do not believe that it could be answered with a race to reduce tax rates. The real answer for Mexico is to be more competitive. Although all options should be kept on the table, our competitiveness should be the result of improving our human capital through education and health, building better infrastructure, reducing insecurity, strengthening the Rule of Law, and eliminating other burdens on businesses such as overregulation.

2. ENERGY

USMCOC: *What is your opinion regarding the recent structural reforms? Particularly the energy reform, and what are your plans to ensure competitiveness among new participants in this sector?*

Ricardo Anaya: Structural reforms in Mexico were necessary to prevent stagnation of the economy in sectors that were clearly overregulated or lacked update. However, there is much work to be done in the next few years for the reforms to bear fruit. For instance, we need to improve the education and training of our current and future generations.

Mexico offers significant investment opportunities in the energy sector for the coming years. The energy reform must guarantee Mexico's energetic security, consolidate markets through

hydrocarbons and electricity value chains and fulfill its social mission of reducing energy prices in Mexico. I will, undoubtedly, support the energy reform to achieve those objectives.

To enhance competitiveness in the energy sector, our strategy will be based on securing equal competitive conditions to all new participants and transparency in the rules of the game. Also, we will adopt schemes of independent regulators that have been successful in other countries, in sectors such as transport and distribution of hydrocarbons, and in environmental regulation.

Finally, we have to consolidate state institutions (Pemex and CFE) as independent competitors, but also as partners of private investors.

Andres Manuel Lopez Obrador: The current administration started with an agenda of relevant structural reforms. Some have been useful and have granted benefits to the public, others have harmed families and increase the incentives for corruption in the Federal Government, such as the fiscal reform. Unfortunately, soon after completing these reforms, the current administration fell on a spiral of corruption and ill decisions that harmed the application of the reforms.

In the case of the energy reform, its goal is consistent with the need for new investments to exploit our national resources and to seek new technologies that can be better for the environment and for productivity. My concern is not the energy reform per se, but the corruption and lack of transparency in a lot of the processes and activities related to the way the government manages PEMEX and the energy industry in general.

The AMLO incoming administration is going to respect the contracts derived of the energy reform. It will be the goal of this administration, on this regard, to have the necessary transparency and clarity in the contracts, processes and activities involved with this reform, to fulfill the purpose of increasing oil reserves, increasing the production of hydrocarbons and that the State can receive revenues that allow it to support the development of Mexico.

Jose Antonio Meade: Structural reforms, as I said before, have driven and modernized our economy giving us a new perspective for economic growth and development with social justice.

Until the enactment of the energy reform, our energy sector was one of the most restrictive in the world. This is no longer an issue with more investments for the extraction, refining and processing of crude oil. As a consequence, we can both increase oil production and attract investments to sectors in which we have broad advantages, such as the generation of clean energies. Mexico has an even larger potential for generating geothermal, solar and wind energy than all of our current generation base. We will fully promote this potential, not only to achieve the security in energy that the country requires, but also to take advantage of essential investments and employment creation that its development and exploitation will provide.

Margarita Zavala: Mexico was in urgent need for structural reforms. I approve of the reforms, especially the reform to open our energy sector. However, we still face many challenges in the implementation of what was approved.

For the energy sector, allowing private and foreign capital in the energy sector was a fundamental change that was long overdue. Mexico should not fear competition from abroad. We should welcome it, along with the many positive aspects it brings. To reduce corruption and offer a level playing field for all participants, we need to increase transparency and simplify procedures. We also need to reduce the barriers that are still standing, many of them more ideological than legal or logical. To this end, we need to communicate better the reform and its potential benefits.

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Most of all, we need to increase public and private investment on infrastructure for the energy sector. The current administration has drastically reduced public investment while favoring current expenditures. We cannot afford that mistake any longer. We can have strong state companies at the same time as strong private companies in the energy sector.

3. RULE OF LAW

USMCOC: *According to the Organization for Economic Cooperation and Development (OECD), Mexico occupies the last place regarding corruption among member countries. What strategies do you intend to implement to address this problem? What would be your actions in the first 100 days of government?*

Ricardo Anaya: Corruption is an enormous burden to our economy. According to the Mexican tax authority, fraudulent invoices represented almost 5% of Mexican GDP in 2017. The weight of corruption is huge on the less fortunate, who disburse 33% of their income on this issue.

Furthermore, the government has massively diverted public resources. Secretaries and many state governors are involved in corruption scandals. This is a national shame that we must address urgently.

Our objective is to make honesty the foundation of a new social agenda in Mexico. To achieve this, I will lead a strict anti-corruption plan, starting with the transformation of the Attorney General's Office, which is currently a partisan and inoperative body, into an autonomous, merit based and professional institution.

We will propose a bill for a Federal Law of Public Construction and Procurement, which will require authorities to keep databases of the entire contracting and bidding processes so that we will be able to compare prices at which goods and services are bought and that against market prices. This new Law will equally reach municipalities, states and the federation.

Technology will be key to fight corruption. With the use of Blockchain technology we can trace the route that money takes as it is spent. We will be able to trace it from the moment it enters the treasury all the way to its final recipients. This control will avoid corruption and mismanagement of public resources.

I will propose the "Civil Death" (Muerte Civil) for public servants as well as private firms and individuals who are found guilty for corruption. This will not allow them to work again in the government nor to do business with it.

Andres Manuel Lopez Obrador: Since I started seeking the presidency of Mexico, one of my main complaints has been about the harm - including the negative economic impact and the effects on social inequalities - of the encysted corruption and lack of transparency of the Federal Government. I was the one who introduced in the Agenda of this election, the need to fight corruption in the government. This topic has now been adopted as part of the agenda of the rest of the candidates, even though some of them have been part of corrupt governments and practices.

We have built a thorough strategy to fight corruption, starting with a frugal and transparent President/Government. One of the lines of action to fight corruption is to centralize federal government purchases and introduce more competition in the process of government purchases. At this moment, 60 percent of all government purchases are allocated directly, and not by competitive process.

In this regard, it is clear one of the most important points of my economic program is to ensure an unrestricted attachment to the Rule of Law, where there is a clear commitment to strengthen the autonomy and independence and equality of conditions between the three branches of the Union and the Autonomous Bodies.

During my administration, I will not make arbitrary decisions. All decisions will be taken within the framework of the Law.

Jose Antonio Meade: Corruption poisons our daily lives since the bad image left by corrupt officials obscures the good work done by the people and the institutions that serve our society with dedication and loyalty. Corruption also has a high economic cost because it affects the rise in prices and services that we all use.

Mexico needs to recover the strength of its institutions and the credibility of its public servants. For this reason, from the first day of my government, I will fight all forms of corruption until the complete eradication of this vile element is achieved. I will do so with laws and institutions that ensure more transparency, with open public contracts subject to the public's scrutiny, with decisive actions to recover the ill-gotten goods by corrupt officials and return them to society.

We will make sure that the assets of public servants always correspond to their income. In addition to the seizure of assets, whose legal origin cannot be proven, those who are corrupt will go to jail. In Mexico, no one will be above the law and everyone must comply -we all must, the President above anyone else. There will be no congressional immunity for anyone. I will be the first President without immunity in the history of the country.

Margarita Zavala: There is no doubt that there are many changes and reforms that we need to make to reduce corruption. However, the main change we need is a change in leadership. I believe in leading by example. And I can also affirm that my public life has proved to be honest and open to the scrutiny of anyone who asks. For that reason, I have the moral authority to lead an honest government.

Corruption is clearly not a priority for the current administration, but it will be for my administration. I will implement a comprehensive anticorruption strategy. Among other things, we need to strengthen the National Anticorruption system and preserve its independence. It is unacceptable that two years after the creation of this system the main positions to fight against corruption haven't been filled. It is also unacceptable that many states refuse to create their local anticorruption systems. These are clear examples of how a political system centered on a party's interests resists change. As the first independent candidate for the Presidency of Mexico, I aim to break these chains of interests through honesty, justice and transparency.

4. SECURITY

USMCOC: *What would be the strategy to combat the problem of insecurity in the country, which is estimated to represent 18% of the Gross Domestic Product? What measures do you plan to implement?*

Ricardo Anaya: Violence in our country has reached epidemic dimensions. The World Health Organization (WHO) considers that an index of 10 or more homicides per 100,000 inhabitants is a characteristic of endemic violence. In Mexico, it has reached more than 20 homicides per 100,000 inhabitants. During 2017 there were 28,733 homicides, a record in decades.

The new security strategy considers the creation of a Secretariat of Citizen Security and a specialized agency to fight organized crime. The first one is necessary to avoid interferences between politics and security decisions as we have today. The second one will respond to this new Secre-

tariat and will be headed by a civilian. During my administration we will double the Federal Police. In the meantime we will continue with the support of the Army and Navy, but in very specific regions and operations, and reduce their participation as the Federal Police is strengthened and becomes ready to take full control.

There cannot be an effective strategy without crime prevention, and we will address it from a social and community perspective, focusing on children and young people. Since we need results in the short and medium terms, our aim will be to increase effort, reduce rewards, and increase risks for criminal opportunities.

Finally, the forum will be open to civil society to participate in the formulation, implementation, follow up and evaluation of the citizen security policies.

My personal goal on this is to bring back peace to Mexico, so that all of us can live and enjoy our country without fear. I want to see my children growing in a country in peace and freedom.

Andres Manuel Lopez Obrador: First, security will be one of the main priorities of my administration. On this regard, I will hold a security cabinet meeting every morning to receive an update on the state of the nation on security issues. A new Secretary of Security will be created (at this moment it's part of the Secretary of Interior Affairs). The Army and Navy will continue to patrol the cities and villages with security problems and gradually they will return to their quarters. The main strategy is to consolidate the security strategy in one single leadership and to fight the causes of insecurity at its roots, through an aggressive social program to support young people with education and job opportunities.

Jose Antonio Meade: Mexico does not deserve and cannot bear the levels of insecurity that it's currently facing. As President, I will undertake a crusade to obtain absolute security in the country. The fight against insecurity will have a holistic approach, starting with prevention which translates into street lighting for every city, at least one park or public space in each neighborhood, security elements in public transportation, and more cameras to monitor our streets. This combat also implies that we are going to neutralize the criminals, preventing them from having access to weapons or financial resources and thus from harming society. To successfully fight crime, we will make sure we have enough police corps, well trained and better paid. In addition, we will promote a new federal criminal code by which the same crime will be punished in the same way throughout the country.

We will strategically attack the causes of insecurity, which begin with inequality and deepen with impunity. I will make sure that those who have harmed Mexican society stay in jail. The fight against corruption and impunity and the promotion of a new culture of respect for the law, will be part of the construction of a safer Mexico.

Margarita Zavala: Insecurity is very costly in human and in economic terms. It feeds a vicious cycle of lower growth, decreased opportunities and more insecurity. We need to cut this cycle through an integral strategy.

On the one hand, we need to have a strong and effective Federal Police. I propose to double the size of this police force and have 75,000 well-equipped, well-trained and well-paid brave men and women.

On the other hand, I aim to improve local security forces to help them face organized crime. The current administration saw the rise in crime as a communications issue and abandoned institutional development. I will create a National Police System that ensures that each and every single police in Mexico receive adequate training, equipment, salaries, and supervision.

We will also implement evidence-based prevention policies to fight against crime. We have had success before in places such as Ciudad Juarez and Tijuana, we need to replicate best practices tailored to local conditions.

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5. INFRASTRUCTURE

USMCO: *What is your approach to increase and improve the infrastructure in Mexico, in terms of improving connectivity and making the country's import and export processes more efficient?*

Ricardo Anaya: Public spending needs to be re-prioritized from current expenditure towards infrastructure investment. During the last years public investment has been falling to represent only 2.9% of GDP in 2017. This is unacceptable, the second lowest figure since 1940. We will increase public investment to reach 5% of GDP in 2021. This will foster private investment, which will be very useful in transport, energy, water, health and education sectors. Together, private and public investment have to amount to 25% of GDP halfway through my administration, in 2021.

In order to bring in private investment for this ambitious program, we will make the most of public and private partnerships, which have not been used properly in Mexico in comparison with other countries. Specifically for this, we will form a unit to advise all agencies involved in infrastructure on how to structure the projects.

To profit more from our free trade agreements it is imperative to properly develop highways, railroads, ports and airports and also the energy and telecommunication networks. Our country needs to be conveniently connected domestically as well as internationally with our trade partners and to have the necessary inputs, like energy, to produce efficiently. This is relevant in particular in southern Mexico, given that it is years behind in development, in comparison with the central and northern regions.

In terms of customs, I am convinced that it is not only through modernization of our infrastructure that we work better. We have to make a thorough review of our processes to ease as much as possible going through our points of entry to all those firms that keep a good behavior record and make it as difficult as possible for those with irregular operations. With an adequate infrastructure and efficient transit for those who comply, we can seriously reduce logistic costs and make Mexico an attractive place to produce and supply markets around the world.

Andres Manuel Lopez Obrador: Infrastructure investment will be fundamental. Mexico has great needs for infrastructure deployment not only for economic development, but also for social and security needs. As mentioned above, funds saved by rationalizing government spending will be channeled to infrastructure.

Infrastructure for connectivity is essential for economic and social development. Not only are we talking about roads and other commerce related infrastructure, but internet and telecom connectivity is also important as it has a direct impact not only on economics activity, but on economic and social well-being.

We will deploy important connectivity projects, from improving rural and suburban roads to connecting remote regions with economic centers, as will be the case of the Transistmic project. In the case of broadband internet deployment, we will promote connectivity projects among communities with the participation of telecom operators, the same communities and other interested parties, providing spectrum resources, technical support and investment.

The impact on trade and import and export processes of road connectivity is clear. New markets will be reachable for buyers and vendors in different regions of the country. At the same time, greater internet connectivity will be provided to the population, regardless of whether they are rural or urban, with access to more opportunities.

Jose Antonio Meade: I think that, in these issues, the communities and sectors involved should be part of the diagnosis so that the solutions correspond to their needs. In particular, I believe that Mexico needs to have a system of infrastructure planning that allows not only to identify the large projects (ports, airports, transport routes, telecommunications) that will need to be developed, but also those capable of triggering a balanced regional development, which can promote better investment and employment opportunities in the most marginalized communities.

I think about the opportunity and the value of the new Special Economic Zones (SEZs) to become regional development poles. As I have pointed out before, I believe that development, to be sustained, must be inclusive. The strengthening of processes that allow us to export and benefit from primary sectors will have little effect on the economy if we do not extend these benefits to a larger number of producers in the country. We have to grow more in each and every region, close the gaps that exist between them, look to the north and south of the country to consolidate today's achievements, and make the benefits of this growth inclusive for all Mexicans.

Margarita Zavala: My administration will invest on infrastructure to levels never seen before in Mexico. We will increase public investment on infrastructure from 3% of GDP currently to more than 6% by 2024. This massive effort will require creativity, innovation, and hard work.

This unprecedented investment will come with strategic planning for sustainable infrastructure. It is time to leave behind the "bridges to nowhere", and any form of infrastructure that does not comply with strict environmental standards. We will consult with business leaders, building companies and urbanists to focus our efforts on the projects with the biggest positive effects for our economy and well-being.

6. COMMERCE

USMCO: *What are the issues that Mexico should prioritize in the renegotiation of NAFTA? And in case it ends, what would be the course that Mexico would take during its administration?*

Ricardo Anaya: Since last year, Mexico faces a challenging negotiation for NAFTA 2.0. Although the subjects of the agreement are diverse, we must prioritize the following five issues:

1. Maintaining effective dispute settlement mechanisms for solving trade disputes among partners, including:
 - 1.1. Investor-State dispute settlement mechanism
 - 1.2. Dispute settlements regarding anti-dumping claims (Chapter 19)
 - 1.3. State-State dispute settlement mechanism
2. Keeping rules of origin that favor the integration of productive chains in North America, including the automotive sector.
3. Sustain preferential access of agricultural products to the US market.
4. Avoiding the possibility of having an automatic expiration clause of the agreement every 5 years.
5. Avoiding the critics on NAFTA's success based on the trade deficit or surplus, given that it is determined by other non-commercial factors.

In addition, we will place arms trafficking into Mexico in the center of the negotiations. Every year, more than 200,000 illegal weapons enter our country from the U.S. This must stop.

If President Trump withdraws the U.S. from NAFTA, the proposed strategy for Mexico under my administration will focus on maintaining the trade agreement with Canada, and tapping the potential of Mexico's free trade partners network to diversify its imports and exports, and pursue alternative sources of investment.

Andres Manuel Lopez Obrador: NAFTA has been an engine for job growth and fostered the opening of Mexico to the global economy. However, the agreement has not been the answer to all of the country's economic problems. I seek to develop Mexico's domestic market and reduce inequality without resorting to protectionism. In this view, NAFTA, and other trade agreements are very relevant.

I strongly support the continuation of NAFTA and if the negotiations are still ongoing when I take office, we should follow the current track, always prioritizing the wellbeing of Mexico and its resources, but well aware that an accord of this nature should be a win-win agreement for all parties, as it has been for the last 20 years.

Jose Antonio Meade: I believe that Mexico has received as many NAFTA benefits as our two trading partners and neighbors and, together, the three nations of North America, have made this region strong, dynamic, productive and increasingly competitive. NAFTA has allowed us to attract investments, generate jobs, diversify our productive platforms and position ourselves as a global competitor in very different economic sectors. And this we have achieved together. North America would not be the strong region it is today if Canada, the United States and Mexico had not joined efforts. Agreements arise and remain when they are convenient for all parties and NAFTA is a clear example. In the current process of the treaty renegotiation, Mexico has been a participatory, responsible and proactive partner. The strategy has been to provide greater value to the Treaty, with benefits for all parties.

I believe that, for Mexico, the relationship with the United States is strategic and fundamental, in the same way that the relationship with Mexico is and will always be essential for our northern neighbor. This is a fact and will always be the basis of our position.

I must point out that Mexico is a free and sovereign nation that defends and will always defend the rights and interests of Mexicans, independently of the Treaty or any other consideration related to our neighbor and commercial partner.

Mexico is in a great moment to rethink the political, commercial, economic and international strategy to develop in the future, whether it is in a North American scheme, or through a policy of diversification of our worldwide relations.

Margarita Zavala: I am convinced that a free and open economy is the only way that any country can benefit its people. Mexico is not an exception. For that reason, my administration will focus on the need to resist the current isolationist tendencies around the world and instead push to keep the global borders open.

I will always consider the United States as a strategic partner for Mexico. For us to be good friends and neighbors, mutual respect and good will are fundamental. It is something the Trump Administration should take into account.

As President of Mexico, I will always attempt to have a good relationship with the US. If President Trump chooses otherwise, I will ensure that we review all the issues that we currently do to help our neighbors. From trade to security and from immigration to border protection.

In any case, Mexico will always look for cooperation abroad, especially to increase our trade with other countries and regions. The Trans Pacific Partnership recently signed is one step forward. However, my administration will work to deepen our commercial relations with other regions as well.

7. EMPLOYMENT

USMCOC: What would be your strategy to improve labor standards and conditions in Mexico? What would be your policies to combat unemployment?

Ricardo Anaya: Our economic strategy will focus on increasing labor productivity. Again, there are big disparities among regions on this topic. In northern and central Mexico we have seen an increase in productivity, income and economic conditions; but we still have to bring this development to every region of our country.

In the public spending re-prioritization that was mentioned, we have to turn also to training and education. We need to link firms and education institutions to make sure that people receive the training that will improve their productivity in their jobs. This will allow us to make agreements with firms so that when a level of productivity is achieved, the salary of the employees is increased.

We can potentialize our free trade agreements to create more opportunities for our agriculture products. This will benefit the southern part of Mexico when we develop, as above mentioned, the infrastructure in this region.

Mexico will become more competitive and create more jobs by recovering the rule of law and heavily investing in our security and justice systems, education, and infrastructure.

Finally, more efficient social policies will allow us to strengthen labor capabilities of more people within the country and to increase opportunities for them to integrate into the formal labor market under dignified conditions.

Andres Manuel Lopez Obrador: Employment generation is part of a broader industrial and technological policy strategy. This strategy has the following goals:

1. Promote the development of the industrial and technological sector.
2. The generation of well-paying jobs and the creation of more companies in sectors of the future.
3. Strengthening of the internal market through the integration of productive chains.

We conducted a study to identify economic sectors with low national content. We are reviewing barriers that exist for the development of suppliers, and we seek to eliminate these to promote national productive chains. Additionally, part of the strategy, as delineated above, includes expanding the country's communications infrastructure, including broadband Internet coverage. In the technological part, one of the challenges that our country will face is the automation that will be displacing jobs from traditional sectors. For this, I proposed to develop skills and labor competencies, through training programs, to insert young people and companies into new technologies.

To carry out our Industrial and Technological Policy, we seek to create an environment that propels innovation and the generation of new ideas. In order to achieve this, we propose to increase Science and Technology spending to 1.0% of GDP and to apply fiscal stimuli in industries of the future.

Jose Antonio Meade: There is no better way to combat unemployment than driving economic growth, which we will achieve by strengthening our competitiveness, our capacity to produce efficiently, with quality and in a productive manner.

Today, Mexico ranks 49th (out of 190 economies in the world) in the World Bank's index for ease of doing business. If we are part of the 20 most important economies of the globe, Mexico can also be one of the 20 best environments to do business in. This will imply, among other measures, regulatory improvements, efficient construction permits, registration of properties, compliance with contracts, protection of minority investors and resolution of insolvency in businesses.

In Mexico, more than 4 million micro, small and medium enterprises (MSMEs) generate approximately 50% of GDP and 70% of the country's employment. Given their size, it is difficult for these companies to generate efficient processes with better credit conditions and access to global value chains that report high profits. But given its importance for job creation, we must assure that all high potential ideas find support under a transparent and results driven approach. The Mexican development bank will have an essential role in generating an environment that promotes entrepreneurship and employment in the country.

Margarita Zavala: Improving family income is one of the pillars of my economic policy program. We will achieve it through a combination of policies that include increasing the minimum wage - as of today, below the poverty line -, and eliminating the income tax for people that make less than \$15,000 pesos a month - roughly \$800 usd. We will also improve family income through policies aimed at making Mexico a paradise for entrepreneurs and innovators. Those policies include, among others, direct fiscal stimuli for strategic areas, and reducing red tape and overregulation.

We can increase formal employment and wages if we invest in the high-value added industries of the future, such as the "green" and the "blue" economy. A green economy supposes massive investments in renewable energies, water treatment, and waste management to create a sustainable future for Mexico. Sustainability will be a priority for my government. For that reason, we will remove taxes for companies manufacturing solar energy equipment, batteries and wind turbines in Mexico.

Companies that provide consumers affordable electric and hybrid cars will have preferential treatment too, for example. The blue economy consists in the sustainable development of our coastal areas. I am certain that innovation and sustainability will make industries from our seas, including transport, commerce, fishing, tourism and renewable energies, a key driver for employment. ▽



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