



México 2018

Economic Context | 2018

Mexico ranking according to the International Monetary Fund

#2

Latin America

#15

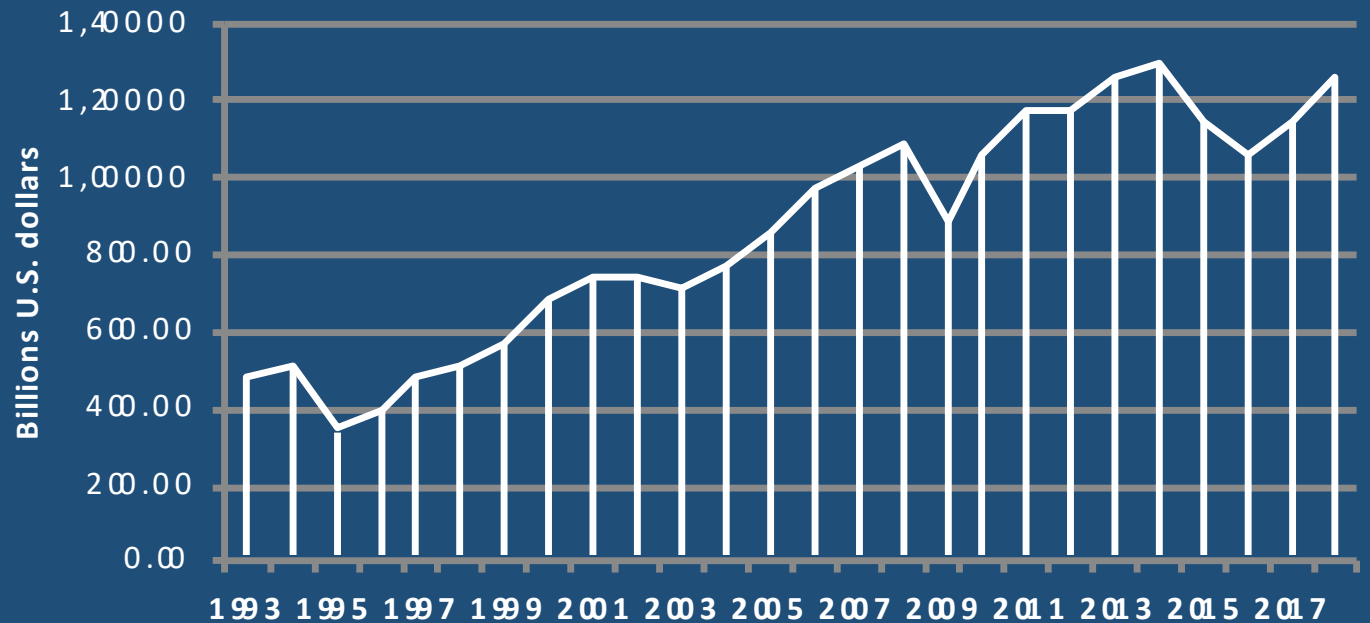
**World Wide
(1,100B)**

#13

**Income per Capita in
Latin America &
Caribbean**

According to *International Monetary Fund*

Mexico GDP 1993-2018 (Billions U.S. dollars)



According to *International Monetary Fund*

ECONOMIC EXPECTATIONS 2018 (BANK OF MEXICO)

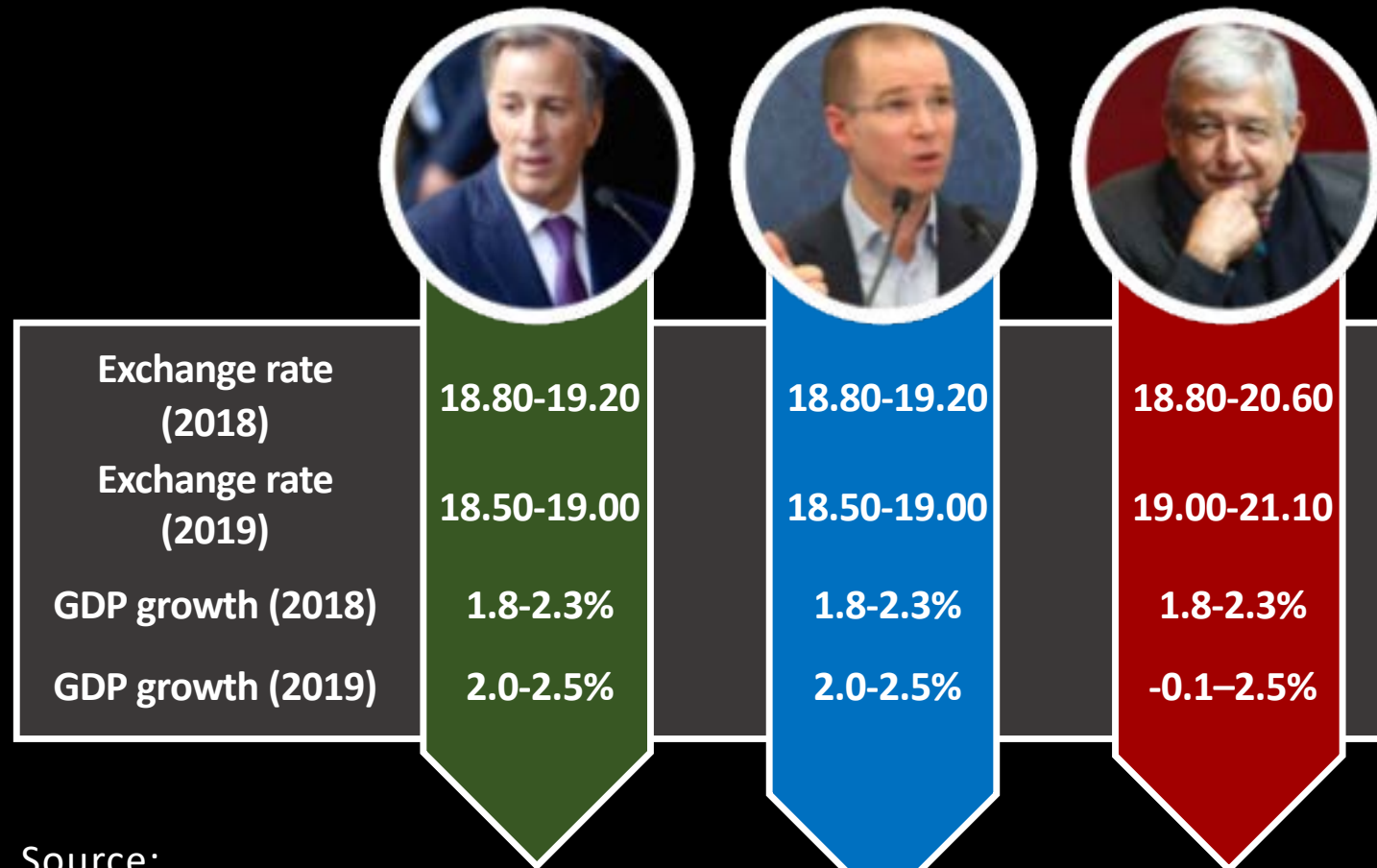
4.09%
Inflation

2.28%
GDP
Growth

18.86
Exchange
Rate

Source: Bank of Mexico, 2018

ECONOMIC EXPECTATIONS FOR CANDIDATES 2018-2019



Source:
OECD, Bank of Mexico and brokerage firm Finamex

A close-up photograph of a stack of Mexican election ballots. A hand is visible at the top, pointing to one of the ballots. The ballots are white with various colored logos and text in Spanish. The text on the ballots includes "DE LOS ESTADOS UNIDOS MEXICANOS" and "PRESIDENTE DE LOS ESTADOS UNIDOS MEXICANOS".

General Elections | 2018

Mexicans will go to the polls to elect:

- *1 new president.*
- *128 federal senators*
- *500 federal deputies.*
- *9 state governors.*

*as well as mayors and state
congressional representatives.*



Presidential Candidate **JOSÉ ANTONIO MEADE KURIBEÑA**

PUBLIC SECTOR EXPERIENCE

Energy Secretary (PAN), Treasury Secretary (PAN), Foreign Secretary (PRI), Social Secretary (PRI), Treasury Secretary (PRI)

ACCOMPLISHMENTS

- Main negotiator of Treasury to obtain approval of the Congress for the Fiscal Reform in the second PAN administration.
- As Social Secretary he led the National Inclusion Strategy and offer results to lift more tan 2 million Mexicans out of poverty.
- As Treasury Secretary he faced an adverse international economic environment and devised a strategy to reduce the country's debt, despite the fall in oil prices.

NEGATIVES

- Increase on Gas Prices



Presidential Candidate

RICARDO ANAYA CORTÉS

PUBLIC SECTOR EXPERIENCE

Member and former president of the PAN, Federal Deputy in the LXII Legislature of the Congress of the Union in Mexico, President of the Chamber of Deputies in Mexico and leader of the Parliamentary Group (PAN), Representative (PAN) in Congress of the Union of Mexico.

ACCOMPLISHMENTS AS DEPUTY

- Supported and defended the approval of 14 constitutional reforms thrown by the Pact for Mexico.
- Participated in 35 legislative initiatives of his parliamentary group. (25 discarded, 10 approved).
- Of those 35 proposals, most of which are public administrative, fiscal and the initiative to bankarize the support of social programs, 21 subscribed.
- Reform to Article 2-A and addition to Article 2-B to the Law on Value Added Tax, which was approved in 2013 and fixed 20% on sweetened drinks.
- Reform to Article 2 of the Constitution, which states that indigenous women shall enjoy and exercise their right to vote and be voted on equal terms with men.

NEGATIVES

Has competed for a popular election charge and lost.



Presidential Candidate ÁNDRES MANUEL LÓPEZ OBRADOR

PUBLIC SECTOR EXPERIENCE

President of PRI in Tabasco (1983), President of PRD in Tabasco (1989), President of PRD national (1996-1999), Head of Government of Mexico City (2000-2005), President of the *National Regeneration Movement* (2015-2017).

ACCOMPLISHMENTS AS HEAD OF GOVERNMENT OF MEXICO CITY

- GDP experienced a significant growth.
 - From 1.17 B of Pesos to 1.61 B of Pesos. *Source: National System of Information & Integration of Markets.*
- Poverty decreased.
 - From 5.8% to 5.4% in 4 years. *Source: National Council for the Evaluation of Social Development Policy.*
- Inhabitants of the capital began to be beneficiaries of social programs such as aid for the elderly and single mothers, among others.

NEGATIVES OF HIS ADMINISTRATION

- Public debt increased.
 - From \$32 thousand 788 million pesos to \$41 thousand 439 million pesos. *Source: Public Finances Studies Center*



ISSUES ECONOMY



Rethink spending policies.
Universal Basic Income.
Reform pension system.
Special border tax regime



Create Special Economic Zones.
Pay equity.
Continue the strategy of the
previous government with the
reforms.



Salary recovery.
Free Zone Regime in northern
states.
IVA (VAT) 16% to 8% in borders
areas.
No new taxes or increases.
Public spending as a tool for
development.



ISSUES NAFTA



In favor of NAFTA.
Favors a joint strategy between
Mexico and Canada.
Relations based on respect.
Dialogue with the United States can
be of great benefit to both nations



Trade, NAFTA – U.S. Mexico relations
In favor of NAFTA
Pro Continuity



NAFTA negotiations in the hands of the
next government.
Keep the same negotiating team for
NAFTA negotiations.

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ISSUES BORDERS



We cannot leave a state like Baja California to its fate in the face of the reality of migration. It will receive all the support so that we can jointly address the issue.



Cooperation, promotion and protection with modern and agile border crossings



Improve development and generate jobs in states with the most migration towards the US. Promote a new immigration policy with high standards of integrity, transparency and efficiency.

ISSUES REAL STATE



Formulate a housing policy with a human rights focus, to that Mexicans enjoy decent housing, of quality housing with community coexistence and access to the internet.

Implement a National Housing System, and increase the number of credits that may be available to their beneficiaries.



Vertical housing, model that must prevail (2015).

Expand access to housing for all. Promote firm housing with dignified spaces and services.



Financing for housing it must be considered as growth instrument national, being driven through instruments of stock markets and market mortgages; creation of funds individual guarantee especially for the sector informal, in coordination with other sectors and orders government.

ISSUES

OIL REFINERIES

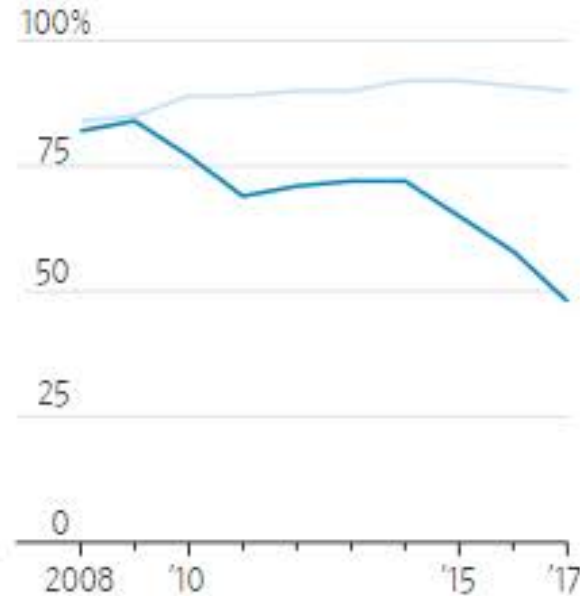
Pemex capital expenditures

- Exploration and production
- Refining



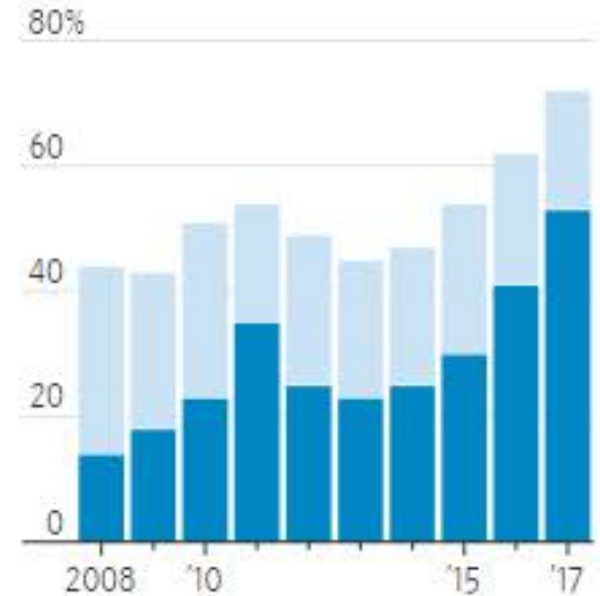
Capacity utilization

- U.S.'s Gulf Coast refineries
- Mexico's refineries



Mexico's gasoline imports as a share of domestic sales

- From U.S.
- Other countries



ISSUES

OIL REFINERIES



ÁNDRES MANUEL LÓPEZ OBRADOR

López Obrador said on Friday 09. *“By the middle of the next presidential term, we’re going to stop buying gasoline, we’re going to produce gasoline in Mexico.”*

López Obrador wants to completely halt exports of crude oil.

López Obrador wants to build one or two new refineries, which would each cost about \$6 billion and take approximately three years to construct.



RICARDO ANAYA CORTÉS

So what are we going to do is rather with one hand to bet on clean energy and instead of thinking about building new refineries, we will support and strengthen those that we already have, starting of course, by the Tula refinery.



JOSÉ ANTONIO MEADE KURIBEÑA

A refinery when its finished generates more or less tan 30 Jobs. What Mexico needs its to reconfigure the existing ones, wich is how we expand its refinig capacity.



- In Mexico, 31 foreign trade operations are carried out per minute.
- 95% of them through customs agents.
- Mexico trades around 752 billion US dollars.
- It collects in the customs almost 43 billion dollars in 2017.

- *Secretary of Finance and Public Credit*

ISSUES CUSTOMS



ÁNDRES MANUEL LÓPEZ OBRADOR

Move the Mexican customs south of the border with the United States from 20 to 100 kilometers.



RICARDO ANAYA CORTÉS

Promote a new program of cooperation in the area of security between Mexico-United States, under the approach of reducing violence and citizen security, which deals with the same importance the illicit traffics from both sides of the border (narcotics from Mexico to the United States, and weapons from the United States to Mexico).



JOSÉ ANTONIO MEADE KURIBEÑA

Is a challenge with weapons and here in Baja California is where the customs are, the crossings, it is an issue that has to be taken care of, there is a matter of cash and resources in the hands of crime, it must be fought with greater efficiency.

ISSUES

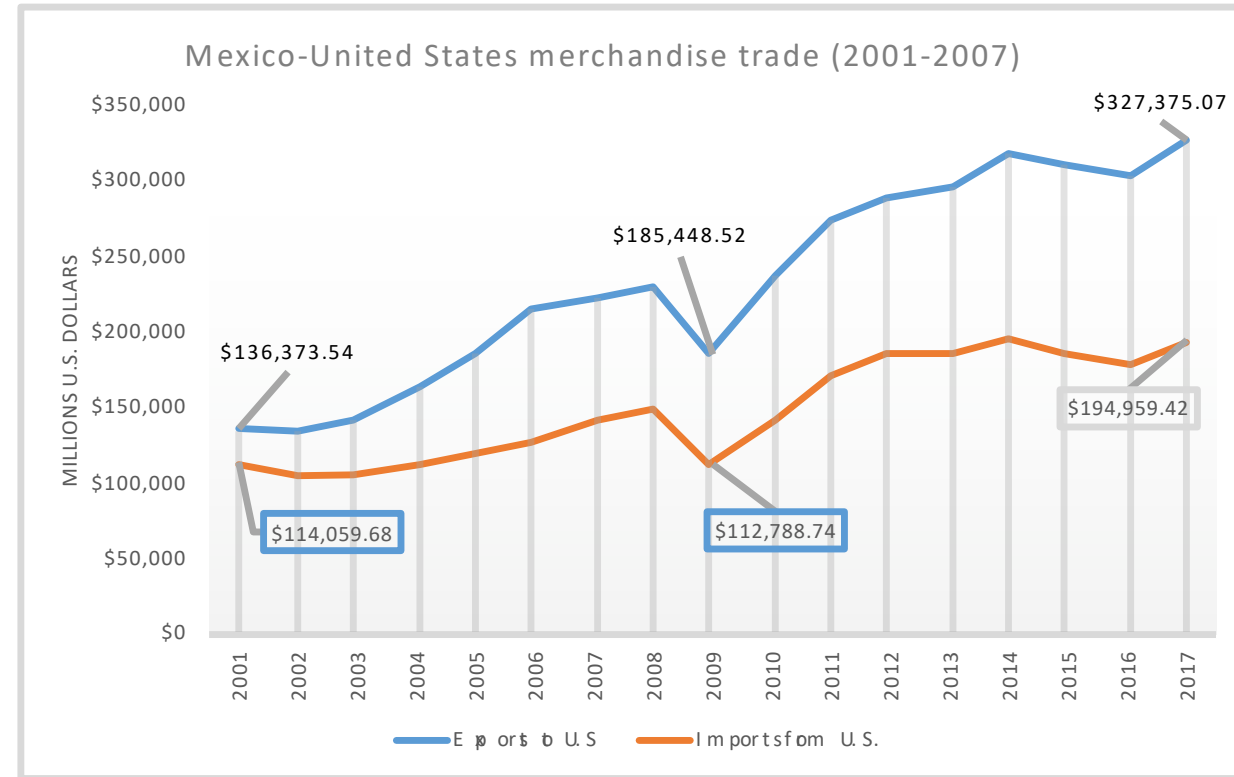
IMPORTS / EXPORTS



Assured in 2017 that the creation of a new legal figure in favor of customs agents is advancing, which implies granting legal certainty to their investments, as well as their continuity, which will be reflected in a more efficient trade.



López Obrador wants to completely halt exports of crude oil.



ISSUES

PORTS & HARBOUR



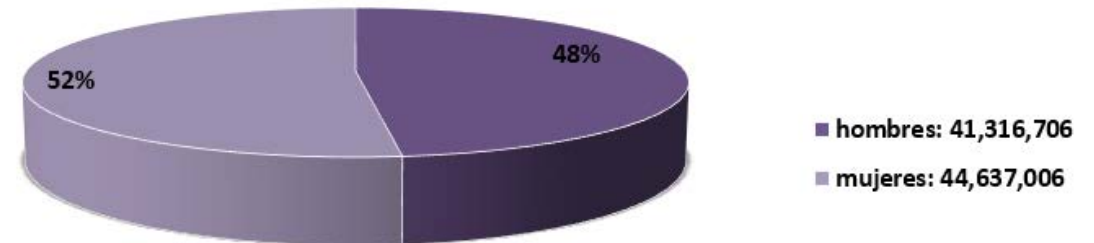
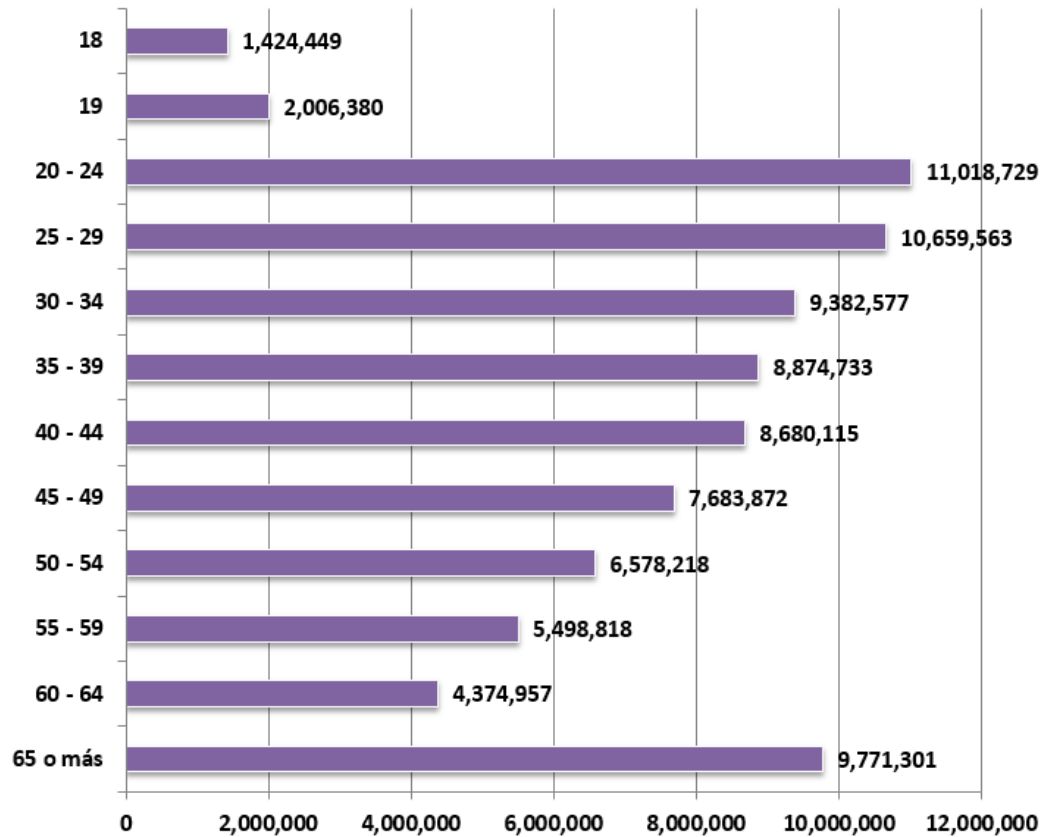
In the Budget of Expenditures of the Federation (PEF) was included, *in the annex 37 of the Branch 8*, the project For the South-Southeast Productive Development and Special Economic Zones, with 174 million 100 thousand pesos; Paradise of the infrastructure plans in Puerto Chiapas was allocated 40 million pesos and 38 million 500 thousand pesos for Coatzacoalcos.

Feb. 2017 The port of Manzanillo *will have a maritime bridge to connect the two customs offices and thus streamline the processes necessary for the trade of this fiscal area.*

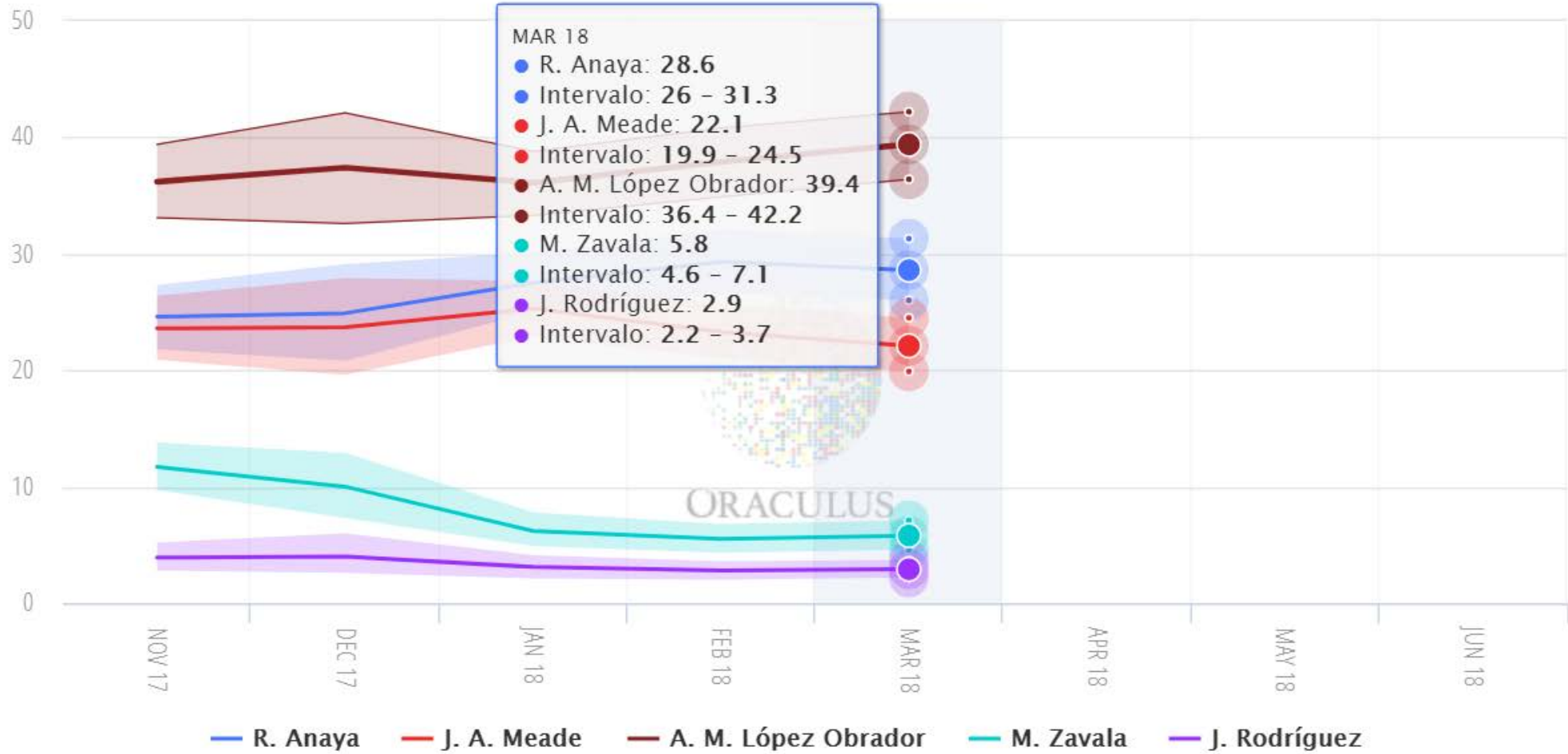


The ports of Salina Cruz and Coatzacoalcos will be rehabilitated to communicate the countries of Asia with the East Coast of the United States to move across the Atlantic, in addition through the corridor will be assembling factories for work.

ISSUES DEMOGRAPHICS

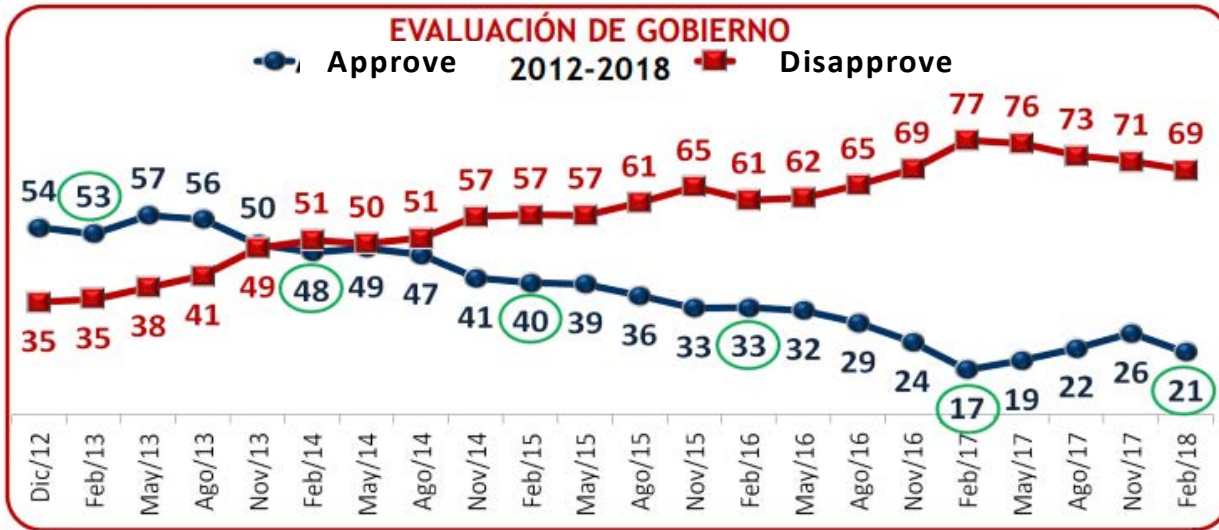


Oraculus *POLLS of POLLS*



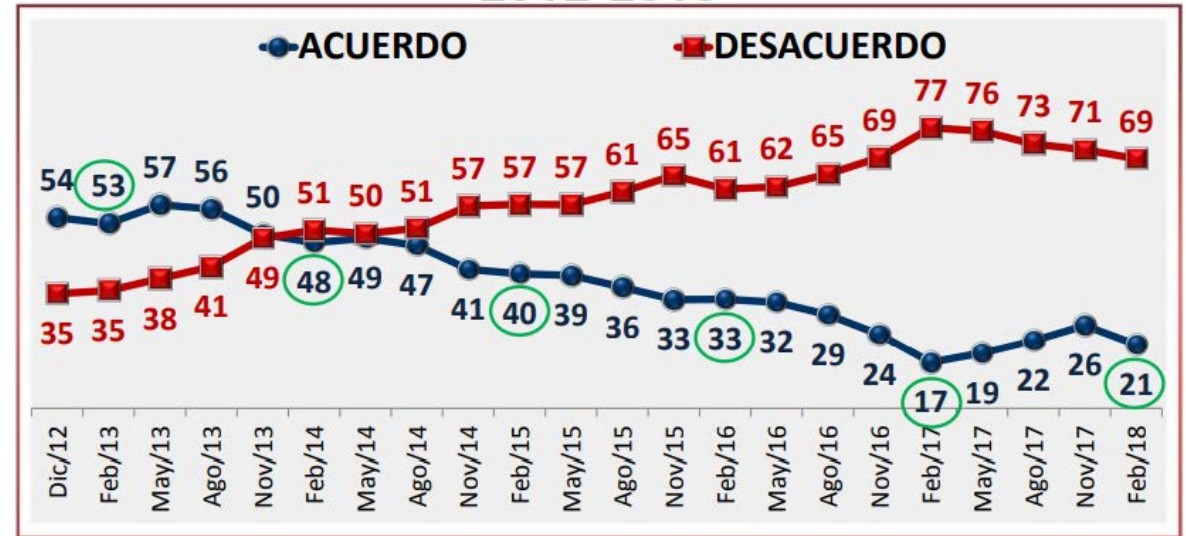
Mitofsky's Polls

Government Approval



Presidential Approval

2012-2018

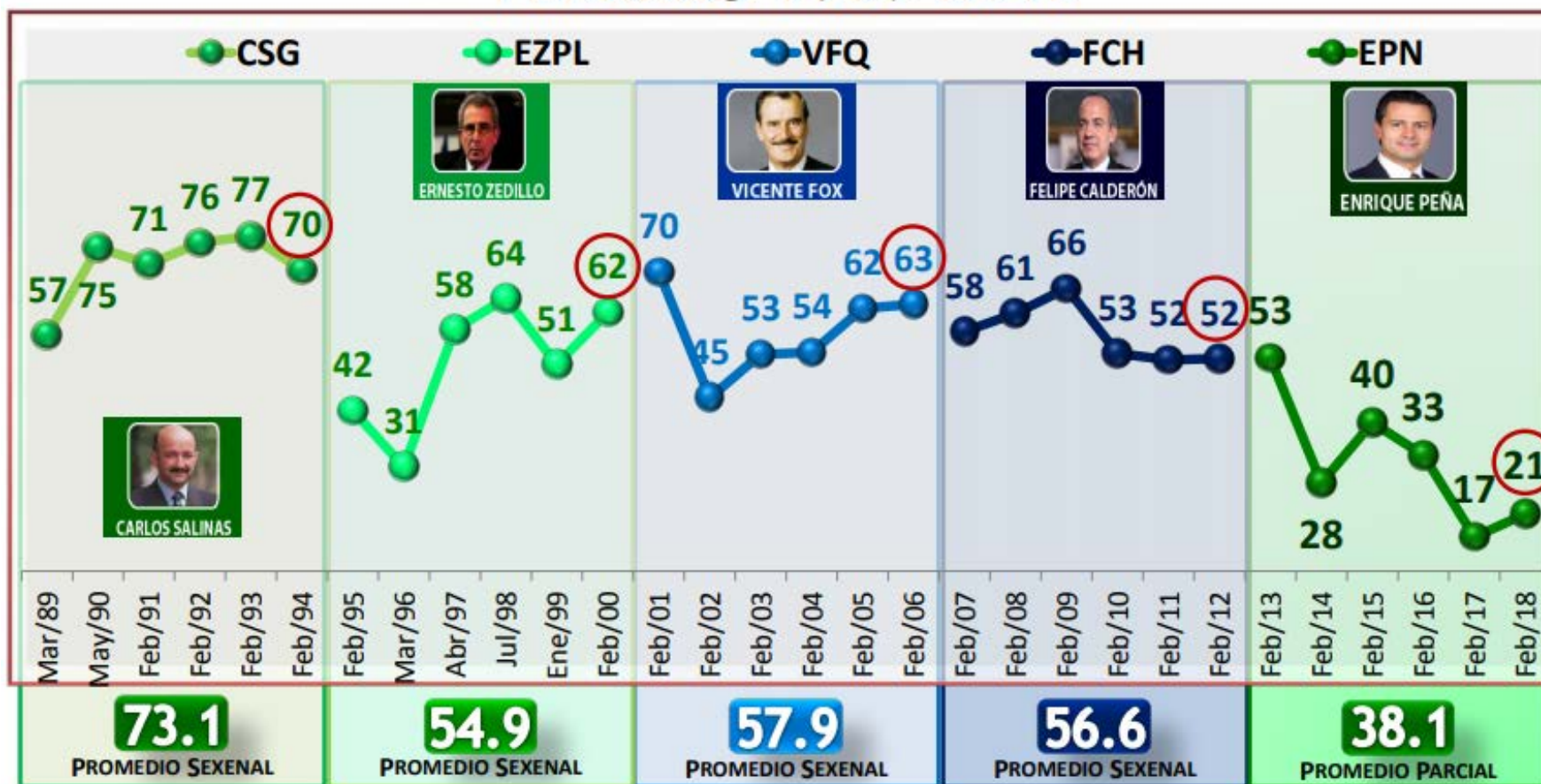


Mitofsky's Polls

29 AÑOS DE APROBACIÓN DE GOBIERNO



FEBRERO 1989-2018

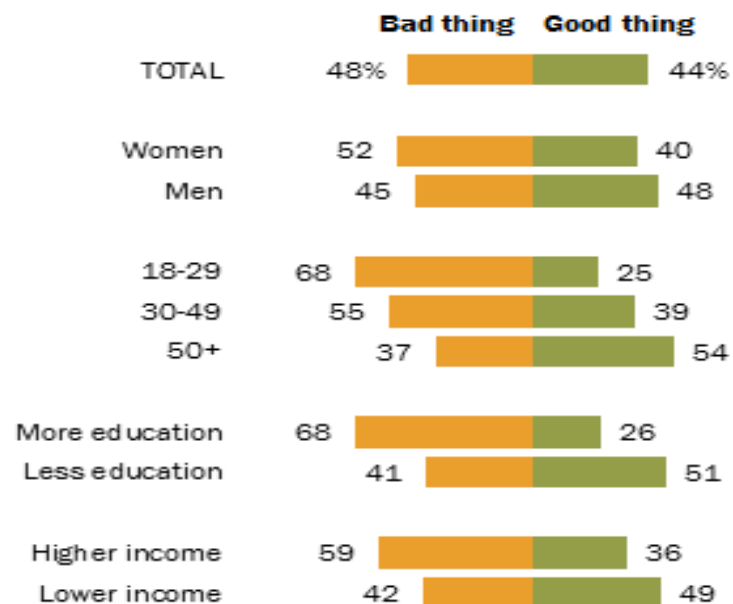


6% of Mexicans approves the current government

País	Disapprove	Approves
México	93%	6%
Chile	78%	17%
Colombia	82%	18%
Venezuela	73%	25%
Perú	67%	25%
Brasil	54%	28%

More opposition to Brexit among younger, more educated Brits

Do you think the UK leaving the European Union will be a good thing or bad thing for the UK?



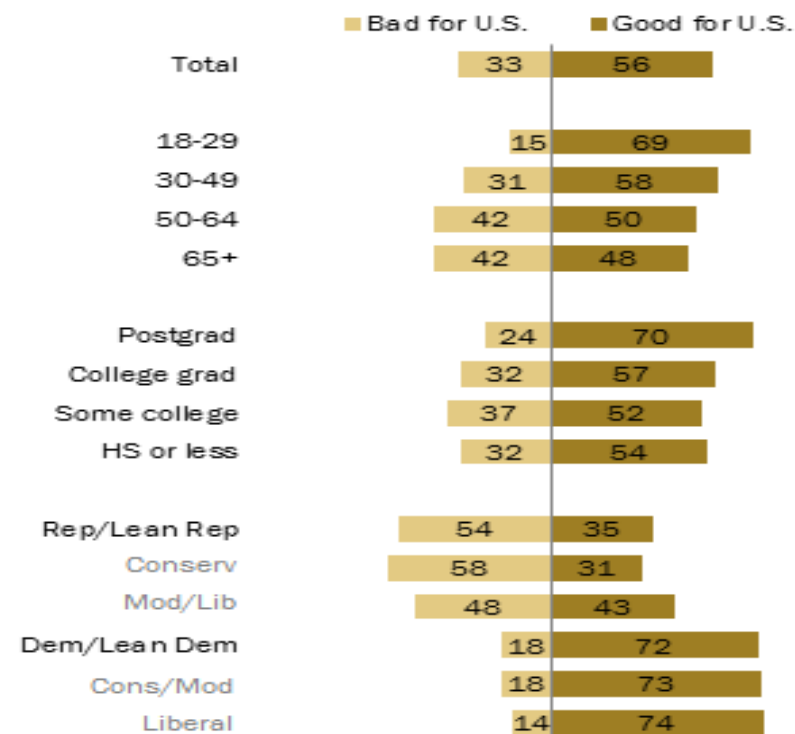
Note: "More education" is postsecondary and above. "Less education" is secondary education or less. Income categorization based on income levels that are higher and lower than the median household income within the UK.

Source: Spring 2017 Global Attitudes Survey. Q48b.

PEW RESEARCH CENTER

NAFTA seen as good for the U.S., but partisans differ widely on its impact

% who say that, all in all, NAFTA is ...



Note: Don't know responses not shown.

Source: Survey conducted Oct. 25-30, 2017.

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