

## MY REFLECTIONS ON THE MEXICAN BUSINESS SUMMIT 2022



**L**ast month we analyzed the international panorama through the 2022 Davos Agenda. This time, I would like to share my reflections on the 2022 Mexican Business Summit.

Created under the leadership of Miguel Alemán Velasco, the Summit is the best business forum that exists in Mexico due to the topics discussed, the quality of its exhibitors, and the profiles of the attendees. On this occasion, the 19th edition was held virtually on February 17 and 18 under the title Business Summit - Mexico: the way forward beyond the pandemic.

There were nine conferences about topics ranging from economic recovery to energy policy and SME resilience. Below, I share some of my opinions on the matters discussed during the Summit:

1. **Economic recovery:** There will be a rise in interest rates in the United States, which will cause an increase in Mexico. Which will jeopardize the still-fragile economic recovery. There is a great need to encourage productive investments.
2. **Business overview:** We need to invest more in infrastructure to increase the competitiveness of the country and North America. The Oaxaca Pact is a positive step, as it proposes specific projects. On the contrary, the electrical reform proposal is not.
3. **Digital transformation:** We must lose our fear of technology and adapt it to our businesses, including the SMEs that generate 80% of jobs in Mexico and are crucial to economic recovery.



4. **Bilateral relationship:** President Andrés Manuel López Obrador can negotiate more effectively as he holds the migration card. Biden has to deal with many other issues, for example, the war in Ukraine, so less likely he will press the agenda with Mexico. That is to say, there will be no clash, but a deepening of differences.
5. **Energy policy:** PEMEX is heavily indebted. No oil company in the world manages to do everything. The energy reform proposal violates the USMCA, and international arbitrations will come. The ideological background is the government's level of intervention in the economy.
6. **Industrial platform:** We have the necessary talent to develop products with high added value. We must take advantage of US nearshoring and attract investments to the country. The region has a golden opportunity to become more integrated into the face of competition from China.
7. **SME growth:** through fintech, SMEs can more easily access credit. Investment funds and a legal framework are needed to encourage entrepreneurship. The number of startups and investments in Latin America is reaching historical highs but is still far from Asia, the United States, and Israel.
8. **Mexican startups:** we have a young population; university enrollment has doubled and 50% of students want to start a business, but policies do not help. The cuts in science and technology, and the disappearance of ProMéxico, are some examples.
9. **Economic panorama:** there are encouraging aspects such as nearshoring, increases in transportation and logistics costs, abundant and qualified labor. However, investment has fallen, and the government's proposals generate uncertainty.

The next Business Summit will be in person in October this year. We have many challenges, but also many opportunities. By getting even more involved in the public affairs of our country, informing ourselves, and helping to establish better public policies, we do our bit. We need to participate and be protagonists of the story called a better Mexico, a story with which we can dream and continue to build by uniting wills.