

## Reconnecting Mexico to higher growth in a volatile global context

Public program as of September 14, 2022

Sunday 23 October	
11:30 onwards	Participant registration
15:15-15:30	Welcoming remarks
15:30-16:45	<p><b>The state of the world economy, peering into 2023: What impact on Mexico</b></p> <p><i>The context:</i></p> <ul style="list-style-type: none"> <li>• The global economy prospects have considerably darkened during the course of 2022 harmed by the continuing disruptions in global supply chains, the very severe impact of the war in Ukraine on energy, food and commodities prices and the intensification of geopolitical risks created by the increasing US-China confrontation and the standoff between Russia and the US and Europe.</li> <li>• The European economy is facing the prospect of a winter marked by the perilous combination of recession + inflation = energy rationing.</li> <li>• Enduring inflationary pressures in the US are forcing the Federal Reserve to keep increasing interest rates, with a slowing down impact on economic activity and the risk of a hard landing.</li> <li>• Worse than anticipated slowdown in China</li> <li>• Higher interest rates in the US and Europe are increasing the cost of foreign denominated debt for emerging economies and tightening market conditions making it difficult for these countries to get new financing, hampering the development of economic activity.</li> <li>• Mexico's GDP growth for 2022 is forecasted at around 1.8-2% or even up to 2.4% according to the government forecast despite strong first two quarters of 2022. It is only in 2023 that Mexico is expected to get back to pre-pandemic levels of growth – between 1.9 and 2.9% according to the government.</li> <li>• Mexico's annual inflation rate rose to 8.7% in August of 2022 – a 21 year high.</li> </ul> <p><i>The issues:</i></p> <ul style="list-style-type: none"> <li>• What is the most plausible scenario for the global economy in 2023? What uncertainties or additional risks to consider?</li> <li>• How can Mexico mitigate the impact of a US slowdown – or even the risk of a US hard landing?</li> <li>• How to prevent that the fight against inflation and interest rates rise by Banxico kill the nascent economic recovery? Is the government anti-inflationary program going in the right direction?</li> <li>• Are there ways to strengthen, make more resilient, the sectors most vulnerable to a US and global slowdown?</li> <li>• Public investment has started to grow again last year after many years of decline. How to accelerate this trend to implement efficient counter-cyclical policies?</li> </ul>

16:45-17:05	Networking Break
17:05-18:15	<p><b>Digitalization as a key component of a more sustainable and inclusive growth model</b></p> <p><i>The context:</i></p> <ul style="list-style-type: none"> <li>• According to existing data, there were 96.87 million internet users in Mexico at the beginning of this year, with an Internet penetration rate of 74%.</li> <li>• Covid 19 has changed Mexico's consumer's behavior and forced the country's digitalization process – especially with respect to SMEs embracing e-commerce.</li> <li>• Increasing connectivity is a critical requirement for accelerating Mexico's digitalization process and thus improving the country's competitiveness.</li> <li>• According to most surveys, computer illiteracy and concerns about data fraud and piracy remain a key obstacle for a wider and more rapid adoption of digitalization</li> </ul> <p><i>The issues:</i></p> <ul style="list-style-type: none"> <li>• What is required to expand the country's telecommunications infrastructure to support increased countrywide broadband coverage?</li> <li>• Are there prospects to reduce very high spectrum fees – among the highest in Latin America – to promote investment and development of the telecom sector and encourage competition among service providers?</li> <li>• In what way could the USMCA Agreement – which stipulates very strong commitments in its digital trade part – contribute to accelerate the country's digitalization drive?</li> <li>• What is required to make digitalization a key factor for the productivity boost that the Mexican economy has been needing for so many years?</li> <li>• What ways to address the concerns about cybersecurity and data fraud which remain a major obstacle to digital adoption?</li> <li>• How to further leverage the spectacular development of fintech companies in Mexico?</li> </ul>
17:05-18:15	<p><b>Renewables: What would make sense in the present context?</b></p> <p><i>The Context:</i></p> <ul style="list-style-type: none"> <li>• Mexico generates about 70% of its energy from fossil fuels, with nuclear and renewables providing the rest according to official figures</li> <li>• The latest electricity development plan, for 2022 through 2036, postpones from 2024 to 2031 the country's previous commitment to generate 35% of its energy from renewable sources by 2024. It now says that it will only be possible by 2031.</li> <li>• Renewables power plants are facing regulatory issues preventing them from operating. A number of private wind and solar projects are still awaiting permits. The government is however planning to spend \$1.6 bn to build a giant solar plant in Northern Mexico as well as refurbishing more than a dozen state-owned hydroelectric plants.</li> <li>• FDI in the energy sector plunged from \$5bn in 2018 to less than \$600 million in 2021.</li> </ul> <p><i>The Issues:</i></p> <ul style="list-style-type: none"> <li>• To what extent the shift to distributed generation (DG) solar projects, limited to 500 Kilowatts and easily approved – forecast to reach nearly 16,500 cumulative megawatts by 2036 – can help keep the transition to renewable energy alive?</li> <li>• What could be the impact of the commitment made by Mexico's government with 17 US companies in June 2022 on generating clean energy?</li> <li>• What could be the repercussions of a clash between Mexico and the US over Mexico's energy policy?</li> </ul>

	<ul style="list-style-type: none"> <li>Some states are investing heavily in renewables, what is the potential for Mexican &amp; foreign companies?</li> <li>Is there any possibility of a more favorable policy towards renewables in the foreseeable future? What could drive such an evolution?</li> </ul>
18:30-19:40	<b>How can Startups play their full part as transformers for Mexico</b>
19:40-20:30	Cocktail reception
20:30-22:00	Official opening dinner

<b>Monday 24 October</b>	
08:45-09:45	<b>USMCA the path forward to 2026</b>
08:45-09:45	<b>What trade priorities for Mexico outside of North America</b>
09:50-10:30	<b>An evolving trade landscape: What should Mexico's priorities be?</b>
09:50-10:30	<b>Meet Mexico's up and coming Innovators</b>
10:30-11:00	Networking Break
11:00-12:00	<p><b>Automotive Industry: Catching up with the EVs wave</b></p> <p>The context:</p> <ul style="list-style-type: none"> <li>The automotive sector was very badly affected by the pandemic but is on a recovery trajectory</li> <li>Mexico is the world's sixth largest auto producer</li> <li>Up to August 2022, Mexico's car production has increased by 31.4% and exports have increased by 16.9% on a year-on-year basis</li> <li>The industry is still in a catch-up mode in the global shift towards electric vehicles</li> </ul> <p>The Issues:</p> <ul style="list-style-type: none"> <li>Assessing the impact of the supply chain issues and their changing nature with a tendency to want supplier closer to manufacturing plants</li> <li>How is the industry adjusting to the USMCA various requirements affecting it?</li> <li>A number of large companies are switching plants towards EVs manufacturing and some startups are launching new electric vehicles. What is needed to support the development of the automotive sector so that they can grow in line with the evolution of the demand?</li> <li>Assessing the prospects for a faster development of EV production to position Mexico as a major player in this field in the coming years?</li> </ul>
11:00-12:00	<b>Making sense of the Metaverse: What does it really mean for your business</b>

<p>11:00-12:00</p>	<p><b>The circular economy: From concept to reality</b></p> <p>The context:</p> <ul style="list-style-type: none"> <li>• A circular economy is one where waste is recycled, resources are circulated and nature is regenerated, helping to tackle climate change, improve economic efficiency and address social needs. This concept is relatively new in Mexico. It is the opposite of the present model of linear economy.</li> <li>• Mexico's waste production accounts for 44 million tons per year, expected to reach 65 million by 2030, with 70% of urban solid waste ending up in land fields</li> <li>• 34.5% of Mexico's total food production is wasted</li> <li>• Mexico passed a general circular economy law in November 2021 promoting improved waste management rules and recycling techniques to reduce the environmental impact of economic activities and keep emissions low.</li> <li>• An important aspect of the Circular economy is the reuse of plastic in light of the conservation or resources of the petroleum used for its production. The new law requires plastic products to contain 20% of recycled materials by 2025 and 30% by 2030.</li> </ul> <p>The Issues:</p> <ul style="list-style-type: none"> <li>• What are the market opportunities created by the circular economy?</li> <li>• What are the immediate challenges for implementing a functioning circular economy and what reforms need to happen?</li> <li>• What sectors present the best opportunities</li> <li>• What role for the states in terms of policies, incentives etc...</li> </ul>
<p>12:15-13:15</p>	<p><b>Taking Mexico's Aerospace industry to the next level</b></p> <p>The Context:</p> <ul style="list-style-type: none"> <li>• The Aviation and Aerospace industry has become one of the three largest in Mexico valued at US \$6.22 billion in 2021 and expected to continue to grow. Mexico is now a location of choice for the industry in North America.</li> <li>• The aerospace industry has seen over 15% growth over the past ten years with more than USD \$9.5 billion in exports</li> <li>• Over 300 companies in the sector are benefiting from Mexico's low cost and highly skilled labor</li> <li>• Nearly every component of an aircraft can be manufactured in Mexico</li> <li>• The industry is now bouncing back from the decrease in exports, reduced travel and the slowdown in aircraft production created by the Covid 19 pandemic. However, experts predict that the industry will not surpass 2019 levels until 2024.</li> </ul> <p>The issues:</p> <ul style="list-style-type: none"> <li>• In 2017, the government updated the Aerospace Industry National Strategic Program 2012-2020, What is needed to further develop the sector and expand its role in the North American Industrial Platform.</li> <li>• What is needed both in terms of policies and corporate initiatives to build more resilient supply chains that can handle future shocks?</li> <li>• What are the opportunities for Mexico in the domains of space and defense platforms?</li> </ul>
<p>12:15-13:15</p>	<p><b>Mexico is running out of water...What needs to be done</b></p> <p>The context:</p>

	<ul style="list-style-type: none"> <li>• Mexico's constitution guarantees its citizens access to water as a fundamental right, but according to the government's 2020 census the number of households without access to drinking water had increased to 22.4%, from 11.8% in the 2010 census</li> <li>• Many agri-food producers rely on obsolete irrigation systems wasting huge amounts of water, lack proper wastewater treatment, water reuse, and water catchment technologies,</li> <li>• While CONAGUA determines how much usable water there is in the country and decides how to distribute it for different uses there is a huge cacophony of practices and interests between local governments, federal institutions and private parties generating waste, inefficiencies, and corruption</li> <li>• Mexico has this year the worst water crisis in 30 years, by mid-July, almost 50% of Mexico's territory was suffering drought</li> </ul> <p><i>The issues:</i></p> <ul style="list-style-type: none"> <li>• What to expect from the reform of the general water law to be promulgated this year ?</li> <li>• What urgent changes are required in the current water policies?</li> <li>• What actions to reduce drastically the enormous waste of water in the agri-food sector? What technologies are immediately available?</li> <li>• Are the mega water projects prioritized by the government the right answer to the water crisis?</li> <li>• How to engineer the necessary shift of the present mindset focused mostly on drought disaster-response to an orientation towards disaster prevention and long-term solutions?</li> </ul>
12:15-13:15	<p><b>What future for Smart Cities in Mexico?</b></p> <p><i>The Context:</i></p> <ul style="list-style-type: none"> <li>• About 80% of Mexico's population lives in Urban areas. The development of Smart Cities could help improve mobility, delivery of social services and help address environment challenges.</li> <li>• A Smart City is a hyperconnected urban area which utilizes innovation and technology and ensures sustainable resources and waste management, green transportation and the provision of services with an emphasis on quality of life.</li> <li>• Mexico has no 100% Smart Cities (fitting all the criteria) however the Inter American Development Bank identifies four cities in Mexico that can be considered Smart cities: Maderas (Queretaro), Creative City and Tequila (Jalisco) and Smart (Puebla). Mexico City has a Smart City project with a connectivity master plan for the city.</li> <li>• The absence of a national strategy has affected the development of Smart Cities in Mexico</li> <li>• PWC estimates that the Smart Cities sector could reach maturity globally in 2025 and is valued at \$2.5 trillion.</li> </ul> <p><i>The Issues:</i></p> <ul style="list-style-type: none"> <li>• To what extent could the expansion of 5G help accelerate the development of Smart Cities in Mexico? How to leverage new technologies such as IoT to accelerate Smart Cities development process?</li> <li>• What are the legislative reforms needed to create a national strategy for Smart Cities development?</li> <li>• How can the private and public sectors work together to design, fund and sustain smart infrastructure and services geared towards inclusive growth?</li> <li>• What priorities for sustainable and safe mobility as a key component of Smart Cities?</li> </ul>
13:30-15:00	<p>Plenary Luncheon</p> <p><i>Featuring a keynote speaker</i></p>

<p>15:15-16:15</p>	<p><b>Sustainability, Safety, Eco-Tourism etc..., riding the new global tourism trends</b></p> <p><i>The context:</i></p> <ul style="list-style-type: none"> <li>• Mexico is the second tourism destination in the world according to the World Tourism Organization.</li> <li>• The Covid 19 pandemic has affected the sector but Mexico's open border policy during the pandemic is now giving it a head start.</li> <li>• Mexican tourism is on track to reach 2019 levels with about \$25 billion USD in revenue, with more than 36 million international visitors already for this year.</li> <li>• The pandemic has both accelerated and created new tourism trends: Bleisure trips (business travel incorporating leisure elements), new technologies including automation, mobile bookings, sustainable tourism, active eco-tourism, transformative travel, experience and wellness travel.</li> <li>• Mexico's tourism sector employs 4.5 million people, slightly more than before the pandemic.</li> </ul> <p><i>The issues:</i></p> <ul style="list-style-type: none"> <li>• Biodiversity protection, transportation infrastructure, sustainability are among the weak points of Mexico's tourism offer. What is being done to remedy this situation?</li> <li>• International visitors overwhelmingly come from the United States. What Mexico should do to diversify its market.</li> <li>• How is Mexico leveraging the new tourism trends? How can less obvious destinations in the country leverage these trends to gain visitors? Where to invest and innovate in product evolution to take advantage of the new trends in traveler attitudes and habits.</li> <li>• How to support the digitization of SMEs in the tourism sector to take advantage of new technologies and improve the traveler experience?</li> </ul>
<p>15:15-16:15</p>	<p><b>Policies to boost skills creation in Mexico</b></p> <p><i>The context:</i></p> <ul style="list-style-type: none"> <li>• Mexico rose from 60<sup>th</sup> to 56<sup>th</sup> in the 2020 IMD World Talent ranking.</li> <li>• According to a Manpower study the talent shortage in Mexico has reached a 16 year high as 64% of employers report difficulties in hiring appropriate talents.</li> <li>• Mexico is expected to return to its pre-pandemic unemployment rate by the end of 2022.</li> <li>• Between 2006 and 2012, the Mexican government opened 120 tuition free specialist technology universities. Over 130,000 engineers graduate in Mexico every year.</li> <li>• Mexico has a talent pool of over 700,000 lower cost developers.</li> </ul> <p><i>The issues:</i></p> <ul style="list-style-type: none"> <li>• As the pandemic accelerated digitalization in most companies, new skills are needed in higher numbers. Are schools and universities up to the challenge? What policies are needed and what business needs to do to expand upskilling and re-skilling?</li> <li>• What is the track record of the 120 tuition free specialist technology universities in helping address the skills challenges? How could this contribution be improved?</li> <li>• Women employment was disproportionately affected during the pandemic, what can be done to reverse the trend and integrate/bring back more women in the job market?</li> <li>• With the development of remote work, opportunities are opening for Mexican talents in foreign companies. What does it mean for the shortage that Mexican companies are facing? Would there be a loss of competitiveness as wages will increase? And will an increase of productivity prevent such an outcome?</li> </ul>

15:15-16:15	<p><b>Managing the environmental impact of the new technologies</b></p> <p><i>The context:</i></p> <ul style="list-style-type: none"> <li>Producing disks, external hard drives, USB cables etc.. creates greenhouse gas emissions and these products are not biodegradable.</li> <li>It is estimated that the electricity used by internet-related services causes 2% of all carbon emissions, the equivalent of the carbon emissions produced by airplanes, and this will keep increasing as internet access develops worldwide.</li> <li>Computer servers, Bitcoin mining and video streaming are also a big, growing, source of energy consumption</li> </ul> <p><i>The issues:</i></p> <ul style="list-style-type: none"> <li>Quantifying the environmental footprint of digitalization – a scorecard? Where does Mexico stand?</li> <li>What concrete steps to reduce the carbon footprint of data centers</li> <li>Implementing Best Practices in dealing with E-waste</li> <li>What role for technology companies in mitigating the situation that they have partly created?</li> <li>What can be done to develop the use of IoT devices to reduce energy consumption?</li> </ul>
16:15-16:45	Networking break
16:45-17:45	<p><b>Mexico in the changing global supply chain</b></p> <p><i>The context:</i></p> <ul style="list-style-type: none"> <li>The reshaping of global supply chains that could benefit Mexico: Cumulative impact of Covid pandemic induced severe disruptions of supply, increasing US-China confrontation and US policy to decrease overdependency on China sourcing, more disruptions created by the Ukraine war.</li> <li>Some MNCs are relocating plants in Mexican Border states. A lot of talk about near-shoring and friend or ally-shoring</li> <li>Questions and uncertainties about the government policies and attitude towards foreign investors</li> <li>Vietnam, Taiwan, India and Indonesia are so far benefiting much more than Mexico from the friend-shoring trend</li> </ul> <p><i>The issues:</i></p> <ul style="list-style-type: none"> <li>What is the scorecard – so far – with respect to actual near-shoring?</li> <li>Actions to leverage near-shoring opportunities for the Bajio area and especially Queretaro</li> <li>Which sectors could provide the best opportunities – low-hanging fruit – for near-shoring in Mexico?</li> <li>Assessing the major challenges for near-shoring in Mexico</li> <li>What is needed to secure a greater role for Mexico in the global supply chain architecture being reshaped</li> </ul>
16:45-17:45	<b>What can big business do to boost the role of SMEs as a growth factor in a win-win approach?</b>
18:00-19:00	<b>An uneven regional recovery: What priorities for what regions to bring together the Mexicos</b>

20:00-22:00	<p>Gala Dinner</p> <p>An evening dedicated to making new friends and enjoying cultural and gastronomical delights.</p> <p>Hosted by:</p> <ul style="list-style-type: none"> <li>• <b>Mauricio Kuri González</b>, Governor of Queretaro, Mexico</li> </ul> <p><i>Transportation will be provided from the Congress Center to the Gala Dinner. After dinner, transportation will be provided to the hotels.</i></p>
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Tuesday 25 October	
08:45-10:00	<b>US/Mexico relations: Which way to address the lingering issues?</b>
10:00-10:30	Networking Break
10:30-11:30	<b>Reviewing Mexico's security equation</b>
10:30-11:30	<b>Mexico's infrastructure packages: The scorecard and the prospects</b>
11:45-12:45	<b>What growth strategy for Mexico's Oil &amp; Gas in the new global energy context</b>
11:45-12:45	<b>Investment in Mexico: The opportunities are there. What are the challenges?</b>
13:00-14:00	<p><b>Decarbonizing the economy: Is Mexico on its way to achieve its 2030 climate change objectives</b></p> <p><i>The context:</i></p> <ul style="list-style-type: none"> <li>• President Lopez Obrador has stated that Mexico will meet Paris Agreement goal - producing 35% of its power from Renewables sources by 2024 - but a report released by the administration in 2022 shows that the country is now years behind that goal.</li> <li>• Mexico generates about 70% of its energy from fossil fuels.</li> <li>• Mexico has abundant supplies of renewable energy sources</li> <li>• Many analysts see a risk of Mexico coming short of its decarbonization goals because of the Federal Government's bet on fossil fuel and obstacles hindering renewable energy firms.</li> </ul> <p><i>The issues:</i></p> <ul style="list-style-type: none"> <li>• Are the Paris agreement goals still attainable? How far behind is Mexico?</li> <li>• What is needed in terms of urban regulations and infrastructure – especially in the energy storage domain?</li> <li>• How to develop the potential of biofuels in the agriculture sector as well as for sectors such as aviation?</li> <li>• What new technologies could be leveraged to improve the energy efficiency of the industrial sector, the largest emitter of greenhouse gases in Mexico?</li> <li>• What best practices and can they be applied in Mexico?</li> </ul>



13:00-14:00	<b>Time for corporate Mexico to focus on ESG: Opportunities and challenges</b>
14:15-16:00	Plenary Closing Lunch <b>Fighting the curse of an underperforming economy</b>

Over its twenty years of existence the Mexico Cumbre de Negocios has become the number one economic and business event in the region. It has expanded its footprint to cover not only Mexico's future in the global context but the key strategic issues common to, or impacting on, the whole region. The creation of the Pacific Alliance, the Trans Pacific Partnership developments have highlighted not only the opportunities being created but also how so many crucial issues affecting one country such as Mexico, and its partners, impact on one another. The Mexico Cumbre de Negocios has thus become the unique platform covering these strategic issues combining regional and national perspectives.