

SUPPLY CHAINS: THE REAL GEOPOLITICAL RACE

Also in this issue:

- ▶ The challenge of strengthening value chains in Mexico
- ▶ Towards binational logistics cooperation: lessons from the Eagle Pass-Piedras Negras International Railway Bridge.

UPDATES

- ▶ Thoughts from the General Director for Trade Facilitation and Foreign Trade
- ▶ Legislative Liaison

Consejo Nacional
de la Industria Maquiladora
y Manufacturera de Exportación



index





CONTENT

- 3 From the General Management
- 4 Supply chains:
the real geopolitical race
- 6 The essence of the issue
- 8 Trends
- 9 Challenges and opportunities
- 11 Entry points for public discussion
- 12 From the national committees
- 13 The challenge of strengthening value chains in Mexico
- 15 Towards binational logistics cooperation:
lessons from the Eagle Pass-Piedras Negras
International Railway Bridge
- 16 Updates
- 17 Thoughts from the General Director for
Trade Facilitation and Foreign Trade
- 18 Legislative Liaison
- 20 Our team

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FROM THE GENERAL MANAGEMENT

One of index's strengths is that it can reinvent itself each time a new Board is elected. We are an essentially democratic organization, and this helps us to react promptly and effectively to change.

In 2020 we learned that what worked and what we believed to be infallible can be threatened by external factors. If the great lesson of this year was to remind us of the importance of being flexible in our processes, its great mandate is to connect and communicate actively. Thus, the essence of our organization, today more than ever, is to provide value for the partner through proximity. We achieve this through a capacity to adapt to changing circumstances, hard work and open management, and this in turn allows our partners to position their interests concretely.

We know that our associates are also adapting to the new conditions and will choose to cut everything that does not add tangible value. It is in this context that the new Board of Directors, chaired by Dr. Luis M. Hernández, arrives with a fundamentally member-centred approach, new forms of communication, virtual and direct -magazine with specialized research (TierPlus MX), transmissions with value for the operation

of the companies, direct communication with the affiliates, open transmission of the members' meetings- and continuous evaluations of the actions we undertake. We are always striving to improve.

The IMMEX industry has survived so many challenges, so many eras, so many decades, that together we will continue to find new solutions to continue to be a model to follow worldwide. Listening to our partners will always be the best formula to detect opportunities for improvement. We are committed to change and adaptation, which is why we are always attentive to the needs and concerns of our partners.

The general management has its doors open at dg@index.org.mx. Write me with any questions you may have, I am here to serve you.

Juan A. VAzquez, general managing director of index nacional



Supply chains:
the real
geopolitical race

Through better value chains and complex economic activities Mexico can become an international political stronghold. Its biggest challenge is to do so soon.

INTERDISCIPLINARY PUBLIC RESEARCH TEAM¹

Here is a hypothesis: **the countries that create the best value chains in the coming decades will be the protagonists of the global political game.** It is not so much a matter of conquering through arms, institutions, or regional alliances, but of logistically linking up with the places with the best raw materials, the highest technology, and the largest markets. How can this be achieved, in addition to signing trade agreements and creating port infrastructure? **To begin with, by creating increasingly complex economic activities,** i.e., leading industries that generate broad benefits for end consumers. In an interconnected world this is only feasible through international supply chains that are accurate, agile, and secure at the same time. The rest - economic growth and geopolitical influence - is a consequence of this. "He who masters supply chains, masters the world."²

This new dynamic brings with it good opportunities for Mexico, and due to its constant technological and commercial updating, the export manufacturing industry is at the forefront

in taking advantage of them. The next step must be to consolidate an industrial policy consistent with our times, one that takes into account the energy challenges, incorporates and generates new technologies, encourages investment and promotes the education of Mexicans. Only in this way will we be able to tangibly obtain the benefits promised by these trends: better wages, regional prominence, and stability in national finances.

For this reason, in this issue we study supply chains and their implications for national policy and times of crisis, their imminent challenges and the new business opportunities they offer. We also bring to the table some lines for public research, with which we seek to generate a fruitful policy discussion.

¹ Meet our team in the last page.

² See Parag Khanna, *Connectography: Mapping the Future of Global Civilization*, Random House (2016).

THE ESSENCE OF THE ISSUE

Let's use the same terms. By supply chain we mean "the entire ecosystem of producers, distributors and sellers that transform raw materials, whether natural resources or ideas, into goods and services consumed by people everywhere"³. **In essence, they are transactional systems that link supply with demand.** Where a company requires plastic packaging, such chains deliver it to its warehouse. If a lumber company needs mahogany to make furniture for sale on another continent, other chains -with their respective nodes of transportation, packaging, storage, customs requirements, insurance, etc.- deliver it to it. Connection and synchrony: supply.

Value chains govern the economy of the 21st century and are the mainstay of the famous globalization. The world is interconnected to an unprecedented degree, not only commercially but also technologically and culturally. Therefore, **no country can generate good exports, good industries, high-level jobs, and stability over time if it does not have good imports in all these respects.** The Smartphone, the icon of the digital era, is a paradigmatic example of this; to create it, 43 countries must interact, hundreds of thousands of people have to be employed and hundreds of technologies have to be reinvented. The same happens with the rest of the complex products and their accelerated innovations. Competition to participate in this game is fierce.

How can we consolidate Mexico? In first place, **by participating more actively in the supply and purchase of the intermediate products needed to manufacture high-tech products;** two-thirds of the value in global supply chains is in this area. The foundations are in place. Our GDP per capita is generally among the top 60 in the world (\$20,396 PPP; 2018) and our

domestic market is steadily growing; we have a relatively developed industry and specialized sub-sectors with decades of experience, and our geographic position is unmatched. However, **in the last decade we have stagnated on a critical variable: economic complexity.**

Complexity measures a country's accumulated knowledge expressed in the type of products it creates and is measured by two variables: the diversity of its exports and the ubiquity of its products, or how easy it is for other countries to produce them. The greater the quantity of exports and manufacturing of complex goods, the greater the generation of wealth and long-term growth⁴. Thus, stagnation in economic sophistication increases the risk of a country's industries becoming obsolete or losing competitiveness in the market, which threatens income and jobs. In this regard, Mexico has not made any progress in the last decade⁵.

To get out of this trap we would have to develop both the technology we have and the capacity to implement it. They are different things, and achieving the latter is a challenge that requires the transmission of codified knowledge, or know-how, which usually takes time. **Such knowledge is what enables technology to be sought, implemented, and developed; it is the unspoken skill behind product development that can only be acquired through imitation and repetition.** Its degree of diffusion partially explains the differences between the most advanced countries and the rest. In societies with high know-how, collaborative networks of people with complementary skills are created, leading to the formation of high-value industries. This is inextricably linked to supply chains, especially those that favor the transmission of knowledge.

³ Khanna, p. 19. ⁴ See Hidalgo and Hausmann, The building blocks of economic complexity, available in <https://www.pnas.org/content/106/26/10570.full>

⁵ More information found on the Atlas of Economic Complexity, available here: <https://atlas.cid.harvard.edu/countries/138>

For all these reasons, it is not in Mexico's best interest to stick to a low-wage policy. Better bet is continuous training and the development of technologies like those already in place. Our objective should be to create an intellectual value chain to take advantage of the possibilities of collaborative design, generated to a large extent by the digitalization of global processes, and to generate the value chains closest to our installed capacities. We must leverage what we already have, such as the size of our domestic market and our infrastructure, to attract industrial innovators and investors to drive new value chains. In the design of this industrial policy, it is also key to use strategic subsidies to gain sectoral competitiveness and promote the dissemination of specialized knowledge.

Other elements:
technology transfers,
joint ventures,
and emphasis on the
development of local
production.



TRENDS

We have already noted that the most important trend for industrial development is the consolidation of value chains, but we have not yet defined what this will look like in the world that is taking shape. The following elements form a more detailed picture of a country that is highly linked to supply chains and provide guidelines for organizing specialized policies.

Urbanization

Global urban sprawl is expected to triple by the end of this century⁶. In practical terms, we will inhabit a planet of cities characterized by rapidly expanding metropolitan populations and major challenges in creating spaces where people can live well. Globally, there are 59 megacities-areas in which more than 10 million people live. They concentrate most of the world's economic transactions, demand almost all the world's natural resources and are home to a large part of the world's population. **The future of industry goes hand in hand with that of cities.**

Global circuits

It is not necessary to imagine supply chains as linear processes involving just a few stakeholders. On the contrary, they tend to have complex intricacies, nodes on different continents and a presence in certain regions that are consolidated beyond political borders. Thus, **it is not countries that move the economy but rather certain "circuits" that concentrate the flow of trade.** Examples are the mega-regions of Tokyo, Los Angeles, and Guangzhou. It is necessary to identify them and work on policies based on them.

Connectivity

There is an accelerated interaction of resources, goods, capital, technology, people, data, and ideas. The pandemic accentuated this trend and showed that integration, rather than making industries vulnerable, makes them resilient to external shocks.

Blockchain technology

The impact of these technologies is yet to be condensed, but in general they enable standardized and transparent contracts to be concluded between different actors, beyond particular jurisdictions. They also allow data to be shared in real time, which substantially reduces the costs of commercial insurance. **Blockchain points to a future where decentralization rules.**

Once again: **the size of the market and its access to global circuits are increasingly becoming the determining factors in the localization of manufacturing production.**

Added to this is the trend of mass customization, a technique that allows the mass production of custom-made products, as required by consumers. The bet is to produce better, faster, always.

⁶ See Shlomo Angel, Planet of Cities, chapter 7 (p. 97-110).

CHALLENGES AND OPPORTUNITIES

As we have already mentioned, Mexico's main challenge is the stagnation of its economic complexity. In the last decade this has caused a fall in the diversification of its exports, which generates some threats to our country's commercial activity. For example, the 2008 crisis, the collapse of oil prices in 2014 and the COVID-19 pandemic produced large contractions in our export volume. **Such dependence can be reduced when the processes are distributed among different actors and are not focused on a single country or region; the effect is smaller if distributed among many small units.**

Another potential disruptor to our export industry is the incorporation of 3-D printing technologies and the sharing economy. On-site printing of components from "mother factories" could generate a contraction of global shipments, inventories and warehousing. However, technological changes do not eliminate supply chains; they mutate them. There are winners and losers in this, so there is no better strategy than to promote change and be at the forefront of technological breakthroughs.

With these considerations in mind, let us see what opportunities the current circumstances offer us. The commercial composition of our country is as follows:⁷

Main export destinations (2018)

76% United States
5% Canada
3% China

Main importing countries (2018)

62% United States
11% China
4% Germany

Top exports by industry (2018)

Vehicles: 10%
Parts of motor vehicles: 6%.
Computers: 6%

Seen in this light, **the big question is, given the current circumstances, into which industries is it feasible and desirable for us to expand? Countries tend to diversify into products that require know-how like that of their already installed capacities.** Currently, the greatest contributions to our country's export growth come from the most complex industries: vehicles, electrical machinery, industrial machinery, medical and optics devices. Consequently, the path to follow is to deepen the performance of these complex industries and find opportunities in their respective supply chains to exploit new niches.

Since 2003, Mexico has added 21 new products to its export mix, increasing its per capita income by \$61 in 15 years. **This meager growth in income is related to the low production volume of these new products, which do not require particularly complex production and are not directly related to the fastest growing industries.** Among others, it has added the production of copper, precious metals, fabric processing machinery and recreational boats.

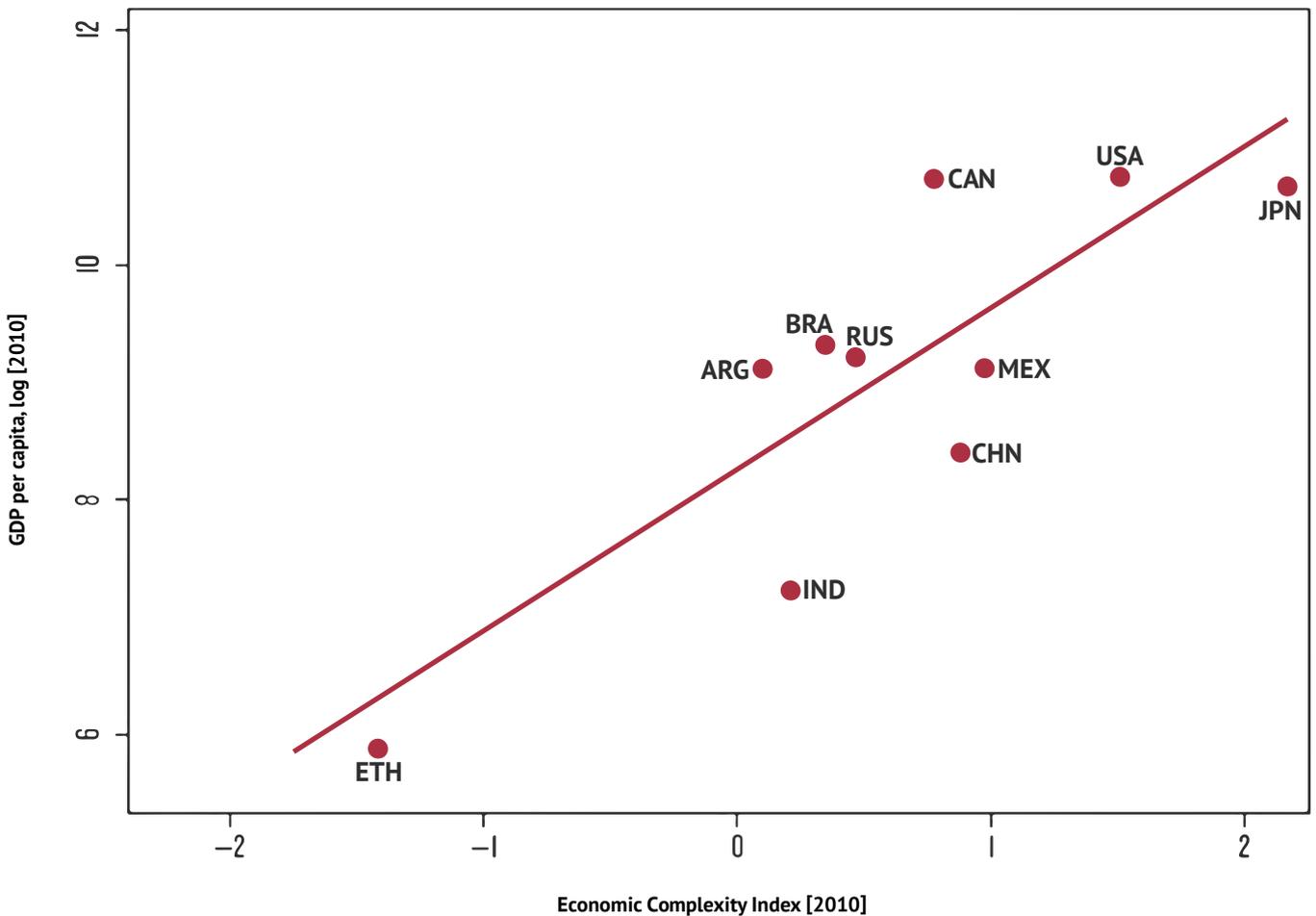
⁷ More information found in the Atlas of Economic Complexity, available here. Amounts rounded to make them more readable.

Thus, there is ample room to diversify by leveraging current successes and promoting complex production. **The ideal industries for investment and growth are those focused on producing equipment for measuring the temperature of materials, advanced medical equipment, transmission shafts, and sound storage products.**

According to Harvard University's Atlas of Economic Complexity analysis, the scenario is ideal to immediately exploit these industries: the

supply chains, the skilled personnel and the buyer market are already in place. It is only a matter of providing incentives to promote adequate private investment.

Table 1
Economic complexity and per capita income, (2010).



The correlation is clear: the greater the economic complexity, the higher the per capita income. The process is not static. In fact, the complexity with which a country starts also explains future growth. Mexico has a good position in both variables and the conditions are in place to make progress in the population's income. The current conditions must be used to engage in more complex economic activities.⁸

⁸ Source: Hausman et.al. 2014.

ENTRY POINTS FOR PUBLIC DISCUSSION

The whole political discussion should have as its starting point megacities and global circuits, as they compete with each other (in their own countries and across borders) to attract the relevant investments. A well-done public analysis would have to consider these flows and consider the following:

Further streamlining of borders

Procedures, bureaucracy and barriers must be reduced and electronic documentation must be implemented. Efficiency in the supply chain means less inventory and more sales.

New urbanization policies

Cities must not continue to grow without control. There are concrete measures that mayors should take, including realistic projections of land needs, generous establishment of metropolitan boundaries, land acquisition for the installation of service and transportation infrastructure, and the prioritization of zones for promoting healthy public recreation.

Special economic zones

The aim is to establish regions that attract investment and consolidate the formation of high-tech clusters. There are around 4,000 in force in the world, but in Mexico their implementation was cancelled in 2019. It would be a good approach to resume them, emphasizing inclusive development.

Environmental pressures

Supply chains have also been used for the excessive exploitation of natural resources.

Protecting nature must be a priority: only in this way can the environmental rights of future generations be guaranteed. Any contemporary supply chain project must strive for sustainability, without excuses, and the new global regulations point in this direction.

According to Baine & Co. the pandemic has shown that there is no opportunity cost between efficiency, sustainability and resilience.

To implement them simultaneously, it is advisable to generate collaborative practices among the companies in the chain (data and experiences), take advantage of digital platforms to verify processes, generate trust certifications and develop manuals on how to build the talent, systems and processes required for success.

FROM THE
NATIONAL
COMMITTEES

THE CHALLENGE OF STRENGTHENING VALUE CHAINS IN MEXICO

By Israel Morales,

Director of the International Agreements and Treaties committee of index nacional.

Growing value chains is a debt that has been accumulating in Mexico for 50 years, both because of the approach of those in charge of industrial public policy and the lack of support from the private sector in this area. The entry into force of NAFTA in 1994 allowed Mexico to participate in world-class industrial and manufacturing processes, but only half-heartedly. In just 25 years, NAFTA turned Mexico into a manufacturing exporting economy that increased 9 times the trade of manufactured goods in the automotive, aeronautical, medical, heavy and specialized machinery and equipment, sophisticated electrical and electronic appliances, textile and apparel, jewelry, and various intermediate industries. However, in 2020 alone, Mexican manufacturing exporters needed to temporarily import more than 75% of their intermediate inputs to produce their products.

The trend is clear: the productive chain -that is, the production chain that goes from the extraction of raw materials, through the construction of intermediate goods, to the integration of advanced manufactured goods- **has not advanced at the desired speed.** We still depend on a large proportion of temporarily imported intermediate inputs to produce export goods; in 2020, the IMMEX program totaled US\$268 billion. There are also some subsectors with an estimated domestic content between 8% and 25%.

However, this needs to change for the following reasons:

- Mexico has a strategic place in world trade for having modernized the USMCA and signed the CPTPP.
- There is an enormous opportunity to consolidate Mexico's manufacturing export

platform through the possibility of cumulating origin and combining flexible rules of origin through CPTPP.

- Given the trade confrontation between the U.S. and China, great opportunities to transfer primary production processes to Mexico arise.
- Mexico has great advantages that must be exploited: its privileged geographical position, treaties such as USMCA and other trade agreements with 52 countries, and its human talent, innovation, resilience and adaptation.
- These strengths must be exploited to compete head-on with Asia, not only to retain the current market, but also to attract investment from global companies that build highly specialized products and services.
- It is necessary to develop primary processes that add value at competitive costs and add them to the products and services that Mexico exports in its manufacturing.
- If we do not change the trend and integrate at least 40% of the value chains, Mexico will put its competitive advantage in the global market at risk.

This is the ideal time to create public policies in alliance with the private sector, including foreign capital companies. Only through a master plan Mexico will be able to capitalize its comparative advantages and achieve a greater integration of national content, which would increase Mexican production, create new jobs, generate an estimated \$268 billion dollars in revenue, build greater competitiveness and strengthen regional production chains. How can this be done? How can national participation in value chains be increased? Here are some ideas:

- Promote and facilitate effective business between MSMEs and export or tractor

manufacturing companies, for the effective development of domestic suppliers.

- Create incentives, facilitate soft loans with interest rates below 5% according to international standards for entrepreneurs and design factoring and other credit schemes through development banks, commercial banks and various means of financing. The objective is to create triggers for the rapid sustainable development and growth of MSMEs.
- Establish incentives for companies to recover in the short and medium term the costs of developing MSMEs and motivate their joint development for at least 5 years.
- Facilitate and encourage foreign direct investment in MSMEs through various co-investment mechanisms with the participation of foreign investors in primary industrial processes, including those from China, Korea, Taiwan and Malaysia.
- Negotiate at the legislative level, through development banks and state governments, budget allocations and packages that promote,

develop and capitalize the national productive chains.

- Accelerate the availability of solid public and technical information related to the exportable supply of productive processes that promote productive linkages.

The COVID-19 pandemic has shown us that dependence on value chains from other regions, such as Asia, makes us vulnerable in economic, public health and even national security terms. This is another reason why we should no longer postpone a comprehensive strategy. Moreover, our main trading partner, the U.S., has realized this and the Joe Biden Administration signed an executive order on February 24, 2021 on America's Supply Chains. In the next article we will discuss the details and possible implications of this executive order for Mexico and its effect on domestic value chains.



TOWARDS BINATIONAL LOGISTICS COOPERATION: **LESSONS FROM THE EAGLE PASS-PIEDRAS NEGRAS INTERNATIONAL RAILWAY BRIDGE**

By **Gustavo Gutiérrez García**, *president of index Piedras Negras and Karina Rodríguez Villarreal*, *director of index Piedras Negras*.

The integration of Mexican-American value chains requires the establishment of customs agreements, and the inauguration of the Joint Railway Office is a good example of this. Just on March 16 of this year, the authorities of Texas and Coahuila -through Customs & Border Protection (CBP) at Eagle Pass and Piedras Negras Customs- launched this agreement to inspect train cars crossing the border in a coordinated manner. The purpose is to expedite the crossing into the United States.

Through the Joint Railway Office, officers from Piedras Negras Customs and Customs & Border Protection-Eagle Pass will be permanently stationed in the U.S. inspection area and will use special technology to ensure safe and expeditious crossings. The expected benefits include:

- Time reduction in the dispatching of goods.
- Efficiency in the revision of rail cars.
- Efficient use of technological infrastructure.
- Reduction of costs for the transportation used in the export.
- Better detection of hidden, undeclared, or national security risk goods.

If 35% of the trade between Mexico and the United States already takes place at the Piedras Negras border, with this implementation the city will undoubtedly be the binational border with the most railroad crossings in the country. By means of good agreements it is feasible to detonate all the potential of international trade without neglecting security. To achieve this, index Piedras Negras negotiated with the local authorities of both countries for three years. First, by approaching the CBP Port Director in Eagle Pass and then with the General Customs Administration through index Nacional, with whom the final actions that led to the inauguration were carried out. The Government of the State of Coahuila and municipal authorities also participated. Of course, the member companies were fundamental in advancing this project, which undoubtedly boosts the bilateral competitiveness of Mexico and the United States.

In this current day and age, national logistics cooperation is key for trade, government and the people who live along the borders. It is something worth pursuing, even if it involves many challenges along the way.



UPDATES

THOUGHTS FROM THE DIRECTOR GENERAL FOR TRADE FACILITATION AND FOREIGN TRADE

By the Office of Public Affairs and Operations from index nacional.

On March 25, at the National Meeting of index partners, Ms. Dora Rodríguez –Director General for Trade Facilitation and Foreign Trade of the Ministry of Economy- indicated that the main focus of her administration is trade reactivation based on 4 axes: employment, promotion, investment facilitation and regionalization of sectors.

He said that the Ministry of Economy is focused on attracting foreign investment, eliminating bureaucratic controls, eliminating corruption and including SMEs in value chains, with which he expects international **trade to grow by 2.7% per year.**

He pointed out that one of Mexico's commitments before the World Trade Organization (WTO) is the creation of the National Trade Facilitation Committee, focused on eliminating obstacles to commercial activity. This committee was established on March 16 and will hold its first meeting in June, with the participation of private industry through chambers and business organizations. Regarding the T-MEC, he emphasized the importance of trade facilitation (Chapter 7). A working group has already been held to address this issue and it is estimated that a second one will be held during the first half of this year. The objective is to increase the volume of trade through improved joint dispatches, the elimination and simplification of formalities and a single window.

Dora Rodríguez shared that her Directorate is committed to regulatory transparency and actively seeks to ensure that the industry is well aware of the new regulations before they enter into force. In order to achieve the standardization of processes, there must be full coordination between agencies, alignment of procedures and adequate dissemination. He acknowledged that recently a high percentage of rejected applications was detected and therefore the following actions will be undertaken:

- A new format will be defined to authorize the IMMEX program.
- The “Fe de Hechos”(certification of facts) will be eliminated and alternatives for verification visits will be implemented.
- Other procedures will be deregulated through a new “company profile”, which is still being worked on.

In addition, Dr. Luis Hernandez announced that index has had two sessions with the General Directorate to discuss regulatory improvement and the promotion of investment in the IMMEX sector. The emphasis has been on the elimination of the certification of facts (Fe de Hechos), the reduction of response times in various procedures and some suggestions regarding the new measures that the Ministry is seeking to implement.

We will continue to work with the Ministry of Economy.

LEGISLATIVE LIAISON

Information provided by **Grupo Estrategia Política**

A year after the beginning of the pandemic

One year after the first confirmed case of COVID-19 in Mexico, there have been more than 2 million infections and more than 200,000 deaths, according to official figures. It is clear that overcoming the health emergency depends to a great extent on the arrival of vaccines in Mexico.

Mexico faces a complicated scenario due to three fundamental factors:

- 1)** The high percentage of chronic degenerative diseases in the population, which decreases the possibility of overcoming a disease of this type.
- 2)** The lack of public health budgets.
- 3)** The implementation of the new health system in Mexico through the concentration of powers in the National Institute for Welfare (Instituto Nacional para el Bienestar).

The federal government has tried to mitigate contagions through an epidemiological color system from its sphere. However, in view of the effects on the productive systems and the population in general, it decided to endow and restrict the powers of the state governments at the same time: on the one hand, it granted them de facto autonomy of decision on some local aspects, particularly those corresponding to each state's color system and labor incorporation; on the other hand, it restricted the acquisition of vaccines. Now it faces new challenges regarding the vaccination plan: 1) vaccine insurance, 2) hoarding by various countries such as the United States, and 3) the rules of operation of the vaccination plan in conjunction with private industry and local governments.

Reform of the Judiciary

On March 17, 2021, the Federal Executive presented before the Senate of the Republic an initiative to regulate the operation and structure of the Judicial Power of the Federation, promoted by the President of the Supreme Court, Arturo Zaldívar.

The initiative seeks to modify fundamental aspects of the Organic Law of the Federal Judicial Branch, the Judicial Career Law of the Federal Judicial Branch, the Federal Law of Workers in the Service of the State, which regulates Section B) of Article 123 of the Constitution, as well as the Amparo Law and the Federal Code of Civil Procedures.

Some of the objectives of the initiative:

- To strengthen the powers of the Federal Judiciary Council to combat nepotism and punish corruption.
- To improve the quality of judges through the creation of a judicial school to generate an authentic judicial career.
- To provide greater legal certainty to the defendant.
- To strengthen the deliberative process through the inclusion of three judges in the resolutions, as well as the possibility of the differendum.

This initiative contains regulations intended to be a response to the granting of suspensions against the application of the new Electricity Industry Law by federal judges, since it establishes as an attribution of the Supreme Court to review ex officio the constitutionality and validity of the decrees issued by the Federal Executive during the restriction or suspension of rights and guarantees.

Fiscal Transition working group

During the first two years of government there have been no increases or new taxes created; however, possible modifications of the 2022 economic package are beginning to be envisioned. The approval of such package will be analyzed and approved by the LXV Legislature, which will take office on September 1.

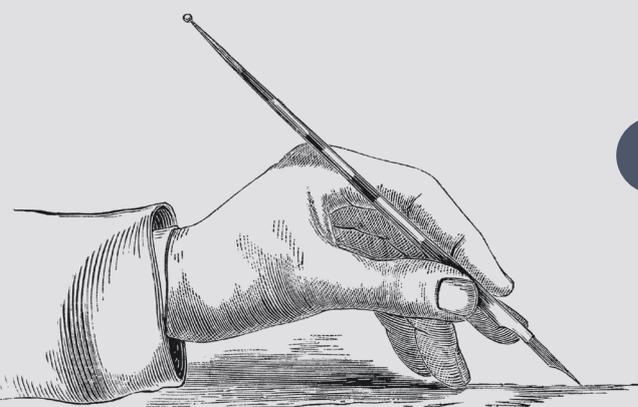
Due to the economic crisis, as well as concerns about income, spending and auditing, the Political Coordination Board of the Chamber of Deputies agreed to create a working group for the Fiscal Transition, whose objective will be to convene a National Fiscal Convention.

The objective of said group is to develop the diagnoses in which the following stand out:

1. **New federal system and co-responsibility between states, municipalities and federation.**
2. **That the Mexican State has a more active role in infrastructure investment.**

3. **To establish tax justice in the country to end tax avoidance.**
4. **Regulation of consumption and digital platforms to avoid leakage of resources from digital platforms and e-commerce.**
5. **Pensions.**
6. **The possibility of creating the National Institute of Public Finance.**

The work team will be made up of one representative from each Parliamentary Group. Alfonso Ramirez Cuellar (Morena), who chairs the Budget and Public Account Commission of the Chamber of Deputies and since the beginning of the current administration has pointed out the need to obtain more resources for federal spending, will be the coordinator. Likewise, it is assured that the working group will be advised by the Ministry of Finance and Public Credit, INEGI, BANXICO, the Superior Audit Office of the Federation and CONEVAL.



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This publication is produced by a committed, multidisciplinary team. Our goal is to take the economic, political and social knowledge of the manufacturing industry to the next level. By disseminating our findings, we seek to raise the level of public debate. Share and comment freely, let's start the dialogue.



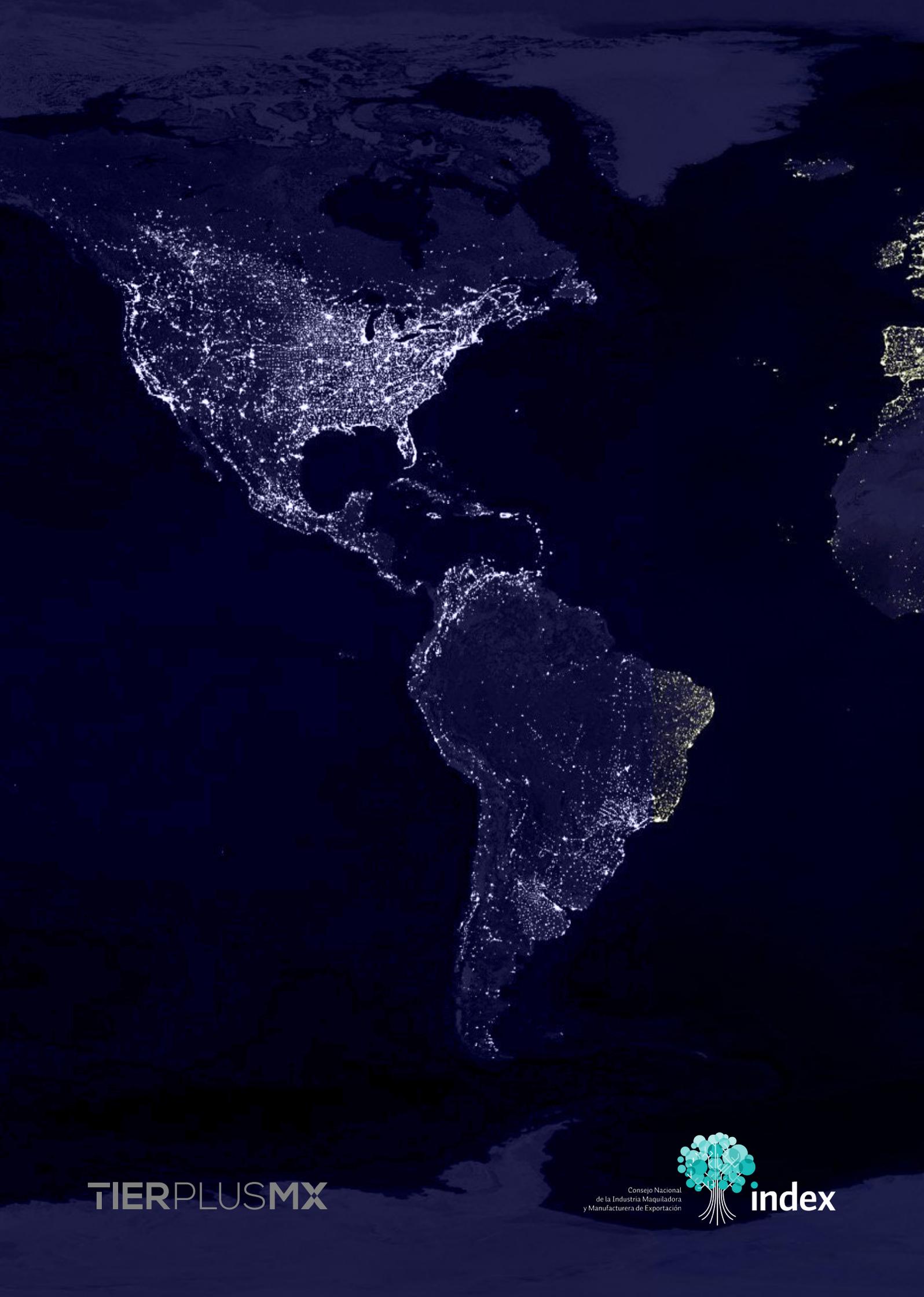
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index