

The Mexico Summit 2014

The road to competitiveness

November 5th 2014

2013 proved to be a historic year for Mexico. The government of Enrique Peña Nieto overcame political gridlock to pass an array of far-reaching reforms that had been pending for years. Mexico's state-owned energy market was opened to private companies; limits were instated on the powerful monopolies dominating the telecommunications market; tax reform was tackled; the political influence of the notorious teachers union was curbed; and even reforms to the electoral system were enacted. All this has laid an important foundation for a healthier and more globally competitive economy.

But, today, the country must confront key challenges while grappling with the controversial nature of many these changes. Among them are a middle class disgruntled by the fiscal reform and whose consumer confidence has diminished; a society frustrated with the security strategy that has not adequately dealt with persistent organized crime; and a legacy of underdevelopment that remains unaddressed. Meanwhile, business leaders and investors are waiting for a stagnant economy—which grew a mere 1.2 percent last year—to bear the fruits of the robust reform agenda.

As Mexico comes to grips with the effects of these policy changes, can it emerge as a lasting global economic force? The Mexico Summit 2014 will convene *Economist* editors, policy-makers, thought-leaders and top business minds to tackle this important question and apply fresh-thinking to the key pillars necessary for achieving long-term, sustainable economic growth. The day-long event will look ahead to the trends that will spur business innovation over the next 10 years and discuss how Mexico can leverage its position both regionally and globally to ignite economic and social progress.

Event chairs:

Michael Reid, Latin America columnist *The Economist*

Irene Mia, Regional director, Latin America, The Economist Intelligence Unit

Henry Tricks, Mexico bureau chief, *The Economist*

Confirmed speakers:

Paul Ahlstrom, Co-founder and Chief executive, Alta Ventures

Helder Boavida, Chief executive, BMW Mexico

Lino Cattaruzzi, Country Manager, Google Mexico

Enrique Dussel Peters, Director, Institute for China-Mexico Studies, Universidad Nacional Autónoma de México

Fernando Gonzalez, Chief executive, CEMEX

Enrique Hidalgo, President, ExxonMobil Ventures Mexico

Frank Holder, Chairman, Latin America, FTI Consulting

Dieter Holtz Wedde, Chief executive, Laureate Mexico

Ernesto Lopez Portillo, Founder, Instituto para la Seguridad y la Democracia

Emilio Lozoya, Chief executive, PEMEX

Michael Penfold, Director for Public Policy and Competitiveness, CAF

José Ignacio Peralta, Undersecretary of Communications, Mexico

Alvaro Rodríguez Arregui, Co-founder and managing partner, Ignia

Francisco Xavier Salazar Díez de Sollano, Chairman, Energy Regulatory Commission (CRE)

Rosario Robles, Secretary of social development, Mexico

Carlos Ruiz, chief executive, IEnova

Carlos Salazar Lomelín, Chief executive, FEMSA

Toru Shimizu, Acting Japanese ambassador to Mexico

Shane Tedjarati, President, Global High Growth Regions, Honeywell

Cecilia Vega, Chief executive, Virgin Mobile México

Luis Videgaray, Secretary of finance and public credit, Mexico

Juan Carlos Zepeda, President, Comisión Nacional de Hidrocarburos

9.15 am Opening remarks

9.20 am Mexico's economic future

Luis Videgaray, Secretary of finance and public credit, Mexico

Moderator: Michael Reid, Columnist, Latin America, *The Economist*

9.45 am Foreign investment boom: An outside look into Mexico from the major global players

According to Mexico's government, foreign investment in the country totaled \$28 billion during the first 9 months of 2013 and has contributed to growth in a variety of sectors, including energy, technology and manufacturing. This session will convene the perspectives of the major multinational players who are

investing in Mexico and their outlook for the future. What do these new business projects mean for job creation? What challenges still remain for companies operating in Mexico? And will the reforms succeed in achieving significant long-term economic growth?

Helder Boavida, Chief executive, BMW Mexico

Carlos Salazar, Chief executive, FEMSA

Shane Tedjarati, President, Global High Growth Regions, Honeywell

Moderator: Henry Tricks, Mexico bureau chief, *The Economist*

10.30 am The Pacific Rim: How can Mexico harness global and regional partnerships for business growth?

Overseas markets represent a huge opportunity for business growth for enterprises of all sizes. However, expensive tariffs and heavy regulations become big barriers for conducting international business. Will trade agreements like the Trans Pacific Partnership and the Pacific Alliance alleviate these burdens and catalyse an export boom for local companies? Based on *The Economist* special report, to be released in October 2014, this session will look at Mexico's Pacific future.

Enrique Dussel Peters, Director, Institute for China-Mexico Studies, Universidad Nacional Autónoma de México

Michael Penfold, Director for Public Policy and Competitiveness, CAF

Toru Shimizu, Acting Japanese ambassador to Mexico

Moderator: Henry Tricks, Mexico bureau chief, *The Economist*

11.00 am Networking Break

11.30 am Energy 2.0: An analysis of the opportunities and challenges ahead for the energy market in two parts

Last year's unprecedented energy reform is for the first time allowing for private contracts and partnerships between Pemex and other companies, ending a 75-year-old monopoly in the sector. Now that there is an opening to form strategic alliances with the energy giant, what are the new opportunities out there? This two part session will first address the new rules and the new regulators in the energy sector. Hear from PEMEX, the Secretary of Energy and the Comisión Nacional de Hidrocarburos about how they are managing the changes ahead. Then, the second part will focus on the private sector perspective. What do new partnerships mean for the future of the oil and gas sector? Electricity? What is the future of North American energy integration? And how will the average Mexican benefit?

Part one:

Emilio Lozoya, Chief executive, PEMEX

Francisco Xavier Salazar Díez de Sollano, Chairman, Energy Regulatory Commission (CRE)

Juan Carlos Zepeda, President, Comisión Nacional de Hidrocarburos

Enrique Ochoa Reza, Director general of the Federal Electricity Commission

Moderator: Henry Tricks, Mexico bureau chief, *The Economist*

Part two:

Enrique Hidalgo, President, ExxonMobil Ventures Mexico

Carlos Ruiz, chief executive, IEnova

Moderator: Michael Reid, Columnist, Latin America, *The Economist*

1.00 pm Innovation in the telecoms sector

With the secondary reforms of the telecommunication reform under negotiation, innovation is now at stake. How will this sector really be more open and competitive? What do these changes mean for the end consumer and access to technology?

José Ignacio Peralta, Undersecretary of Communications, Mexico

Cecilia Vega, Chief executive, Virgin Mobile México

Moderator: Irene Mia, Regional director, Latin America, The Economist Intelligence Unit

1.30 pm Lunch followed by a networking break

3.00 pm Incentivising innovation: Creating an ecosystem for entrepreneurs and SMEs to thrive

SMEs are arguably the Achilles heel of the country's economy, comprising the majority of enterprises in Mexico. However, obstacles remain in creating an environment for them to thrive. What can the government do to improve access to capital for entrepreneurs and SMEs? What kind of incentives can stimulate the venture capital industry? And what can larger companies do to help level the playing field? Hear from the venture capitalists that are investing in Mexico and Latin America and how start-ups are tackling their business challenges.

Paul Ahlstrom, Co-founder and Chief executive, Alta Ventures

Lino Cattaruzzi, Country Manager, Google Mexico

Alvaro Rodriguez Arregui, Co-founder and managing partner, Ignia

Moderator: Irene Mia, Regional director, Latin America, The Economist Intelligence Unit

3.45 pm Going global

This segment will profile a business leader of a Mexican based multinational, who shares advice for other Mexican firms looking to spread their wings. What opportunities will Mexico's post-reform environment bring?

Fernando Gonzalez, Chief executive, CEMEX

Moderator: Michael Reid, Columnist, Latin America, *The Economist*

4.00 pm Networking break

4.30 Social development: Democratising opportunity through education and work

Mexico's legacy of underdevelopment remains a significant barrier to economic progress. How can the country ensure that the bottom of the pyramid reap the benefits of Mexico's reform agenda? What is the role of the government and private sector to ensure that education and talent development can deliver on the promise of social mobility?

Dieter Holtz Wedde, Chief executive, Laureate Mexico

Aldo Rees, President, Pfizer Mexico

Rosario Robles, Secretary of social development, Mexico

Moderator: Irene Mia, Regional director, Latin America, The Economist Intelligence Unit

5.00 pm Security and law-enforcement

Security in Mexico remains a major impediment to businesses operating in the country. Hear from businesses about how they are tackling security challenges on a daily basis and the government's perspective on their strategic next steps.

Frank Holder, Chairman, Latin America, FTI Consulting

Ernesto Lopez Portillo, Founder, Instituto para la Seguridad y la Democracia

Moderator: Michael Reid, Columnist, Latin America, *The Economist*

5.30 pm Closing keynote interview

6.00 pm End of event