

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**