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The Mexican Issue



Sheinbaum, the digital challenge

[Jorge Fernando Negrete P.](#) [President of DPL Group.](#) X / [@fernegretep](#)

Democracy, economic development, and human rights only find refuge and opportunity in the digital realm. There is no more powerful tool for social transformation than the internet and telecommunications services. Placing these tools at the center of public action signifies political will, vision, and something called digital well-being.

The facts. In front of Mexico's business elite, Claudia Sheinbaum announced the creation of the Digital Transformation and Telecommunications Agency. Before announcing her cabinet, she strategically communicated the focus of her public vision: **the digital transformation of the government.** One day later, the president-elect introduced the heads of the first 6 secretaries. Two stood out: the Ministry of Science, Humanities, Technology, and Innovation, and the Ministry of Economy. Rosaura Ruíz Gutiérrez and Marcelo Ebrard were appointed to lead them, respectively.

The message. The president-elect chose the Coordinating Business Council as the stage to give maximum visibility to the digital realm as the center of her government vision. It is an economic, political, and social message of great vision. Presidents who have given visibility to this matter include Boric in Chile (the best-connected 5G country in Latin America and one of the fastest broadband networks in the world), Petro in Colombia (with recent 5G bidding and leading AI adoption policies), and Lula da Silva in Brazil, where he added steroids to the 5G bidding and launched a crusade for the most visceral digital transformation ever seen. Argentina has 5G and is seeking investment in Artificial Intelligence.

The global model. Asia leads in the institutional design of digital policies. South Korea, China, and several Asian countries have Ministries of Science, Technology, and Innovation; Spain has a Ministry of Digital Transformation. Latin America has a long history of ICT Ministries in Colombia, Ecuador, and Brazil.

Sheinbaum's proposal. Sheinbaum proposed a hybrid model. Marcelo Ebrard has the most important project of this government: digital nearshoring. I am referring to the semiconductor industry, processors, or commonly known as chips. We are talking about the highest digital technology on the planet. On the other hand, the Ministry of Science, Technology, Humanities, and Innovation has the opportunity to lead a scientific and technological policy on the scale of North America.

The Digital Transformation and Telecommunications Agency will be led by José (Pepe) Merino. In Sheinbaum's words, it will be responsible for the digital transformation of the government. This unit will have public policy powers in the field of telecommunications and will undoubtedly be the most important digital think tank in the government, especially with the concept of "public digital technology."

I like the institutional design of digital policy, but the powerful political message even more.

El State of Affairs



Claudia Sheinbaum made history in June when she was elected as Mexico's first female president, winning the election with the highest vote percentage in history. The incoming president has introduced her own priorities focused on responsible economic management and effective social spending. Among the president-elect's stated goals is reducing the largest budget deficit Mexico has seen in decades. Despite the consensus among experts that her administration is more structured compared to her predecessor's, Sheinbaum confronts challenges in areas including the economy, environmental issues, and energy security.

Markets have generally not reacted positively following Sheinbaum's election. Although her administration has stated its commitment to fiscal discipline, the Mexican peso recently fell to its lowest level since March 2023 in the days after Sheinbaum said she would push forward with sweeping judicial reforms. Last month, Citigroup economists downgraded their forecasts for GDP from 2.1 percent growth to 1.8 percent growth in 2024 and from 1.5 percent to 1.2 percent for 2023.

One issue that will prove important in achieving Sheinbaum's economic goals is ensuring that Mexico has a stable, growing energy supply. Sheinbaum campaigned on a commitment to significantly raise the oil-producing country's share of renewable energy to as much as 50% by the end of her term in 2030. Sheinbaum has also pledged to boost wind and solar energy as part of a \$13.57 billion investment in new energy generation projects.



Source: Baker Institute

However, building the country's renewable energy capacity will be no easy feat, especially within the context of outgoing President Lopez Obrador's contentious energy policies. During his presidential term, the outgoing president took steps to reverse reforms that had previously liberalized Mexico's energy sector in order to attract private investment and meet growing electricity demands. Lopez Obrador's pledge to keep at least 54% of Mexico's energy production in the state's hands and his subsequent efforts to tighten state control over energy were a controversial aspect of his presidency. The outgoing president spent billions supporting Mexico's fossil fuel-dependent energy giants including oil firm Pemex and power utility CFE. Lopez Obrador's policies sparked tension with investors and have made some foreign firms rethink nearshoring operations to Mexico. Currently, the Economic Ministry lists more than two dozen active or planned investor disputes against Mexico,

Some argue that Lopez Obrador's policies had the detrimental effect of squandering a unique opportunity to attract foreign direct investment from multinational companies that are moving to reduce their reliance on China. Mexico has various characteristics that provide it with a unique position to benefit from investment opportunities created by these global developments, including its strategic position, affordable workforce, and growing economic integration with North America. Moving forward, Sheinbaum has highlighted the opportunities nearshoring presents for the country and acknowledged the need for infrastructure to support economic growth and social development.

Nearshoring creates increased demand for energy infrastructure which state firm CFE cannot meet alone. Sheinbaum cannot guarantee a stable supply of energy without the regained trust of private investors that were isolated by Lopez's policies. Failing to rebuild these relationships could jeopardize Mexico's commitments under the Paris Agreement and the United States-Mexico-Canada Agreement (USMCA). Sources have emphasized Sheinbaum's awareness of factors including budget constraints, rising energy demand, and the need to avoid costly disputes like those seen under Lopez Obrador.

Overall the USMCA has been highly positive for Mexico. In 2023, Mexico overtook China as the United State's biggest trading partner as a result of the USMCA. Sheinbaum's administration recognizes that this growing economic relationship with the United States can contribute to a large part of Mexico's economic growth. Moving forward, Sheinbaum's ability to strengthen economic relationships with trading partners and foreign investors will be a crucial factor in reaching her economic targets.



Source: The Financial Times

The benefits of the USMCA for Mexico have occurred within the backdrop of an expanding economic relationship between Mexico and China. The two countries have maintained a very good political dialogue and cooperation in various fields over the past 20 years beginning in 2003 when they established their first strategic partnership. Last year China-Mexico trade volume reached over \$121 billion, as Mexico imported goods worth \$114 billion from China and exported \$11 billion worth of goods to China. Cooperation with Chinese firms has had positive impacts on local development in Mexico and has made it possible for Chinese products to continue accessing the North American market. However, the upcoming U.S. presidential election may have ripple

effects on this China-Mexico relationship as Joe Biden targets Chinese steel exports with tariffs on shipments via Mexico. In a bid to stop Chinese metal entering the U.S. across the Southern border, the White House said that duties of 25 percent would apply to any steel entering the U.S. from Mexico that was not melted and poured in North America. This move comes as Biden tries to shore up support in rust-belt heartlands ahead of the election.

In conclusion, Claudia Sheinbaum faces a complex landscape of social, economic, and environmental challenges as she assumes the presidency in Mexico. We trust that she will use her power to strengthen the country's international relationships and lead the country in a good direction.

La Charla [Gabriela Cuevas Barron](#)



Gabriela, you possess an impressive background, having served as an elected official at both the local and federal levels for more than two decades. Additionally, you have held high-level positions within international organizations. Lately you have been the electoral

campaign spokesperson for elected President Claudia Sheinbaum. Along all these roles and responsibilities what has been the most challenging?

The biggest challenge for me has always been being a young woman in a time when there weren't as many women or young people in politics. The first time I was elected was in 2000, and only 10% percent of the Mexican Chamber of Deputies were women. It wasn't the reality we live in now, where the Me Too movement has opened doors for women that we didn't have before. So, the challenge was not only proving that as a young woman, at the age of 21, I had the capability, but also that women and young people in general had the capacity. It was difficult and somewhat unfair because men weren't expected to prove themselves in the same way. On the other hand, electoral life is not easy. We often hear stories of triumph, and fortunately, I have won all my elections by the grace of God. But each campaign has its own strong component, both personally and in terms of professionalizing the campaigns. There is no definitive recipe for running a campaign, although some consultants may claim otherwise. Nobody is born knowing how to campaign or how to engage with people in politics. It becomes somewhat intuitive and something you learn as you go along.

How do you see women in politics in Mexico after Claudia's election?

Nowadays, Mexico has undergone a significant change since the Mexico of the year 2000, when I held my first elected position. Currently, Mexico is far from that reality. For example, the two main candidates in the recent elections were women: Claudia Sheinbaum and Socorro Gálvez. It was a competition where women played a prominent role. In the case of Clara Brugada in Mexico City, she was the only woman competing against two men. However, both Claudia Sheinbaum and Clara Brugada are women with a strong academic background and a notable experience in previous governments. Clara Brugada has the responsibility of governing Iztapalapa, a municipality with a population of 2 million inhabitants, which is comparable to the size of some countries. On the other hand, Claudia Sheinbaum has had a very interesting trajectory, coming from the scientific and academic field, and having governed the municipality of Tlalpan before reaching Mexico City and now the national government. In summary, the interpretation we have made of this process is that it is the moment of women. Although gender quotas have worked well in the legislative part and in some local executive positions, in this occasion, the presidential debates focused on women, on two strong women with an electoral offer and a gender vision. I believe that this must transform Mexico once and for all.

Could Mexico be an international beacon for women in politics?

There is an interesting opportunity for political parties worldwide to create new approaches that don't have such complex learning processes as previous generations. Now, as a spokesperson for Claudia Sheinbaum and Clara Brugada, I get to see a very different reality. In the year 2000, we had only 10% of women in the Chamber of Deputies, but now we have gender parity in the Congress. We are the fourth country with the highest percentage of

women in Parliament in the world. We have the first elected female president and a woman leading the Supreme Court. In fact, by the end of this year, Mexico will likely have women presiding over all branches of government. So, while there are challenges, there is also a rewarding aspect to this story that goes beyond personal achievements. It's about witnessing the transformation Mexico has undergone in terms of women's political empowerment.

Claudia Scheinbaum has been the most voted presidential candidate, while her party got full majority in both houses. Expectations are high. What the challenges ahead for the new government?

The overwhelming trust of the people during the election was a significant and meaningful moment for us. It was emotional to witness the first woman elected as president of the Republic. The immense support that Claudia Sheinbaum brings to the composition of the Congress and in winning more gubernatorial positions every day is truly gratifying. It is clear that there is a tremendous popular backing for Claudia and, as the president always says, love begets love. Having the trust of the Mexican people on such a large scale undoubtedly imposes a greater responsibility in governing and delivering results promptly. While technology has changed, the pace of public policy processes has not accelerated entirely. However, people now expect faster responses due to the transformation of our consumer power. This presents a significant challenge in redesigning public management in Mexico at the national, state, and municipal levels. It is crucial to bring the legislative and judicial branches closer to the people and find better ways to address the ongoing challenges that our country faces, particularly in the areas of security and healthcare. As a regional power, Mexico also has a responsibility in terms of the outcome of the United States' election. It is essential to view Mexico as a bridge of understanding between North America, Central America, and South America, as this integration is crucial in various aspects such as commerce, culture, tourism, science, and technology. Therefore, it is important for our government to have a broader perspective in addressing these issues.

According to an OECD report, Mexico holds one of the highest level of inequalities. As much as in other Latin American countries, Mexican elites are disconnected from workers. What kind of new narrative could narrow this gap?

I believe that the issue lies in allowing the tensions of the electoral process to calm down a bit. Our electoral process did experience polarization, mainly from the right side. Many people want to attribute this narrative solely to the president's discourse, but the reality is that there was also a polarizing campaign from the right, with a lot of misinformation. It is necessary for the waters to calm down after the elections and for us to start focusing on the economic development, especially regarding those dedicated to the entrepreneurial life in Mexico. There has been a narrative of people moving to Miami or Madrid, but the truth is that Mexico has had a very interesting economic performance in recent years. While many economies closed or stagnated during the pandemic, the Mexican economy kept going. We cannot afford those luxuries because a large part of our economy and our people live day by

day. This has contributed to Mexico maintaining an interesting economic dynamic that provides certainty, encourages investment, and generates better salaries. The increase in the minimum wage has been one of the most important achievements of this government, and it was achieved through collaboration between the government and the employers, without resulting in inflation as in previous governments. Additionally, during this tenure, practices such as outsourcing have been regulated, which has improved the quality of life for people in Mexico and made them happier. This is reflected in the high approval rating of the president and in Claudia Sheinbaum's victory with 35,000,000 votes, which is related to the good economic performance. The numbers don't lie, and the banks are making record profits, which may not fill those of us who think more from a left-leaning perspective with pride, but it shows that Mexico is a prosperous country that is generating well-being for everyone. Those who express fear and threaten to leave should consider that 97% of the investment in Mexico comes from reinvestments, meaning that people continue to have confidence in our country and bring more and more of their businesses here. This has undoubtedly benefited us. Despite what may be seen in the US electoral debate in recent months, the current government, which has had to work with both Trump and Biden, has done well and achieved very important agreements. Therefore, what I would say is that they should learn to evaluate the facts rather than being swayed by the political and electoral narrative, as that realm is about stirring emotions and not making investment decisions based on good reasons. As we say in Mexico, "actions speak louder than words." People should look at the numbers and the facts, not the political narrative.

Mexico benefits from US-Mex-Canada trade agreement, the recent US government nearshoring policies while is open for business with Chinese companies. How do you see Mexico international role ahead?

There is a very interesting aspect of what is happening in the United States political debate, and that is the zeal of both the Democratic and Republican parties regarding China's presence. China is mentioned a lot in Mexico, but in reality, I believe it is about a reading that encompasses the entire region, particularly regarding Chinese investment in Latin America. I think the key here is to generate much greater cooperation schemes that can start from the commercial sphere, where we have the most agreements throughout the region, beyond political debates. These schemes should also translate into cooperation programs that generate greater well-being in all of Latin America. For the United States, it is important to protect its labor and productive schemes, but for Latin America, it is important to establish rules that promote fairer trade, more integrated production chains, and stronger institutions. It is also crucial to improve health and education conditions and provide certainty for people, allowing them to avoid forced migration due to economic or security reasons. In other words, there is a human right to not have to emigrate, to not have to leave communities forcibly, and this requires economic and security conditions. In this sense, Mexico can build bridges of understanding between the United States and Canada with all of Latin America because Mexico's foreign policy does not depend on ideological conditions or on setting the guidelines from the capitals of North America or South America. It is about generating schemes where sovereignty and respect among nations enable us to collaborate

more effectively. Therefore, I hope that our foreign policy in the coming years will move in that direction. I also appreciate Claudia Sheinbaum's emphasis on multilateral agreements in environmental terms, as I believe Mexico has much to contribute due to its geographical and climatic situation. It is a great way to attract investments and generate a new industry in Mexico that can benefit Central America, which does not have as many facilities, for example, in terms of energy production. I believe we are heading in the right direction, and I trust that whoever wins the election, Mexico has already had experience working with both Donald Trump and Joe Biden. If there are changes within the Democratic Party, Mexico has also worked with Kamala Harris, particularly on the migration agenda, and I believe that this path of understanding will continue with whoever the American people choose, be it a person or a party.

The participation of women in the workforce in Mexico is on the rise but a range of gender disparities remain, including in the area of pay and representation in leadership position in the private sector. How will a President woman tackle it?

Today in Mexico, there is talk of the transformation that the government of President López Obrador represents. Claudia, on her part, aims to build upon this transformation, but I believe that this time it should be a transformation focused on the women of Mexico. Currently, women in Mexico face significant challenges, such as high unemployment rates and a lack of wage equality. Additionally, gender-based violence is a significant issue, with a high number of homicides and femicides in the country. Therefore, it is crucial to ensure that this political transformation in favor of gender equality is reflected in concrete actions, such as the implementation of a National Care System and guaranteeing greater security for women. It is also necessary to promote greater economic equality, including access to credit and job opportunities. In summary, I believe that this transformation should be driven by women, with the active participation of all those who wish to contribute to social change in Mexico. It is time to change the social dynamics and ensure a more equitable and just society for women.

What the priority for empowering women?

I believe the topic is empowering women, specifically within the Mexican family context. There are various aspects to consider, such as the impact of the migration phenomenon, which separates millions of families in Mexico. Additionally, there are different dynamics across states, with some being more conservative than others. However, efforts have been made to change this mindset. One of the key factors is ensuring opportunities and access to healthcare for women. This includes having a reliable state-run care system that allows women to work with the assurance that their children are well taken care of. It is also important to address issues of gender pay equality, ensuring that women receive the same salary as men for the same work. The goal is to continue building a Mexico that promotes well-being, with a specific focus on women.

What your best suggestion for food to a friend in Mexico City?

Well, in Mexico we express love through food, just like the Italians do, but we have an advantage here: we have more ingredients to work with. You have to see it, you have to try it. It's true that healthier options can win over, but there's nothing quite like Mexican tacos. It's a very cultural thing, you know. The warmth of a restaurant can range from street vendors to Michelin-starred establishments. Mexico truly has a passion for food. We are one of the world's top food producers, with a significant diversity of flavors not only in Mexico City but throughout the country. For example, the enjoyment of a large meat dish with tortillas in the northern region is very different from the experience of a delicious cochinita pibil in Yucatan. We have an impressive variety of moles, ranging from Puebla to Mexico City and of course Oaxaca. And let's not forget the seasonal delights, like chiles en nogada. My favorite restaurant in Mexico City is [Quintonil](#), but you can also find excellent chiles en nogada at a café called Paris 16 on Paseo de la Reforma. And of course, you can enjoy delicious tacos practically at every taquería. Mexicans have a weakness for flavors that captivate us, from the enticing aromas to the beautiful presentation of the dishes. So, if you come to Mexico, be prepared to try spicy food, bring a good antacid just in case, and understand that food pairs best with a good tequila or a cold beer, especially mezcal.

Mexico is vast, beautiful and complex. Ancestral culture merged with western and European lifestyles and cultures. What to see and how to see it?

Perhaps the combination would be to first read Octavio Paz's "El laberinto de la soledad" and understand how he tried to express and transmit the soul of Mexicans, which is not a simple soul at all. This part is fundamental to understand ourselves. After reading "El laberinto de la soledad", it would be great to visit Mexico. However, organizing a visit can be challenging because it is always crowded, especially during the Day of the Dead celebrations. The Day of the Dead is a fascinating event that reflects the cultural syncretism between Mexico and Spanish Catholicism. It is particularly prominent in the Purépecha region of Michoacán, but also in different parts of Oaxaca and the Milpa Alta region of Mexico City. The Day of the Dead brings together one of the most important beliefs, which is the visitation of souls from the afterlife to the living. It is a celebration filled with faith and ancestral beliefs that blend with a form of Catholicism that has become more open over time. For example, visiting cemeteries with processions that leave from the village church, seeing images of the deceased, hearing people sing, and witnessing the offerings of tequila, dancing, and music, as well as the tombs adorned with flowers, creates a magical atmosphere. The marigold flower, known as "flor de cempasúchil," is used to decorate the cemeteries, along with candles. It is a scene that is difficult to recreate elsewhere and is truly a unique Mexican experience. Another recommendation is to visit Xochimilco in Mexico City, which offers a glimpse into the modern life of our city. The Paseo de la Reforma corridor, museums, art galleries, and the Anthropology Museum are also worth exploring. Additionally, a visit to the Chapultepec Castle and the Teotihuacán pyramids, especially during the spring equinox, is highly recommended. Finally, exploring the magical towns along the corridor from Puebla to Oaxaca and experiencing the ongoing projects like the

Maya Train, which connects various archaeological sites in the southeast, and our beautiful beaches are other highlights. As someone who loves my country, I may be biased, but you can verify all this information, even through the images on Google.

What next and can't be missed in Mexico?

[The FIFA World Cup 2026](#) in all of North America. It will be the first World Cup to be held in 3 countries and will be inaugurated in Mexico, specifically in our iconic Azteca stadium, which has already been a World Cup venue. I think this will be a very interesting exercise in a new type of regional active diplomacy. It could even open up new opportunities for cooperation in different areas. This is truly a great message for North America, and we will undoubtedly give the warmest welcome to all our visitors, especially those coming from our sister countries in Latin America and the Caribbean. And of course stay informed following CCLATAM website.

Elsewhere in LATAM

 Bolivia's President Luis Arce announced a significant natural gas discovery north of La Paz, the largest in nearly 20 years. The Mayaya X-1 field holds an estimated 1.7 trillion cubic meters of gas, valued at \$6.8 billion, and aims to revive the country's struggling gas industry. This discovery comes at a crucial time, as Bolivia has recently become a net importer of hydrocarbons. The state energy company YPFB invested \$50 million in this new field, which is expected to boost Bolivia's gas reserves and restore its status as a major gas exporter.

 Brazilian authorities initiated a massive operation in Rio de Janeiro, deploying nearly 2,000 military and civil officers to reclaim control of ten low-income neighborhoods from organized crime. Targeting the city's western zone, the operation aims to address territorial disputes between drug traffickers and militias. Governor Cláudio Castro emphasized the commitment to fight criminal organizations holding residents hostage. The operation, which includes Brazil's navy and municipal guard, will carry out arrest warrants and has no specified end date. Organized crime's spread has led to fierce confrontations, with militias now controlling over half of Rio's metropolitan region.

 Alberto Fujimori, the 85-year-old former president of Peru, plans to run for president in 2026 despite his controversial past. His daughter Keiko announced his candidacy, though legal experts question its viability due to his previous convictions. Fujimori, released from prison last December after his pardon was reinstated, owes \$15 million in civil damages and faces potential disqualification under Peru's constitution. Political analyst Gonzalo Banda suggests Fujimori aims to re-establish his party as a

dominant right-wing force, appealing to voters concerned about crime and violence, even if he doesn't reach the second round of voting.

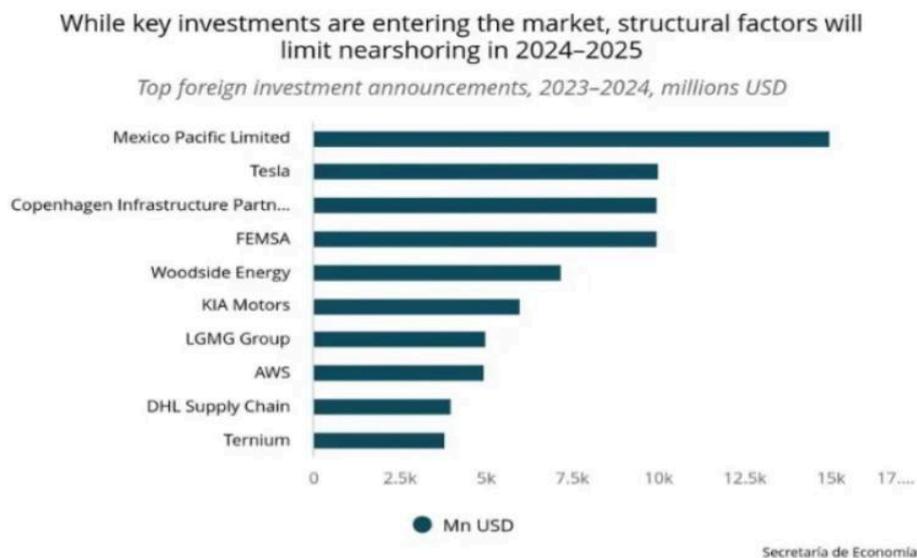
 In Puerto Rico, U.S. government announced \$325 million in federal funds for solar and battery storage installations in Puerto Rico to address chronic power outages. Funded by the Department of Energy, the program will target community centers, healthcare facilities, and subsidized housing. Energy Secretary Jennifer Granholm, visiting Puerto Rico, highlighted the urgency of reliable power, especially for those relying on medical equipment. The announcement comes amid widespread outages and public anger. In June, 350,000 customers experienced outages, prompting an investigation. The power grid, still fragile after Hurricane Maria, faces high electricity rates and inadequate infrastructure investment.

La cita

Siempre digo que lo mejor que le podemos dejar a nuestros hijos, a nuestros nietos es decirle orgullosamente fui protagonista de la transformación del país

Claudia Sheinbaum, President of Mexico

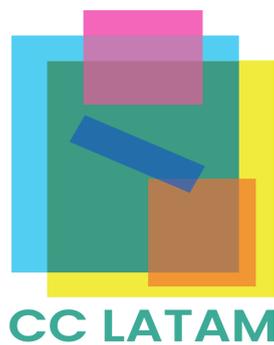
El Gráfico



La lectura

Gabriela Cuevas Barron suggests [Octavio Paz's "El laberinto de la soledad"](#) as your way to get Mexicans.

Ana Martinez, an intern at CC-LATAM, suggests “Outlive: The Science and Art on Longevity” by [Peter Attia](#). For those who want to focus on optimizing their mental and physical health, Outlive teaches readers strategic and sustainable ways to extend their lifespan. The book first focuses on the diseases of aging that affect most people, such as cancer and Alzheimer’s, and then how prioritizing factors like emotional health, physical health, nutrition, and sleep can prevent the onset of such problems. Outlive is a powerful read that everybody can benefit from.



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