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Trump's Return: Migrants, Trade and Security under Spotlight

Donald Trump's victory in the U.S. election has sent tremors through Mexico, with implications for security, trade and the future of migration policies. President Claudia Sheinbaum and Secretary of the Economy Marcelo Ebrard responded emphasizing Mexico's key role in North American regional leadership, and benefits of cooperation over unilateral actions. The Mexican government's careful "wait-and-see" approach contrasts with Trump's aggressive announcements often targeting Mexico, but at this point the government has little option but to play it cautiously and await Trump's policies.

Trump's past rhetoric on tightening border security and imposing harsher immigration restrictions foreshadows a potentially worrying scenario for about 4 million undocumented Mexican migrants in the USA, (and another 7mn or so from other countries who came to the USA via Mexico), many of whom now face the threat of forced repatriation. Should Trump make good on these threats, Mexico could be confronted with a border crisis from Mexicans and non-Mexicans alike that will strain its resources and jeopardize the safety and livelihoods of its citizens seeking opportunity abroad.

Trump may seek to reinstate the "Remain in Mexico" policy, officially known as the Migrant Protection Protocols (MPP), when he returns to office. This policy, implemented during his first term, requires asylum seekers to wait in Mexico while their U.S. immigration cases were processed. Mexico would need to agree to this, and along with other border issues (blocking migrants in its Southern border), would give it some leverage over Trump's broader trade and migration policy.

The key test will be whether Mexico's leadership can prepare a robust but pragmatic strategy in the face of mounting U.S. pressure – particularly in the context of the USMCA renegotiation and other discussions on regional security. From 2018-2020 AMLO was able to broadly to defend Mexican interests while maintaining good relations with Trump, but will Sheinbaum be able to contain a stronger and potentially more belligerent second-term Trump?

Will Mexico's National Electric Strategy Deliver Real Change?

With the aim of ensuring access to electricity for all Mexicans and fostering national development, President Claudia Sheinbaum presented the National Electric Sector Strategy as part of the National Energy Plan. Through this strategy, the stated goal is for Federal Electricity Commission (CFE) to maintain the 54% of electricity generation set forth in the recent reform, allowing 46% for the private sector.

“CFE will continue to grow and strengthen. How? Through proven financial schemes, we will keep increasing the number of megawatts generated. A very significant percentage of this growth will come from renewable energy sources,” the President explained.

The specific rules for private participation remain to be defined, as well as the plan’s capacity to adapt to the projected growth in electricity demand without limiting its potential expansion. Sheinbaum has stated that the secondary legislation will be made public at the beginning of next year, ahead of the legislative session starting in February.

Critics argue the plan is heavy on rhetoric but lacks the specifics on how these promises will be implemented, or how they intend to navigate existing infrastructure challenges, and implement the transition to cleaner, more sustainable sources. Furthermore, without a flexible framework to handle increased demand, there’s a clear risk that the 54%/46% strategy could constrain the sector’s overall growth, limiting Mexico’s ability to meet both domestic and industrial energy needs in the long term.

On the other hand, industry participants have expressed optimism about the aggressiveness of the new administration’s goals, which makes it all but necessary for public-private collaboration. They also acknowledge a decidedly more open dialogue, especially when compared to the previous administration’s more ideological, closed-door stance.

There is considerable anticipation as Sheinbaum is expected to present the PEMEX component of the energy plan this week. As with the electricity strategy, we would expect more “broad strokes” at this point, with participants focused on the tone of the message, as they continue to await the fine print later next year.

New Telecom Regulations Under Threat Amid Autonomous Body Dissolution

The Federal Telecommunications Institute (IFT) has announced a series of new regulatory measures aimed at curbing market power of América Móvil, the Predominant Economic Agent in Telecommunications (AEPT), with the goal of fostering greater competition and improving conditions for users in Mexico's telecommunications sector.

New measures include the delivery of unlocked devices, the elimination of mandatory contract terms, and the prohibition of conditions for obtaining services or devices, all aimed at facilitating switching between operators, giving users greater freedom of choice and better conditions for telephone and internet services. America Movil said it would appeal the new provisions. Adding uncertainty to the mix, the decision comes in the context of the imminent approval of the constitutional reform aimed at eliminating various autonomous bodies, including it seems the IFT.

Ahead of the upcoming vote in the Chamber of Deputies, Sheinbaum reiterated her stance in favor of their dissolution, though the cases of the Federal Economic Competition Commission (COFECE) and the IFT are under review to ensure compliance with the USMCA. “Clearly, the aim is to prevent monopolistic practices and to have a technically independent body, but not these agencies that, in reality, haven’t even proven their efficiency,” said the President.

She explained that she suggested to legislators that the term “Technical Independence” be retained regarding the dissolution of autonomous bodies to ensure compliance with the United States-Mexico-Canada Agreement (USMCA), which will undergo review in 2026.

With a 2026 review on the horizon, there is concern that simply preserving a phrase without enforcing its principles may expose Mexico to challenges and criticisms from trade partners. Without robust safeguards, this “technical independence” could become little more than a symbolic gesture, failing to deliver the accountability and oversight these bodies were created to ensure.

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