

Public Affairs Chatter

January 27, 2026

The Mexican Narrative at Davos Tests Investor Patience

Mexico was barely present at Davos, which turned into one of the most consequential Davos meetings of all time. While other governments arrived with prime ministers, finance ministers and top chief executives in tow, Mexico sent a relatively small delegation led by second tier environment minister Alicia Bárcena and the President's Business Advisory Chair but private citizen Altagracia Gómez. Following the government's cue, not one of the CEOs of Mexico's large and stock market listed companies was reported in attendance. The subdued showing appeared consistent with the tone set in Palacio Nacional, Mexico City: keep a low profile, avoid unnecessary confrontation, and, in particular, avoid giving President Trump an excuse to make Mexico a target.

The message delivered on the ground was familiar and broadly sensible. Officials again framed Mexico as the natural "nearshoring" platform for North America, and presented Plan México as a pipeline of investable projects — grid expansion, cleaner power, logistics and higher-value manufacturing — designed to turn geopolitical supply-chain anxiety into long-term capital. It is a pragmatic pitch: less marketing, more execution. Altagracia Gomez talked about a goal of moving investment/GDP from current 24% of GDP to 25% in 2026 and then 28% in 2030, an ambitious goal with investment currently declining to GDP and in absolute terms in recent quarters.

The difficulty is that execution is hard to sell if you are not in the room. Davos works best for countries that can pair a strategic narrative with visible political weight: leaders who can reassure investors on permitting, regulation and energy reliability, and who can signal continuity beyond slogans. Without the presence of the president or the economy minister or top CEOs, Mexico's case risked getting lost in the more powerful pitches by others.

This might not matter if Mexico was anyway growing strongly, and attracting lots of investment. But Mexico's growth has lagged that of all main peers over the past decade. Per a recent BofA research report, Mexico's GDP per head is roughly unchanged from a decade ago. Over the past five years Mexico's cumulative per-capita growth was just 1.5%, versus 9% in the US and Brazil, 11% in Korea, and more than 20% in China and Vietnam. Over 20 years, Mexico's per-capita gain was 9.5%, below the near-30% increase for Latin America as a whole. Last year was no exception, with Mexico growing at about 0.5%, far below population growth of around 1.5%. This year economists are looking at growth at about 1.3%, still below population growth.

Lack of investment and limited total factor productivity growth are to blame. Turning up to Davos clearly by itself solves nothing. But it cannot hurt mixing and socializing with the world heads of state and

corporate titans. And maybe Mexico's leaders would learn something from listening from their counterparts from faster growing places on what they have done and are doing.

That does not mean the opportunity has gone away. Mexico's advantage in geography and industrial depth remains real. But at a moment when investors are scrutinizing power supply, permitting timelines and regulatory certainty more than ever, a quieter-than-usual Davos presence made it harder to convert a well-worn story into new commitments.

USMCA in Practice: When Trade Starts to Look Like Allegiance

The spat between Mark Carney and Donald Trump at Davos and afterwards underlines, in case they were any doubts, how the 2026 review of the USMCA is likely to unfold: not a tidy exercise in trade law, but a test of political leverage. Carney cast Canada's limited new commercial engagement with China as compatible with treaty obligations. With Trump subsequently threatening Canada with more tariffs if it reached a trade agreement with China – not on the cards, so an empty threat for now – there is no doubt the USA is using access to its market to enforce industrial and strategic alignment with its geopolitical goals, something Mexico has fortunately understood well.

USMCA was designed as a technical framework, built around rules of origin and tariff schedules. It is drifting towards a more discretionary instrument, where “compliance” is judged not only by paperwork but by where things are made, by whom, and under what political assumptions. Trump's talk of excluding vehicles built in Canada or Mexico points to a broader intent: supply chains should serve national America First priorities first, efficiency second.

The imbalance inside the pact makes this easier. Although the agreement is formally trilateral, the politics often revert to bilateral bargaining. The United States, as the indispensable market, can apply pressure one country at a time — a simpler tactic, and usually a more productive one for Washington, than three-way negotiation.

It has also raised a sharper question in Ottawa and Mexico City: could Trump, in effect, try to sideline Canada altogether if Carney continues to demonstrate annoying independence. In practice, “excluding” a partner from USMCA is not a simple matter. It would imply either withdrawal or a fundamental rewrite, and any durable bilateral US-Mexico replacement would almost certainly require a new legal framework and thus US congressional approval. In the present climate, that is improbable. It would be easier in that scenario for Trump just to cancel the whole USMCA and reach a non treaty trade agreement with Mexico. But that would be far inferior to continuation of USMCA from Mexico's perspective as free trade would lack legal power of a treaty (which while has been undermined by Trump is better than the non-treaty alternative). So it is not in Mexico's interest for Canada to be pushed away, even if from the sidelines Mexico, like the rest of the world, no doubt applauded Carney's masterful Davos speech (from TV screens, not in person).

Extorsion Wars

Mexico's new anti-extortion strategy is gaining momentum—but not necessarily where it was expected. While framed as a major security milestone, its earliest and most visible effects are regulatory. Mandatory SIM registration and tighter ID controls turn telecom identity into a de facto enforcement tool, effectively enrolling private infrastructure into the government's crime-prevention toolkit.

This creates a structural disconnect: the policy tools, designed for traceability in physical telecom networks, don't fully match the threat landscape, where most extortion tactics have migrated to VoIP, spoofed identities, and cloud-based apps. In practice, compliance burdens are increasing with limited evidence that these controls are disrupting the primary channels of criminal activity.

President Sheinbaum has confirmed that a constitutional reform enabling ex officio prosecution of extortion is about to be published, after passing through both federal chambers and a majority of state legislatures with unanimous support. She emphasized that the government is using INEGI data to identify cities with growing cases of extortion, and will launch a public awareness campaign in February to offer preventive guidance to citizens.

But businesses are already feeling the friction. Legal reforms expand state powers: dedicated anti-extortion units, unified investigation protocols, and broader use of the anonymous 089 hotline. This also deepens public-private coordination. Companies in telecom, retail, logistics, and finance now face growing expectations around data verification, security practices, and regulatory exposure tied to user identification.

Employers' confederation Coparmex has called for the creation of state-level prosecutors to address not only criminal extortion but also what it describes as "*moches*", informal payments demanded by local authorities, a dual threat to business operations.

Chatterbox:

- The Supreme Court struck down Sinaloa's *anti-halconeo* reform, concluding that the state legislature overreached in its attempt to criminalize the collection of information related to security operations. By a six-vote majority, the Court held that the provision, approved in 2024 and challenged by the National Human Rights Commission (CNDH), violated freedom of speech, access to information and the principle of legality, due to its overly broad and imprecise drafting. While the intent was to curb intelligence-gathering for criminal groups, the ruling made clear that the law's scope risked criminalizing legitimate activities such as journalism and public-interest research, reinforcing the Court's role as a backstop against security measures that blur into constitutional overbreadth.
- A decree reforming Mexico's General Health Law was published in the Official Gazette, introducing significant updates in areas such as digital health, medical device regulation, and tobacco alternatives. The reform formally regulates telemedicine, mobile health services, electronic health records, and wearable devices. It also eliminates the possibility for third parties

to conduct inspections for Good Manufacturing Practices certificates. For medical devices, it mandates post-market surveillance (techno vigilance), which was previously only covered in technical standards. Most notably, the reform imposes a blanket ban on the production, trading, import and distribution of e-cigarettes and similar devices. Existing authorizations are rendered void, and violations may lead to prison sentences of up to eight years and fines exceeding MXN 230,000. The changes took effect from 16 January 2026.

Contact:

Laura Camacho

Executive Director Miranda Public Affairs

laura.camacho@miranda-partners.com

Gilberto García

Partner and Head of Intelligence

gilberto.garcia@miranda-partners.com