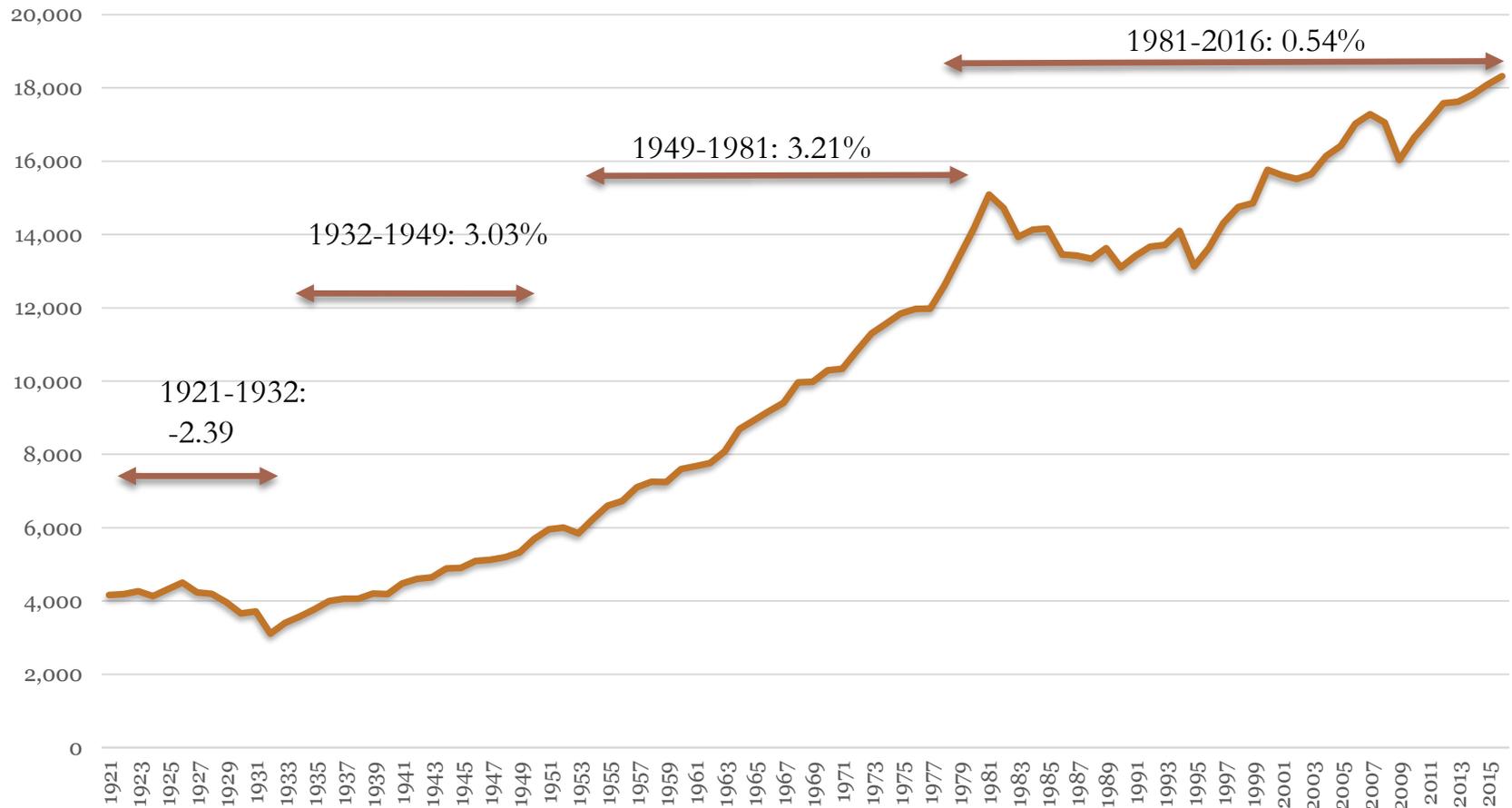
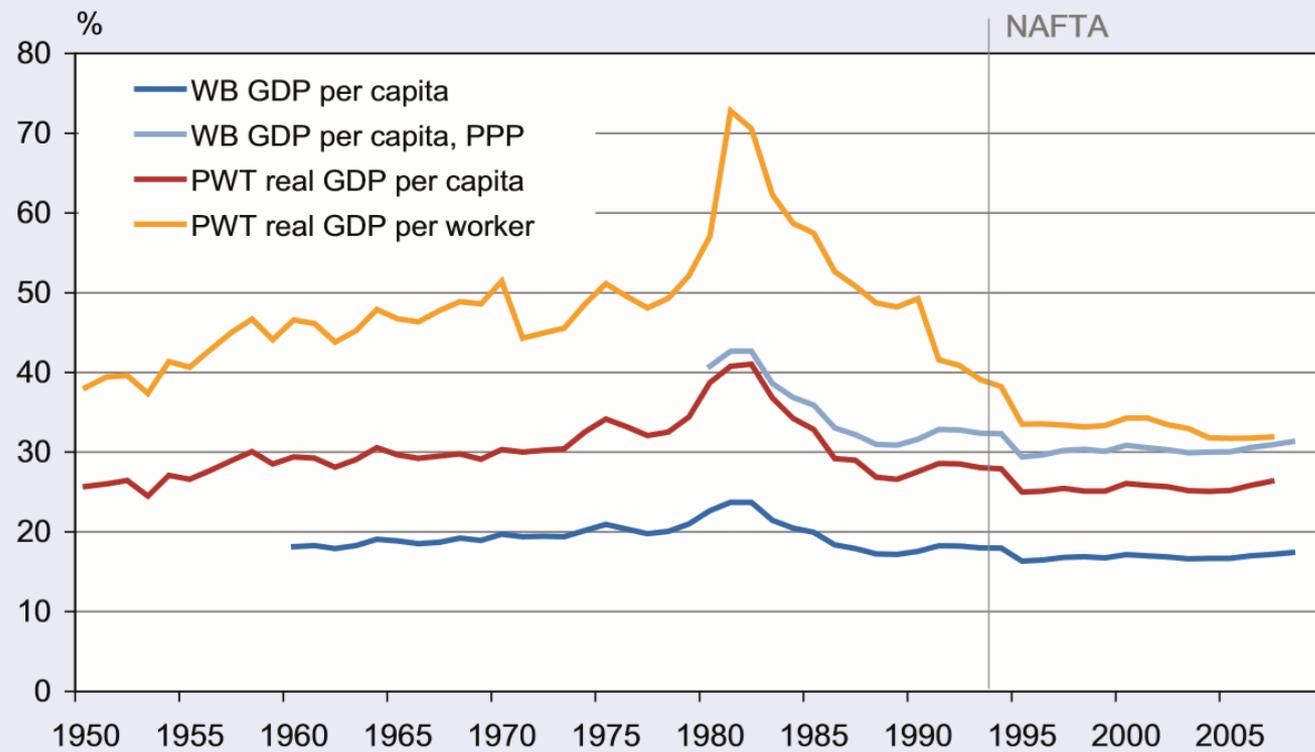


Mexico's GDP per capita, 1921-2016



MEXICO'S ECONOMIC PERFORMANCE RELATIVE TO THE US



Sources: Penn World Tables (PWT) 6.3; World Bank, World Development Indicators.

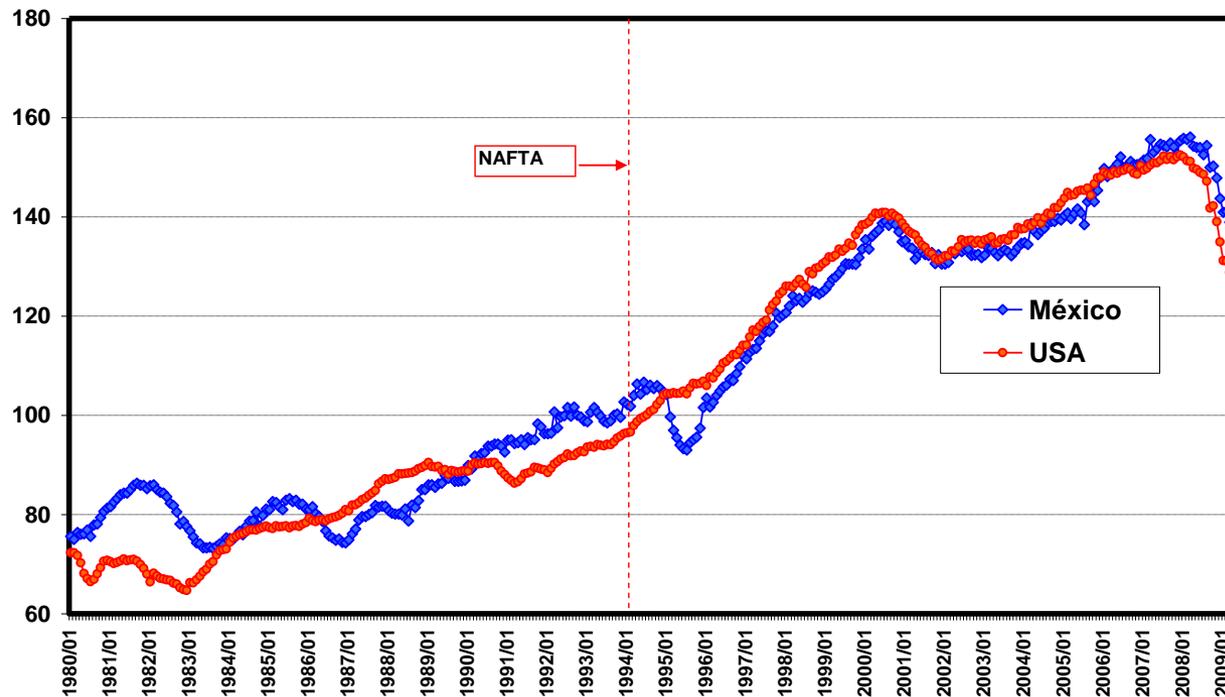
Nafta effects

- Substantial increase of trade and investment flows.
- Mixed effects in terms of wages, employment, and wellbeing.
- No wage convergence between Mexico and the USA.

Integration of economic cycles after 1994

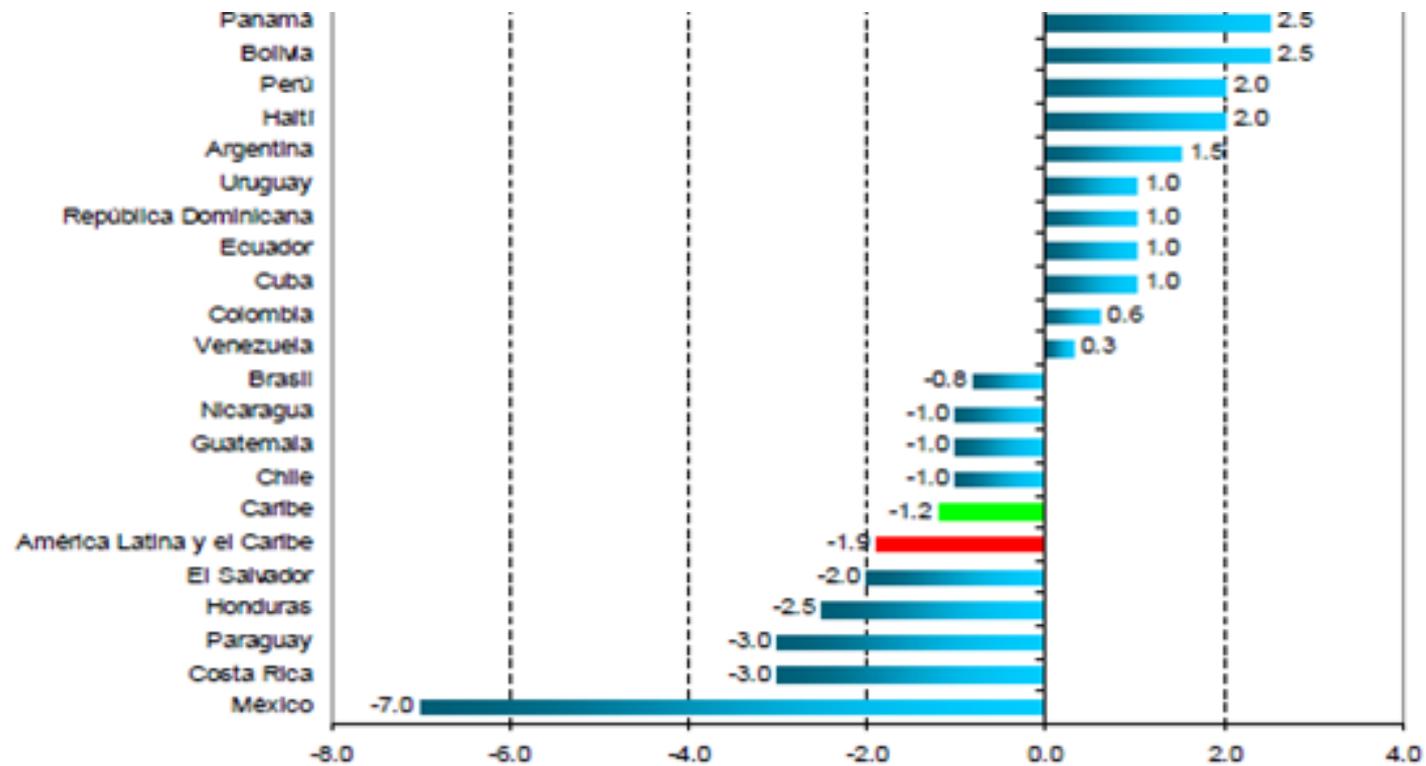
Industrial Activity Index in Mexico and USA, 1980-2009

(Seasonal Adjusted Data, Mexico 1993=100, USA:1994=100)

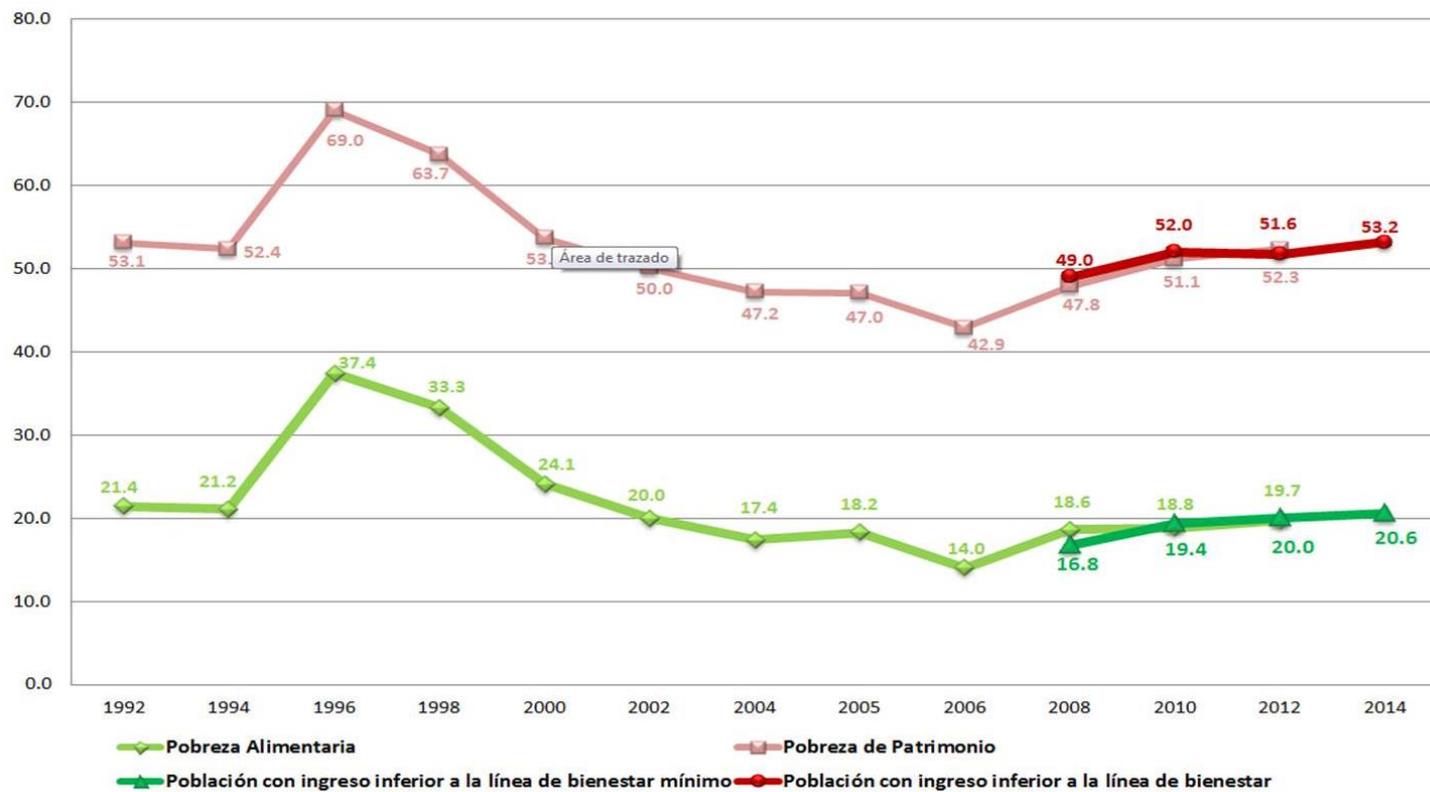


Sources: INEGI and Federal Reserve

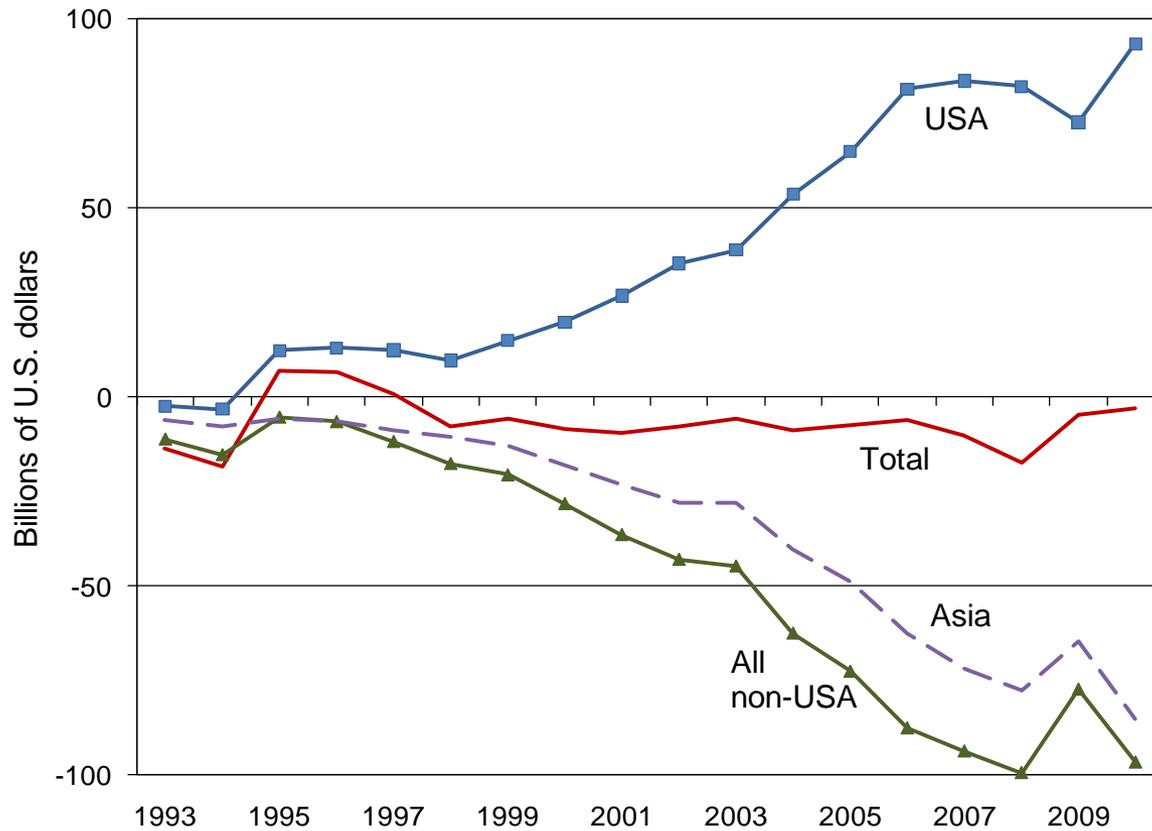
Latin America and the Caribbean GDP growth rates 2009



Percentage of population in poverty at levels of the 1990s

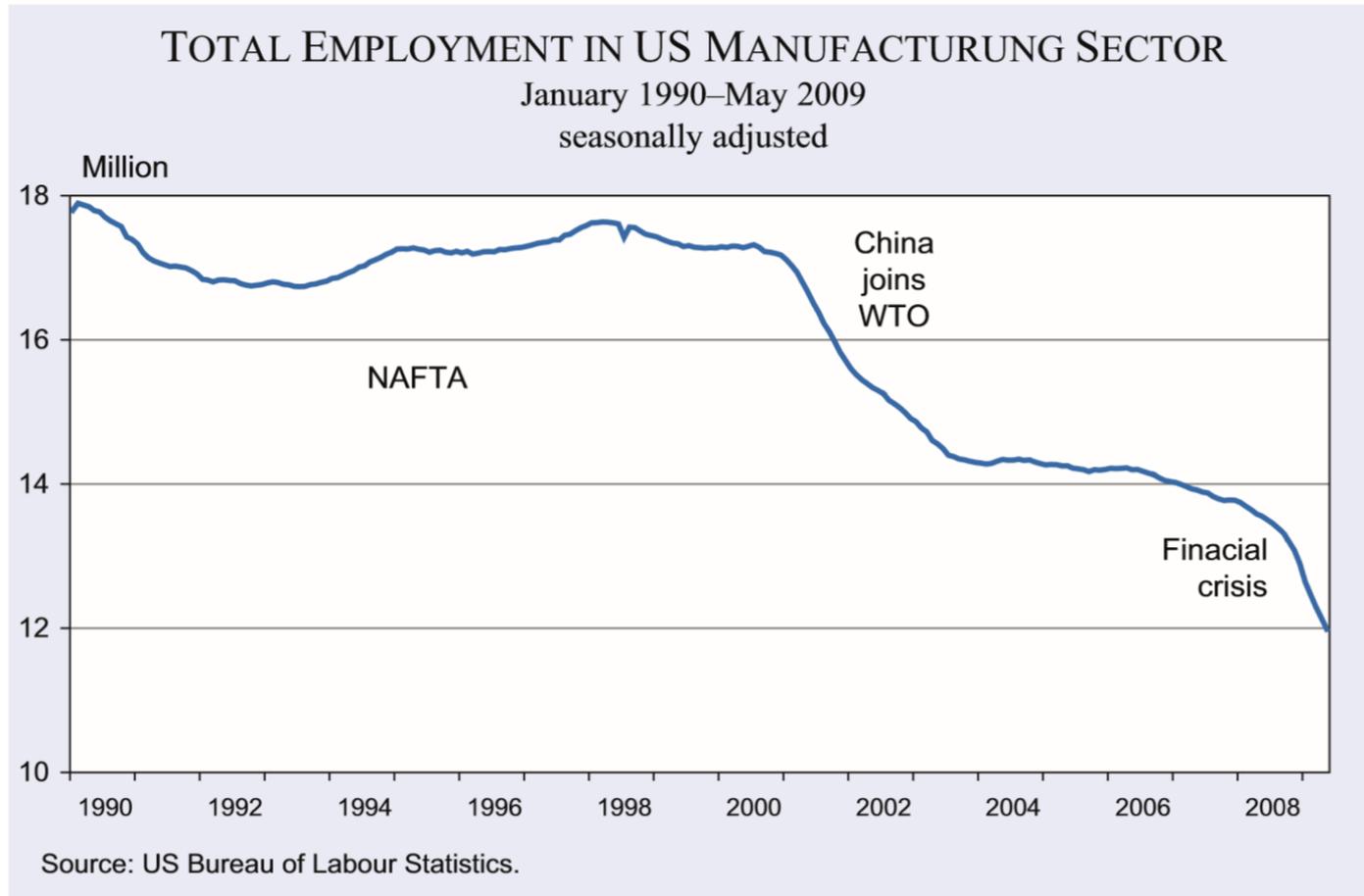


Mexico's trade deficit



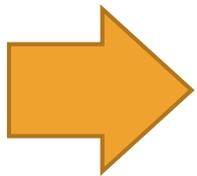
It is China... not Mexico

Figure 2



Andrés Manuel López Obrador
Economic Platform

- Fiscal responsibility
- Investment in Infrastructure
- Public – Private partnership projects
- Social programs to vulnerable population



MAYOR OF MEXICO CITY

Andrés Manuel López Obrador
Economic Platform

- **Fiscal responsibility**

Prudent debt management

Public debt peaked in the current administration: 53.7 of GDP.

No tax reform

Effective income tax rate similar to the U.S.(after 2017 tax reform)

More efficient expenditure (Budget control, adjustment of bureaucratic transparency)

Andrés Manuel López Obrador
Economic Platform

- **Fiscal responsibility**

Independence of Bank of Mexico

Constitutional mandate

Inflation control

Exchange rate flexibility regime

Shock impact

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Economic Platform

- Investment in infrastructure

Public expenditure to incentive private investment

Roads, ports of entry, railroads.

Innovation hubs

Secondary education

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Economic Platform

- **NAFTA 2.0**

Best agreement possible

Mexican negotiators have underscored the need to achieve the best agreement possible.

The Lopez Obrador economic team is prepared to continue negotiations beginning the new presidential term.

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- **NAFTA 2.0**

- “Poison Pills”

- Regional content changes should preserve region’s competitiveness

- Dispute resolution - Chapters 11, 19, 20
Need to provide certainty.

- Sunset Clause
Uncertainty

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Economic Platform

- **Other Challenges**

Informality remains high (57% employment)

Regulatory reform and use of digital technology.

Support to micro, small and medium firms.

Federal pension system (2% of GDP 2030)

Thanks / Gracias