

AUGUST 9, 2023

BILATERAL X-RAY MEXICO-UNITED STATES



BILATERAL X-RAY
THINK TANK ANALYSIS

ENERGY AND ESGS Economy and
Commerce

SECURITY AND RULE OF LAW North America

DEMOCRACY AND INSTITUTIONS

RELEVANT EVENTS

- JULY 1ST - THIRD ANNIVERSARY OF THE USMCA

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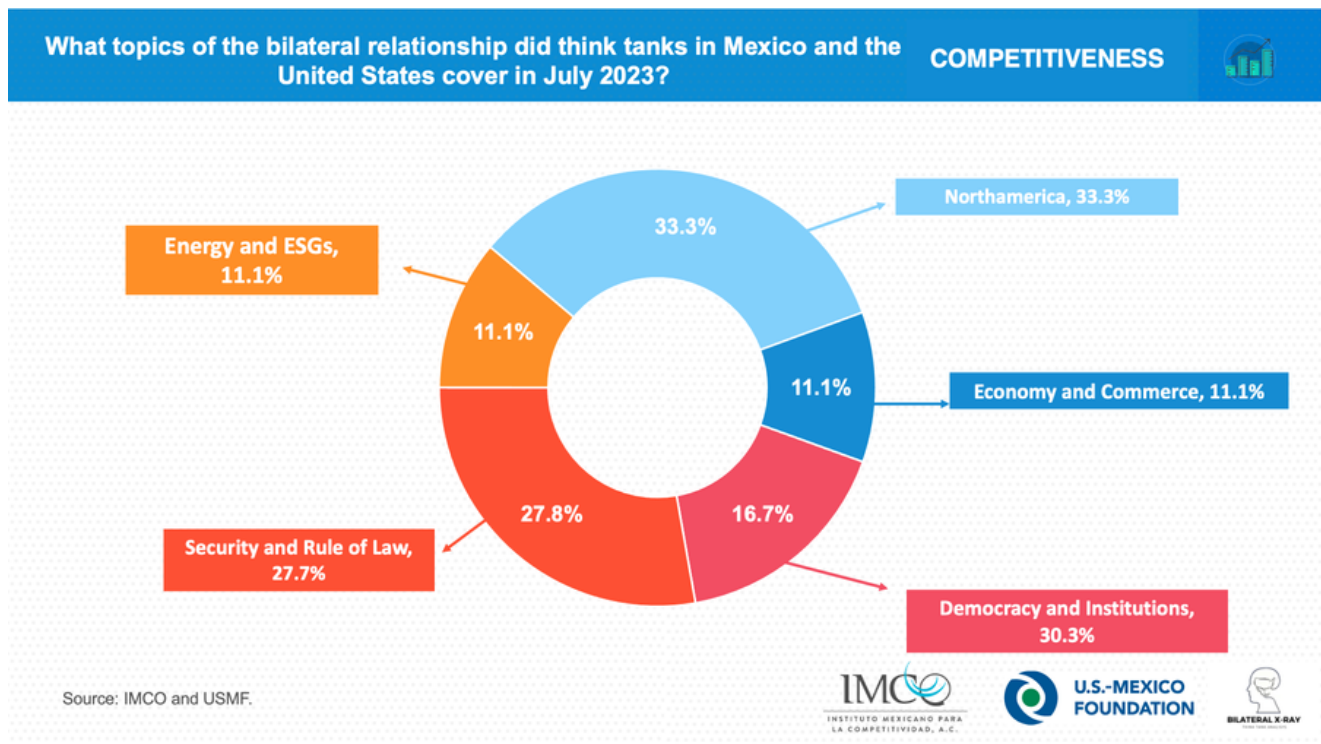
Coverage Report

July 1st to July 31st, 2023

We compiled 18 publications related to the bilateral relationship between Mexico and the United States. From all the publications, 11% were written by Mexican think tanks, while 89% were written by United States think tanks. Mexico Institute was the leading think tank with 4 publications, followed by AS/COA, American Enterprise Institute, Baker Institute, Brookings Institution, and CSIS with 2 publications each. During July, the most mentioned topics were **North America** with 6 publications, **Security and Rule of Law** with 5 publications, and **Democracy and Institutions** with 3 publications.

The next figure shows the top five most mentioned topics.

Topics Covered



North America

During July, publications focused on the three-year anniversary of the USMCA. From a strategic point of view, think tanks assessed the positive outcomes of the USMCA, such as the growth in trade, the increasing interest from CEO's towards reshoring, and the continuous support of the USCMA from the country's population. However, and taking into consideration the Sunset Clause, there are some areas which need to be taken into account. Among them are the disputes' settlements and the governments' compliance with the results, the enhancement of the supply chain resilience, digital trade, data flows, worker training, and the expansion of opportunities for small and medium enterprises (SMEs). Think tanks also referred to the 2024 Mexican elections, and they analyzed the possible outcomes regarding economy, security and politics that could affect the region.

Key publications regarding Migration and Labor Mobility this month:

- Brookings Institution, USMCA AT 3: REFLECTING ON IMPACT AND CHARTING THE FUTURE, Joshua P. Meltzer, Earl Anthony Wayne, Diego Marroquín Bitar
- CSIS, AFTER AMLO. THE ECONOMIC, SECURITY, AND POLITICAL OUTCOME FOR MEXICO IN 2024, Ryan C. Berg, Sara Fattori & Henry Ziemer

NORTH AMERICA RECENT DATA

- In the U.S., support for USMCA hit **80%** in 2021 according to a Chicago Council on Global Affairs Survey, an improvement since the **45%** who supported the NAFTA in 2008. (Mexico Institute)
- In 2022, the total value of trade within North America exceeded **\$1.5 trillion**, equivalent to nearly **\$3 million per minute** and the result of double-digit growth in trade over the past two years. (Brookings Institution)

Security and Rule of Law

Regarding Security and Rule of Law; the main topics mentioned in July are the US-Mexico border and the illegal trade of drugs. Due to the recent enactment of the Fiscal Responsibility Act of 2023, there were some budgetary changes that will affect the patrolling of the border between the two countries. However, this is a cause of concern for many due to the increase in drug and human trafficking. The violence in Mexico and lack of rule of law regarding drugs and drug epidemic in the United States are stated as the main source of this bilateral issue.

Key publications regarding Security and Rule of Law this month:

- American Enterprise Institute, ANALYZING HOUSE DEFENSE BILLS, John G. Ferrari, Elaine McCusker
- Brookings Institution, ADDRESSING MEXICO'S ROLE IN THE US FENTANYL EPIDEMIC, Vanda Felbab-Brown

SECURITY AND RULE OF LAW RECENT DATA

- **U.S. citizens represent more than 85%** of people **convicted of fentanyl charges**. (Brookings)
- **50% of the "most wanted" criminals** for child trafficking are from **Mexico**. (Heritage Foundation)

Democracy and Institutions

During July, publications revolved around the Mexican president Andres Manuel Lopez Obrador and the upcoming 2024 elections. Over the past month, Mexican political parties have begun campaigning for the presidential elections, even though the legal campaigning period has not begun. This is caused by the actions of the Morena party and its four main contenders, which are all closely related to Andres Manuel Lopez Obrador. The president has also made many negative comments around Xochil Galvez, the strongest contender from the opposition. These events have created a hostile environment in which the National Elections Institute has had to change its regulations in order to accommodate these precipitated actions.

Key publications regarding Democracy and Institutions this month:

- Mexico Institute, [EL LINE Y SU PAPEL EN LA DEMOCRACIA MEXICANA](#),

AS/COA, [POLL TRACKER: CONTENDERS FOR MEXICO'S 2024 PRESIDENTIAL VOTE](#), Carin Zissis

DEMOCRACY AND INSTITUTIONS RECENT DATA

- Mexican President, Andres Manuel Lopez Obrador, has a **68% approval rating in June 2023**. (AS/COA)
- The polls for the 2024 presidential elections show Claudia Sheinbaum and Marcelo Ebrard as the top two for the Morena party. While Xóchitl Gálvez and Santiago Creel are the top two for the opposition. (AS/COA)

Other topics

Economy and Trade and **Energy and ESG's** were the next most mentioned topics. Both categories mentioned the Mexican government's actions during AMLO's administration from a strategic point of view. Regarding **Economy and Trade**, publications argue that AMLO's decisions have missed out on the opportunities that foreign direct investment could provide to the country given the fact that companies are reducing their reliance on China. Also, think tanks highlighted the importance of the border and how it could boost the economy of both countries if public and private agents cooperated to set up more efficient procedures. As for **Energy and ESG's**, publications assessed Mexico's 2019 energy reform and its effects on the economy. Also, they analyzed the inequalities between states in Mexico due to high energy prices in southern states and the lack of competitiveness this entails.

Key publications regarding Economy and Commerce and Energy and ESG's this month:

- Mexico Institute, [INCREASING COMPETITIVENESS BY BUILDING A BETTER US-MEXICO BORDER](#), Andrew Rudman and John Milewski.
- CSIS, [THE ENERGY IMPERATIVE FOR SOUTHERN MEXICO](#), Ryan C. Berg, Emiliano Polo, and Henry Ziemer.

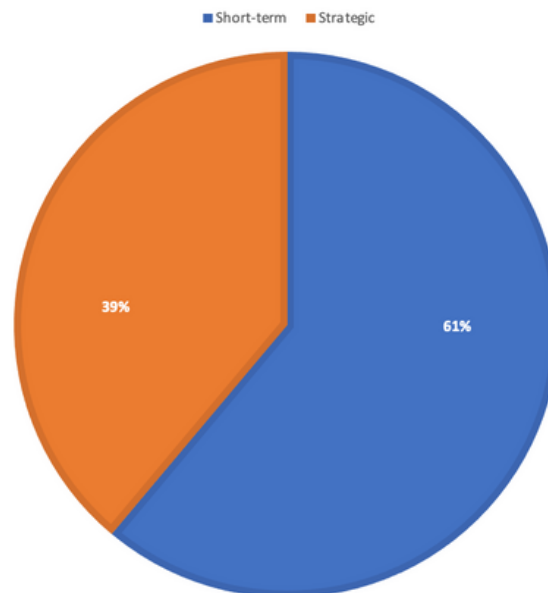
ECONOMY AND COMMERCE AND ENERGY & ESG'S RECENT DATA

- The 10 border states, six Mexican and 4 US states, combined would be the **4th largest economy in the world**. (Mexico Institute)
- CFE has closed out its last two years with financial losses of **more than 58 billion pesos**, a situation not seen since 1990. (CSIS)

Relevant short-term events for the bilateral relationship

- The topic of **North America** had mainly strategic publications because of the three-year anniversary of the USMCA. Think tanks focused on the previous years' analysis and the forecast for the next three years before the six-year review that the Sunset Clause establishes.
- **Security and Rule of Law** included both short-term and strategic publications. The short-term included analysis on the recent COVID-19 crisis and its possible relationship to crime, while other publication reported about children trafficking. From the strategic point of view, think tanks assessed Mexico's role within the fentanyl crisis and the U.S. patrols' actions at the border and how Biden's actions differ from the previous administration.
- Publications regarding **Democracy and Institutions** included only short-term publications due to the AS/COA tracking of the upcoming Mexican elections.

RELATION OF PUBLICATIONS TO SHORT-TERM EVENTS



This month's strategic publications' percentage grew in comparison to previous months, especially because of the analysis of USMCA three years after its creation. Think tanks not only analyzed the results related to economy and trade, but also remarked the importance of governments and private enterprises to achieve the treaty's initial objectives. This type of analysis benefits governments, and the private and public sector as they acknowledge both the achievements and pending issues that will need to be addressed in the short-term.

Upcoming events

| THINK TANK | EVENT | DATE AND TIME |
|------------------|---|--|
| Atlantic Council | <u>A CONVERSATION WITH ALICIA BÁRCENA: MEXICO'S NEWLY APPOINTED SECRETARY OF FOREIGN AFFAIRS</u> | August 10, 2:00 pm (ET) 1030 15TH ST, NW 12TH Floor Washington, DC, and Online |
| Wilson Center | <u>A CONVERSATION WITH MEXICO'S FORMER SECRETARY OF ECONOMY AND CURRENT FEDERAL DEPUTY ILDEFONSO GUAJARDO</u> | August 16, 10:00 am (ET) Webinar |
| Wilson Center | <u>UNDERSTANDING THE FENTANYL AND OPIOID CRISIS: US-MEXICO SOLUTIONS</u> | September 18, 11:00 am (ET) Webinar |

PUBLICATIONS

MEXICO'S THINK TANKS

- IMCO, TMEC Y ELECCIONES, Jesus Carrillo
- México Evalúa, ENERGY POLICY AS COERCION: A CHRONIC SQUELCH OF FREE MARKETS, Mariana Campos, Jorge Cano y Ana Lilia Moreno

UNITED STATES' THINK TANKS

- American Enterprise Institute, ANALYZING HOUSE DEFENSE BILLS, John G. Ferrari, Elaine McCusker
- American Enterprise Institute, A MIDTERM REPORT CARD FOR MEXICO'S USMCA PROGRESS, Luz Maria de la Mora
- Baker Institute, CRIME AND COVID-19 IN MEXICO: SOME COUNTERINTUITIVE RESULTS, Sean Fiorella, Tony Payan, Daniel Potter, Rodrigo Montes de Oca
- Baker Institute CRIME AND COVID-19 IN MEXICO: SOME COUNTERINTRUITIVE RESULTS, Sean Fiorella, Tony Payan, Daniel Potter, Rodrigo Montes de Oca
- Baker Institute, AMLO IS UNDERMINING WHATS LEFT OF MEXICO'S FAVORABLE INVESTMENT CLIMATE, David A. Gantz
- Council on Foreign Relations, HOW THE US PATROLS ITS BORDERS, Diana Roy, Amelia Cheatham, and Claire Klobucista
- Heritage Foundation, US IS THE TOP DESTINATION FOR CHILD SEX TRAFFICKING, AND IT'S HAPPENING IN YOUR COMMUNITY, Emma Waters
- Mexico Institute, INCREASING COMPETITIVENESS BY BUILDING A BETTER US-MEXICO BORDER, Andrew Rudman & John Milewski
- Mexico Institute, EL INE Y SU PAPEL EN LA DEMOCRACIA MEXICANA,
- Mexico Institute, AT THREE YEARS, THE US-MEXICO-CANADA AGREEMENT HAS PROVEN ITS WORTH, Andrew Rudman & Christopher Sands
- Mexico Institute, LGBTQ+ RIGHTS IN THE AMERICAS: PROGRESS AND REMAINING CHALLENGES, Americas 360 podcast
- AS/COA, APPROVAL TRACKER: MEXICO'S PRESIDENT AMLO, Carin Zissis
- AS/COA, POLL TRACKER: CONTENDERS FOR MEXICO'S 2024 PRESIDENTIAL VOTE, Carin Zissis
- Brookings Institution, ADDRESSING MEXICO'S ROLE IN THE US FENTANYL EPIDEMIC, Vanda Felbab-Brown
- Brookings Institution, USMCA AT 3: REFLECTING ON IMPACT AND CHARTING THE FUTURE, Joshua P. Meltzer, Earl Anthony Wayne, Diego Marroquín Bitar
- CSIS, AFTER AMLO: THE ECONOMIC, SECURITY, AND POLITICAL OUTLOOK FOR MEXICO IN 2024, Ryan C. Berg, Sara Fattori & Henry Ziemer
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The Mexican Institute for Competitiveness (IMCO) and the U.S.-Mexico Foundation's initiative, The Center for Bilateral Institutions, monitor publications of the leading think tanks and research centers in Mexico and the United States, analyze the topics discussed, and the actors pushing the narrative.

For the making of this report, thirty-seven think tanks are monitored every month, twenty-four think tanks are from the US, while thirteen are from Mexico. The think tanks included in this report are: Instituto Mexicano para la Competitividad (IMCO), México Evalúa, Centro de Investigación y Docencia Económica (CIDE), El Colegio de México (COLMEX), Consejo Mexicano de Asuntos Internacionales (COMEXI), Fundar, Centro de Estudios Espinosa Yglesias (CEEY), Fundación Idea, Aspen Institute México, The Coppel-Intuit Center for Binational Institutions (CBI), Brookings, Center for Strategic and International Studies (CSIS), Hudson Institute, Peterson, Milken Institute, Bush Center, USC Schwarzenegger Institute, Bay Area Council Economic Institute, Meridian, New America, México ¿cómo vamos?, The Dialogue, American Enterprise Institute, Atlantic Council (AALAC), Baker Institute, Center for American Progress, Council on Foreign Relations, Heritage Foundation, Mexico Institute, Pew Research Center, USMEX UCSD, Americas Society/Council of the Americas (AS/COA), Centro de Competitividad de México (CCMX), Ethos Laboratorio de Pol. Públicas, Harvard Growth Lab, International Republican Institute (IRI), y Observatorio Nacional Ciudadano.

The history of the Mexico-United States relationship is also written by the Think Tanks since they help to build the long-term government agenda. Their active participation is crucial, particularly for in-depth analysis of political, economic, and social issues.



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