

# Mexican Strategic Landscape

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Monthly report

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**THE INSTITUTE**

FOR STRATEGY AND DEVELOPMENT RESEARCH





The Mexican Strategic Landscape Report is a monthly publication of the Institute for Strategy and Development Research, a think tank dedicated to the analysis and the dissemination of information in key topics which address Mexico's problems and structural challenges. This document provides insights from the six different regions that make up the country. It helps readers and decision makers comprehend the particularities and complexities of each one concerning four main subjects:





- 1. New Requirements for Tourists in Mexico.** Prime Minister Trudeau announced a ban on flights between Canada and Mexico. U.S. authorities now demand that travelers entering the country show that they have tested negative to COVID19. Mexico is a popular destination among tourists from these nationalities. The situation has not changed how the Mexican government deals with tourism in the country. The sector once represented one of the most important economic pillars in Mexico and was even an example of soft power.
- 2. Vaccination Begins.** The first doses of the COVID19 vaccine arrived in Mexico. Distribution began slowly. Frontline medical workers were the first to receive a dose. In some border states, Mexican families have tried to seek a vaccine from U.S. distribution centers. State authorities wrestled with the federal government for permission to buy the vaccine from pharmaceuticals. The distribution strategy is still being designed.
- 3. The 2020 Census Numbers Are In.** The National Institute of Statistics and Geography (INEGI) published preliminary results from the census that began during the pandemic. In Mexico, the population count takes place every ten years. Officially, 126 million people live in the country, 14 million more than in 2010.

## ➤➤ THINGS TO OBSERVE IN FEBRUARY 2021:

- Possible changes to the electoral calendar of 2021 because of health restrictions.
- Readjustment to social programs because of official data from the census.
- Expectations of an improved vaccine distribution plan.

# REGION 1: NORTHWESTERN

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## SECURITY

**Marked Contrasts in Regional Security.** While the Tijuana border registered the most homicides in the country during the past two years, Sinaloa recorded its least cases in twelve years during 2020. The situation could be due to the reconfiguration of organized crime groups and the dispute over drug trafficking routes.



## DEVELOPMENT

**The Maquiladora Industry Without Vaccines in the Immediate Future.** The manufacturing industry announced that there are not great possibilities of acquiring COVID19 vaccines for its workers in the short term and medium terms. The declaration by sector representatives comes even after President López expressed that states or individuals could purchase vaccines independently. Members of the maquiladora industry said that pharmaceuticals have previous delivery commitments with different governments. The sector is the largest employer in the region. Any impact on it could have consequences on global supply chains.



## NATURAL RESOURCES

**President Biden's Energy Policy Could Affect Baja California.**

The President of the United States announced a new climate change strategy. One of his proposals deals with creating an electrical grid powered by renewable energy from the United States to Colombia. The measure contrasts with the energy policy currently being carried out in Mexico, which focuses on using fossil fuels. The situation could generate disputes or litigation between the two countries. In California, 52 percent of the energy consumed comes from renewable energy. Baja California is not connected to the national electrical grid. The state lacks government incentives for investment in renewable energy infrastructure.



## POWER AND AUTHORITY

**Baja California Must Comply with Political Measures for Representation of Indigenous Groups.** For the next local elections, political parties in the state must nominate at least one indigenous candidate for the State Congress and municipalities. The Electoral Court of Baja California issued the sentence. It also mentions that parties must nominate members of the LGBT community, youth, and people with disabilities. The measure seeks to increase the diversity and representation of groups that have suffered harassment and discrimination for decades.

## INSIGHT

**Fishing Sector and Agricultural Producers in Crisis.**

In Mexicali, fluctuations in the price of cotton, and the economic crisis, caused a drop in the number of hectares planted. In the Sea of Cortes and the coast of Mazatlán, fishers have lost the federal fiscal stimulus for buying diesel for their motorboats. The presence of illegal fishing trawlers has aggravated the situation as well. Although the federal government has announced a comprehensive plan to support the Sea of Cortes area, fishers have little faith in its success.

# REGION 2: NORTHEASTERN

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## SECURITY

**Authorities Found the Bodies of 19 Migrants in Tamaulipas.** Ashes purported to belong to a group of missing persons were found in an abandoned vehicle. The discovery took place in the municipality of Camargo, on the border between Tamaulipas and Nuevo León. Although authorities continue to investigate the identity of the deceased, they presume that they could be Central American migrants. The Office of the United Nations High Commissioner for Human Rights condemned the event. It brought to mind the massacre in San Fernando, Tamaulipas, in 2010, where criminal organizations murdered 72 migrants after they refused to work for them.

## DEVELOPMENT

**Construction Sector in a Downward Slope.** In Monclova, Coahuila, about 45 construction companies are about to close permanently due to the lack of projects and the economic crisis that plagues the region. In Durango, the sector remains paralyzed as well. States have reallocated their budgets to the health sector. Without government incentives and support, 2021 will continue to be challenging for the industry.

## NATURAL RESOURCES

**Inhabitants of Ejido Atotonilco Ask Mining Company for Environmental remediation.** The Real del Oro mining company notified inhabitants of the Atotonilco ejido, located in the municipality of San Juan del Rio, Durango, about the anticipated termination of a contract between the corporation and the local authorities in the first quarter of 2022. The news caused some residents' annoyance. They demand environmental remediation and restoration projects from the business before they leave. The company is a subsidiary of the Canadian company Argonaut Gold, which also has operations in Sonora, Baja California, Guanajuato, and Guerrero.

## POWER AND AUTHORITY

**Maquiladora Workers Threaten with Large Strikes in Matamoros.**

Workers from the Matamoros maquiladora industry started a demonstration in the city's main square. They ask for a 15 percent wage increase and other rights. They announced that they would go on strike if companies do not meet their requests. The 20/32 movement and its leader, Susana Prieto Terrazas, supported the demonstration. In 2019 this group carried out a series of strikes that paralyzed the maquiladora industry for weeks in Matamoros. In previous years, she has been persecuted by Chihuahua and Tamaulipas's governments for inciting riots and threats.

## INSIGHT

**New Appointment and New Agenda for the U.S. Southern Border Region.** The U.S. government announced the designation of Former Ambassador to Mexico, Roberta Jacobson, as head of Southern Border Affairs for the National Security Council. Her post will address migration and security issues. The appointment comes at a critical moment: migrant caravans from Central America are still trying to reach the United States. Immigration reform is in the works by President Biden. Mrs. Jacobson will also be responsible for the bilateral security agenda, tense after the former Mexican Defense Secretary's arrest in the United States.

# REGION 3: WESTERN-BAJÍO

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## SECURITY

**The National Guard Inaugurates Three Barracks in Michoacán.** Cotija, Maravatío, and Zamora will be the locations of the new quarters. Zamora is the second most violent city in the state, after its capital Morelia. The number of homicides in Zamora in 2020 was 361, which practically doubled its 2019 amount. The state's police forces face the threat of expanding violence from local criminal groups and those coming from Jalisco. Moreover, the appearance of self-defense organizations adds to the security crisis. The presence of the newly created National Guard hopes to quell criticism from activists and politicians regarding the use of the Mexican Armed Forces in the country's struggle for domestic security.



## DEVELOPMENT

**Guadalajara Displaced as the Second Most Populated Metropolitan Area in Mexico.** The National Institute of Statistics and Geography (INEGI) has published partial results of its 2020 census. Guadalajara and its related municipalities have a population of 5 million 268 thousand. At the same time, the Monterrey Metropolitan Area, in Nuevo León, registered 5 million 341 thousand inhabitants. These two cities compete in terms of influence and economic development. Nuevo León grew by 3.5 percent in the number of people who moved there from out of state; using the same indicator, Jalisco grew by 0.5 percent.



## NATURAL RESOURCES

**Cold Temperatures Hurt the Avocado Export Industry in Michoacán.** During the first half of the month, lousy weather conditions compromised more than one million hectares of the product. The avocados were weeks shy of maturing enough to be packed for distribution and export. Producers have also been hit by insecurity, months of drought, and lack of agricultural insurance. These conditions will prevail in the next couple of months.



## POWER AND AUTHORITY

**In Michoacán, Five New Indigenous Communities Seek Political Autonomy.** The Supreme Indigenous Council contemplates that at least 60 of its communities will elect authorities following the traditional ethnic customs and law. This change will take place in the municipalities of Angahuan, Cuanajo, and Zirahuén. For the members of the community, this means more autonomy in the use of its resources. Controversy surrounds self-determination in some circumstances, as the municipalities' governments demand greater fiscal transparency from the indigenous communities.

## INSIGHT

**Additional Changes to Local Politics.** The reappearance of self-defense groups makes it more difficult for local authorities to deal with structural problems in the region. The federal government is still facing new actors that exploit vulnerabilities in the national public security strategy. The National Guard is one instrument used by the current administration to deal with the situation. Another one is the control of the Lázaro Cárdenas Port by the Mexican Navy. Further coordination between local and national authorities is still needed to deal with increasing violence in a region that is yet to be controlled by a single criminal organization.

# REGION 4: CENTRAL



## SECURITY

**Organized Crime's New Business: Theft of Oxygen Tanks.** Criminal groups have expanded their repertoire of activities to include attacks on medical equipment suppliers. Estado de México, Mexico City, Puebla, and Tlaxcala face this problem during a worsening of the COVID19 crisis. The situation also represents a severe health problem because tanks not suitable for medical use are sometimes sold carrying acetylene residues, leading to death.



## DEVELOPMENT

**More than 20 Thousand Businesses in Mexico City at Risk.** Health restrictions will continue in Mexico City in the upcoming weeks. The National Business Chamber, COPARMEX, announced that thousands of businesses, particularly in the restaurant sector, might close soon. Owners request support from authorities and tax exemptions for several months.



## NATURAL RESOURCES

**Indigenous Communities Maintain Opposition to Hydroelectric Project in Morelos.**

The thermoelectric plant located in the municipality of Huexca continues to cause unrest among the indigenous population. During January, members of the Otomí community and the Zapatista movement traveled from Mexico City to Morelos to participate in a demonstration against the project. The plant is supported by President Andrés Manuel López and has used different legal approaches to deal with the situation. Local farmers also claim to be affected, as water resources could be redirected from agricultural activities to electricity generation. The conflict could extend for several more months and could even reach international courts.



## POWER AND AUTHORITY

**Three Municipalities Will Elect Authorities by Using Traditional Indigenous Laws and Customs in Morelos.**

The communities of Coatetelco, Hueyapan, and Xoxocotla will have until the end of the year to elect their authorities under their customs. They will be allowed to do so without the participation of political parties. Candidates must also be members of the indigenous communities. The number of elected positions is proportional to the number of people who identify themselves as belonging to a different ethnicity. The three municipalities were created in 2017.

## INSIGHT

**New Self-defense Group Emerges in Puebla.**

Inhabitants of Tecamachalco in Puebla, created a new self-defense organization in response to the constant robberies, threats, and extortion cases. Tecamachalco is part of the "Red Triangle" where criminal organizations participate in widespread fuel theft. Puebla's authorities have not recognized the group's legality. They have accused its leader of participating in other illegal activities in the "Red Triangle." Self-defense groups have large acceptance in some communities and local political support. Their movements could have an impact on the June 6 elections.

# REGION 5: SOUTHERN

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## SECURITY

**The Mexican Navy Captured an Illegal Semi-submersible Vessel in Huatulco.** Onboard were four Colombian smugglers that tried to transport over one hundred packs of what appeared to be cocaine. A King Air patrolling aircraft belonging to the Navy discovered the improvised craft. Make-shift ships try to avoid sensors and detection by law enforcement. The Navy has strengthened its maritime security capabilities to deal with transnational criminal organizations' new routes off Mexican coasts. Operatives also include collaboration with State and Federal Attorney's offices to guarantee that suspects can be brought to justice.



## DEVELOPMENT

**Guatemalan Authorities Begin Renew Project for Binational Train with Mexico.** The project started with replacing tracks in the Rodolfo Robles International Bridge, over the Suchiate River, which divides Ciudad Hidalgo in Chiapas, and Tecún Umán in Guatemala. The plan would modernize 15 kilometers (9 miles) of sleepers to better serve a special economic zone in Pajapita, San Marcos, in Guatemala. Members of the business community in Tapachula, Mexico, have voiced concern about the lack of projects for reactivating rail lines in the region devastated after Hurricane Stan fifteen years ago. The binational train would benefit from infrastructure in the South of Mexico and the possible logistic corridor in the Isthmus of Tehuantepec.



## NATURAL RESOURCES

**Chiapas' State Human Rights Commission Calls for Solving Environmental Pollution in San Cristobal de las Casas.** The office sent a recommendation to the state and city governments and the National Water Commission regarding water resources in the area. A lack of water treatment infrastructure and toxic pollutants dumped in local streams have affected the health of residents and visitors in San Cristobal for decades. For activists and citizens, this constitutes a violation of their human rights.



## POWER AND AUTHORITY

**A Shift in Policy for Protecting Migrant Children.** The Federal Agency of Family Development (DIF) will protect minors on Mexican soil. Recent changes to the laws related to migrants and political refugees take responsibility away from the National Migration Institute, recently overwhelmed with many caravans from Central America. 2019 was the year when more migrant children entered the country, with over 50 thousand minors.

## INSIGHT

**Attitudes Towards Migrants are Changing in Mexico.** Uncertainty in Mexican and American laws about dealing with large scale movements is a problem for thousands of refugees. Families seeking asylum are in limbo while facing trials regarding public health, the economy, and violence. The situation worsened during 2020, and now, racist attitudes are on the rise on the southern border of Mexico. Local and federal authorities have been unable to deal with what could amount to a humanitarian crisis. As migrants on their way to the United States start to settle down around Mexico, the problems could aggravate.

# REGION 6: YUCATÁN PENINSULA

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## SECURITY

**Piracy Resumes Activities in the Peninsula.** Criminal organizations recently stole boats belonging to fishers in Puerto Progreso. Attacks are happening at nighttime and have begun to involve the use of firearms. The sector asks for more vigilance during the closed fishing season. Citizens are worried that a downturn in economic activity could give way to more crimes of this nature in the area.



## DEVELOPMENT

**Widespread Job Losses in Quintana Roo.** The COVID19 pandemic left 104 thousand people unemployed in the state during 2020. The number is equivalent to approximately 22 percent of all formal jobs in the state. Tourism was the most impacted sector. Recent bans on flights from Canada to Mexico and the Caribbean will also impact recovery, as American and Canadian tourists are the largest groups of foreign visitors to Mexican beaches.



## NATURAL RESOURCES

**Agriculture in Yucatán is at a Low Point.** Last year's hurricane season and the pandemic led to the current situation. Farmers have been asking for support from federal authorities to deal with their problems. Rules and conditions regarding the distribution of subsidies and funds from the national government have not been announced yet.



## POWER AND AUTHORITY

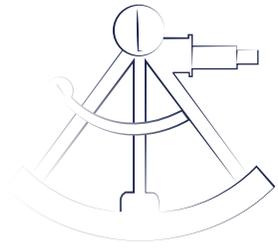
**Income and Value Added Taxes will Decrease in the Region.** Twenty four municipalities in Campeche, Chiapas, Quintana Roo, and Tabasco will receive fiscal benefits after a presidential decree. The incentives are for the development of the region and began on January 1, 2021.

## INSIGHT

**The Mayan Train is Still a Long-term Bet by the Federal Government for a Sector that is Fighting for Survival at the Moment.** The region is rich with natural and cultural attractions known around the world. Tourism is one of its most important industries. The authority's disregard for public health and safety has left it vulnerable to the pandemic. Recovery might be months or years away. Citizens demand attention to their immediate needs, but a comprehensive plan for dealing with the situation is still missing.

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