

# Mexican Strategic Landscape

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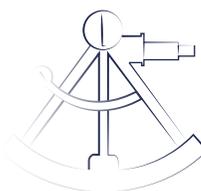
Monthly report

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**THE INSTITUTE**

FOR STRATEGY AND DEVELOPMENT RESEARCH





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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:



**SECURITY**



**DEVELOPMENT**



**NATURAL  
RESOURCES**



**POWER AND  
AUTHORITIES**



**1. Mexico holds a referendum to punish former presidents.** An unprecedented exercise of direct democracy was carried out in Mexico, where citizens were consulted if they agreed to punish political decisions made in previous years by political actors. Despite the efforts made by the electoral institute, the national voter turnout was only 7%. Although the exercise failed, it left important lessons, among which it stands out: the difference in participation between the north and south of the country, the little mobilization that MORENA sympathizers or militants had, and the snub by millions of citizens who consider that there are issues of greater concern to the country. These are lessons that will be considered by the political class regarding the president's recall referendum planned for 2022.



*Sebastian Barragán/ Source: INE*

**2. Mexico sends humanitarian aid to Cuba.** After the demonstrations against the Cuban regime and the rise in Covid infections that have occurred in recent weeks, Mexico sent humanitarian aid to Cuba through the navy, including fuel, food, medical supplies, and oxygen tanks. Although Mexico has had a foreign policy of support and non-interference with Cuba, the amount of humanitarian aid that was sent is unprecedented and it goes against the tougher sanctions that have been issued from Washington and the condemnation that many democratic governments have pronounced against the Cuban government.

## ➤➤ THINGS TO OBSERVE IN AUGUST 2021

- Mexico's lawsuit against US arms manufacturers for supplying Mexican cartels.
- Negotiations between Venezuela Government and opposition.
- Resumption of diplomatic relations between Mexico and North Korea.
- Covid infection on the rise.



## SECURITY

### **Journalist and fishing leader murdered in the region**

During July, the leader of the National Chamber of Fishing and Aquaculture Industry in Sinaloa Jaime Osuna and the owner of the newspaper Info Guaymas Ricardo Domínguez were assassinated in different events. In previous years, the fishing leader had already suffered a kidnapping and the journalist had received death threats. So far, both deaths remain unpunished and reveal the weakness of the authorities to protect the lives of journalists and the power held by organized crime groups in the region.

## DEVELOPMENT

### **Economic recovery at risk due to Delta variant**

The new wave of infections and the proliferation of new variants such as Delta could complicate the economic recovery of the region for the year's second semester. States such as Baja California Sur, Sinaloa, and Sonora, which are important tourist destinations in the country, are presenting a high number of infections due to the few prevention measures installed for foreign and national tourists. Without an adequate containment strategy hospital capacity could be exceeded and the closure of the land border with the US could extend even longer.

## NATURAL RESOURCES

### **Solar plant will be built in Sonora**

After meeting with the President, the Governor-elect of Sonora Alfonso Durazo announced the construction of a solar plant in Puerto Peñasco, Sonora. The land donated by businessmen covers an area of 2,000,000 hectares and is expected to become the 8th largest plant in the world. The announcement generated surprise and skepticism in various sectors because President López Obrador has been one of the main critics of renewable energy and has promoted laws that hinder private investment in this sector.

## POWER AND AUTHORITY

### **Northwest governors create new regional bloc**

The governors elected by the MORENA party of Baja California, Baja California Sur, Sonora, Sinaloa, and Nayarit announced the creation of a new regional bloc with the purpose of promoting economic development, improving security coordination, and promoting the generation of clean energy and tourism in the region. The new bloc excludes the Governor of Chihuahua from the opposition party, which could strain local political relations and limit the coordination in the region to address strategic issues.

## INSIGHT

### **Members of Yaqui ethnic group denounce disappearances in Sonora**

In recent months, the Yaqui ethnic group located in southern Sonora has suffered different episodes of violence, among them are the murder of Tomas Rojo, spokesperson for the community, and the disappearance of 8 members of the group, whose whereabouts are still unknown. Although the Federal Government launched a Justice Plan to improve their living conditions and meet historical demands, intimidating attacks, dispossession of resources and illegal incursions into their territory continue to occur. These situations will be reported to the UN.



## SECURITY

### Extermination camps operated in Nuevo León and Tamaulipas

Even though missing persons relative groups have denounced the existence of “extermination centers” used by organized crime groups for several years, the Government of Mexico for the first time publicly acknowledged the existence of these places in the region. In Tamaulipas, a place known as La Bartolina in Matamoros, half a ton of bones have been collected, while in Nuevo León two places have been identified as extermination camps. After the recognition of these places, the government challenge will be to be able to identify the remains found and bring into justice those responsible.



## DEVELOPMENT

### New trains will be built in Nuevo León and Coahuila

The Governor-elect of Nuevo León announced federal support for different strategic projects, stands out the construction of the suburban train that will connect the Monterrey International Airport located in Apodaca to the municipality of García. While in Coahuila the creation of a new passenger train that will connect the south of Coahuila to the limits with Nuevo León was announced. If both projects are built, they would improve connectivity in the region, making it more attractive for foreign investment.



## NATURAL RESOURCES

### Nuevo León could have new environmental legislation

The Congress Environmental Commission approved an amendment to the State's legislation that establishes a special commission to combat atmospheric contingencies and establishes as a right to breathe clean air in the city. Nuevo León is one of the states with the highest air pollution rates in the country. If the initiative is approved, the State would be a national pioneer and several industries would have to make major changes to comply with the legislation. The reform is expected to be voted in Congress during August.



## POWER AND AUTHORITY

### Migrant Corridor will be implemented in the northeast region

After the increase in migrant flows that has occurred in recent years and the security risks migrants face, the human rights commissions of Coahuila, Nuevo León and Tamaulipas have decided to join forces to establish a Migrant Corridor. The proposal includes information and attention modules to address different problems, including human trafficking, a crime that has been on the rise in recent years in the region. The absence of a federal prevention strategy and the lack of coordination from local governments contributed to its increase.

## INSIGHT

### Political tension grows between Nuevo León and Tamaulipas

After the disappearance of more than 70 people on the Monterrey-Nuevo Laredo highway, which confronted both states, two new issues are causing friction on the agenda, The first is the announcement of the construction of La Gloria-Colombia highway that will seek to promote trade through the Nuevo León customs instead of Tamaulipas and second related to the Monterrey-Austin commercial corridor. The projects and statements have provoked the resentment of Tamaulipas authorities who consider that development and regional integration are weakened.



## SECURITY

### Founder of self-defense groups kidnapped in Michoacán

Ángel Gutiérrez Aguilar, known as “El Kiro”, founder of the self-defense groups in Michoacán, was kidnapped along with his family by an armed group. The kidnapping caused blockades and burning cars in the city of Apatzingán. In response members of the Tepalcatepec community guard mobilized and were able to rescue him alive in an abandoned house in Buenavista municipality. In recent months, the municipality of Tepalcatepec has been the battle scene between the CJNG and self-defense groups for the municipality and drug trafficking control.



## DEVELOPMENT

### Guanajuato Governor cancels interurban train

Guanajuato Governor Diego Sinhue announced the cancellation of the interurban train that was going to connect the states of Guanajuato and Querétaro. The main reason was the lack of funds for its construction due to the health crisis and the Federal Government different priorities. The cost of the construction amounted to 20 billion pesos. Despite the great economic potential that these states have shown in recent years, insecurity, lack of government support for technological innovation, and poor connectivity have slowed their development.



## NATURAL RESOURCES

### Legal timber production falls in Michoacán and Jalisco

A report presented by the Mexican Civil Council for Sustainable Forestry revealed that, in the states of Michoacán and Jalisco, legal timber production fell, among the factors that have contributed to this are: illegal logging and organized crime. An example of this evolution is the Correa Cartel that operates in Michoacán, which went from controlling clandestine logging of forests to the production of narcotics and extortion. The incursion of crime in this activity affected the livelihoods of thousands of families that live off the forest ecosystem services.



## POWER AND AUTHORITY

### Governor denounces in the US interference of organized crime in Michoacan elections

Due to the disinterest of Mexican authorities, the Michoacán Governor Silvano Aureoles began a tour in the United States to denounce the interference of drug cartels in the state election. During the tour, he met with the OAS General Secretary and with congressman Adam Schiff, member of the Intelligence Committee. In recent months, a report from the US Northern Command revealed that drug cartels control 30% of Mexican territory, a situation that could worsen if the current security strategy is not modified.

## INSIGHT

### Violence and insecurity worsen in Zacatecas

Zacatecas is immersed in a spiral of violence that does not seem to end soon. At least 5 organized crime groups are contesting its control, which has caused an alarming growth in homicides, placing the state as the second highest nationwide with a rate of 7.4 homicides per 100,000 inhabitants, a figure 3 times higher than the national average. In addition, INEGI data once again position Fresnillo city with the highest perception of insecurity in the country. Among the factors that have contributed to this situation has been the low presence of police corporations in the territory and the lack of a coordinated strategy with the Federal Government to combat high-impact crimes.



## SECURITY

### Penitentiary reform in Mexico City

The Mexico City Government sent a penitentiary reform proposal to the State Congress to transfer the operation of the prisons from the Secretariat of the Interior (SEGOB) to the Secretariat of Security and Civilian Protection (SSPC). If this proposal is approved, some of the benefits would be to improve the investigation of crimes committed within the prison and a greater control of the personnel working in the centers. Currently, some of the Mexico City prisons face overcrowding problems, insufficient staff, and the absence of effective reintegration programs.



## DEVELOPMENT

### Mexico-Toluca train is at 80% construction progress

After 7 years of construction, the Mexico-Toluca interurban train is 80% complete. Some challenges the construction has faced are poor planning and opposition from some communities living on land where the train is supposed to pass by. Delays have caused the cost of the work to triple. It is expected that the work could be inaugurated in 2024, benefiting 230 thousand passengers per day.



## NATURAL RESOURCES

### Mining Company and University work in favor of sustainable development

Esperanza Silver mining company and Guerrero Autonomous University signed a collaboration alliance to protect the environment and improve sustainable development in the states of Morelos and Guerrero. The alliance will benefit the strengthening of work skills and access to technological innovation processes from the mineral company for students and teachers. These types of alliances contribute to the economic and social development in the region.



## POWER AND AUTHORITY

### Conflict between UDLAP and Puebla Governor intensifies

The Board of Trustees from UDLAP (Universidad de las Américas Puebla) filed a complaint against former rector Luis Ernesto Derbez with the Attorney General's Office for an alleged theft of 720 million dollars that were diverted through irregular financial schemes. After the incident, former Senator Armando Ríos Piter was appointed as interim rector, causing students and teachers to protest in disapproval. Meanwhile, the Governor of Puebla took advantage of the incident to emphasize the collusion of private companies with the university to promote the diversion of resources and assured that there will be harsh sentences for those responsible.

## INSIGHT

### Companies accused of water exploitation in Puebla

Even though the technical study carried out by CONAGUA ruled out the overexploitation of the aquifer as a cause responsible for the sinkhole, the Governor rejected the conclusions and blamed the companies in the area. One of those companies mentioned is Bonafont, whose plant in the municipality of Juan Bonilla has been taken over by local inhabitants for 4 months. These events reveal that the conflicts over water in Puebla are guided by political criteria rather than technical issues, putting companies in the area at risk of suffering the effects of a negative campaign against them.



## SECURITY

### Organized crime disputes Chiapas control

Official reports reveal that at least 3 organized crime groups operate in the southern state of Chiapas: Jalisco Nueva Generación Cartel, the Pacific, and the Gulf Cartel. They dispute the control of drug, migrant and arms trafficking along the southern border with Guatemala. The last incident of this battle happened in July, when the CJNG assassinated Ramón Gilberto Rivera, son of Uncle Gil, an important operator of the Pacific Cartel. Violence is expected to increase in the coming months in the fight for control of the territory.



## DEVELOPMENT

### Huatulco-Monterrey air route is inaugurated

VivaAerobus airline inaugurated its new route between Huatulco city in Oaxaca and Monterrey in the middle of the summer season. The new route seeks to boost tourism and support the economic recovery of the region that was seriously affected by the health crisis. Huatulco city has become in recent years a popular tourist destination nationwide and internationally. In addition, the city was recognized with Earth-Check certification for its sustainable management and environmental conservation which makes it a more attractive destination.



## NATURAL RESOURCES

### Social opposition to mining companies grows in Oaxaca

Members of the Zapotec community of the municipality of San Pedro Quiatoni held a march on federal highway 175 to express their opposition to the mining company Don David Gold México a subsidiary of the US Gold Resource Corp (GRC) company. The inhabitants accuse the company of stealing their natural resources. SEMARNAT denied an expansion permit to the Canadian company Fortuna Silver in the Ocotlán Valley. The measure was celebrated by "Future for all, Anti Mining Front". Both incidents reveal growing social opposition to mining projects in the region.



## POWER AND AUTHORITY

### IOM warns of a new migrant wave to Mexico

The International Organization for Migration warned of a possible migrant increase from Asia, Africa, Cuba, and Haiti. In the case of Haiti and Cuba, political instability and economic conditions have caused a new wave of migrants to Mexico, making them two of the main refugee-seeking countries. In addition to this new migratory flow, the number of people deported from the United States has increased, causing a saturation in shelters and immigration offices in the country. So far, the federal government has not released a comprehensive plan to address immigration

## INSIGHT

### Self-defense group emerges in Chiapas

A new group of self-defenses called "Los Machetes" emerged in Pantelhó municipality in Chiapas with the purpose of defending the Tzotzil and Tzeltal indigenous from organized crime and political violence exercised by municipal authorities in the past 20 years. The clash between the two groups has led to the burning and looting of houses belonging to members of the city council. Among the demands of the new group are the rejection of electoral results and the calling of new elections based on their customs and traditions. It is expected that political instability and violence in the municipality could worsen.



## SECURITY

### **Insecurity perception grows in Cancun**

The National Public Safety Survey carried out by INEGI included the city of Cancun as the 2nd most insecure city in the country, surpassed only by Fresnillo city in Zacatecas. The insecurity perception in Cancun reached 88.7% of the people interviewed. In addition to this, during the past month, a clandestine grave was found with the remains of at least 5 missing persons, which reveal the deterioration of security conditions in the city. If violence episodes continue, economic recovery is put at risk.



## DEVELOPMENT

### **Tourist cruises continue to arrive to Yucatan peninsula**

Despite a new covid wave that is affecting several areas of the country, the arrival of tourist cruises has not stopped in the region. In Puerto Progreso, Yucatán, Carnival Breeze cruise ship arrived with 500 passengers from Galveston, Texas for the first time in the year. While in Puerto Costa Maya in Quintana Roo another cruise arrived with 2,700 international tourists. Although the arrival of cruise ships has helped the economic recovery of the area that relies heavily on tourism, it has also raised concern about the lack of a prevention protocol from the federal government to contain and detect the arrival of new strains of covid-19 to the country.



## NATURAL RESOURCES

### **Bienestar gas stations will begin operations in the Peninsula**

Promoted by Pemex, the National Institute of Social Economy (INAES) and the National Fund for the Promotion of Tourism (Fonatur), the Bienestar gas stations will be installed in Yucatán, Campeche, and Quintana Roo to bring fuel to people through cooperatives and to support the development and infrastructure of the southern communities. The location of the new gas stations match with the route of the Mayan Train project and it is expected that they will seek to compete with foreign gas brands in the area.



## POWER AND AUTHORITY

### **Residents of Yucatán oppose development projects**

In Sisal municipality, people were upset by the recognition that the federal government made them a magical town because they consider there is no infrastructure to receive tourists and local trade could be harmed by the arrival of foreign companies. A similar case was the rejection of the payment made by FONATUR to the Pisté community for 4.6 million for 8.6 hectares where a parking lot for the Mayan train was planned to be built. Both events reveal the challenge that the authorities face when implementing large-scale projects, especially when they do not carry out the proper consultations and negotiations with local inhabitants.

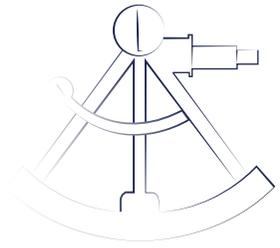
## INSIGHT

### **Territorial and water disputes continue in the peninsula**

After an extensive legal battle over the water supply of 3 communities in the border area between Campeche and Quintana Roo, the complaint filed by Campeche was dismissed, therefore Quintana Roo state must provide drinking water to the communities of Caña Brava, Guillermo Prieto and Felipe Ángeles and build the necessary hydraulic infrastructure in the area. Meanwhile Yucatán prepares new evidence to defend the territorial integrity of the State, due to a conflict that it maintains with Quintana Roo over the appropriation of Yucatecan lands that could affect the communities of Chemax, Chichimilá, Tixcacalcupul, Peto, Tzucacab and Tekax.

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