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# Mexico's Secretariat of the Navy towards 2030

Unknown Waters

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Policy Brief  
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At the time of this publication, and after Dr. Claudia Sheinbaum's victory in the Mexican presidential elections, some profiles are beginning to emerge of those who could take on the highest responsibility within the Secretariat of the Navy. The purpose of this text is not to speculate about any possible candidate though, because regardless of who is selected by the future president for such a position, the challenges within the Institution remain the same.

This policy brief addresses these truly strategic issues.



Firstly, it is necessary to recall some aspects related to the certainly unique structure of the Secretariat of the Navy, which are often unknown to the general political establishment in Mexico -and perhaps to the next president as well.

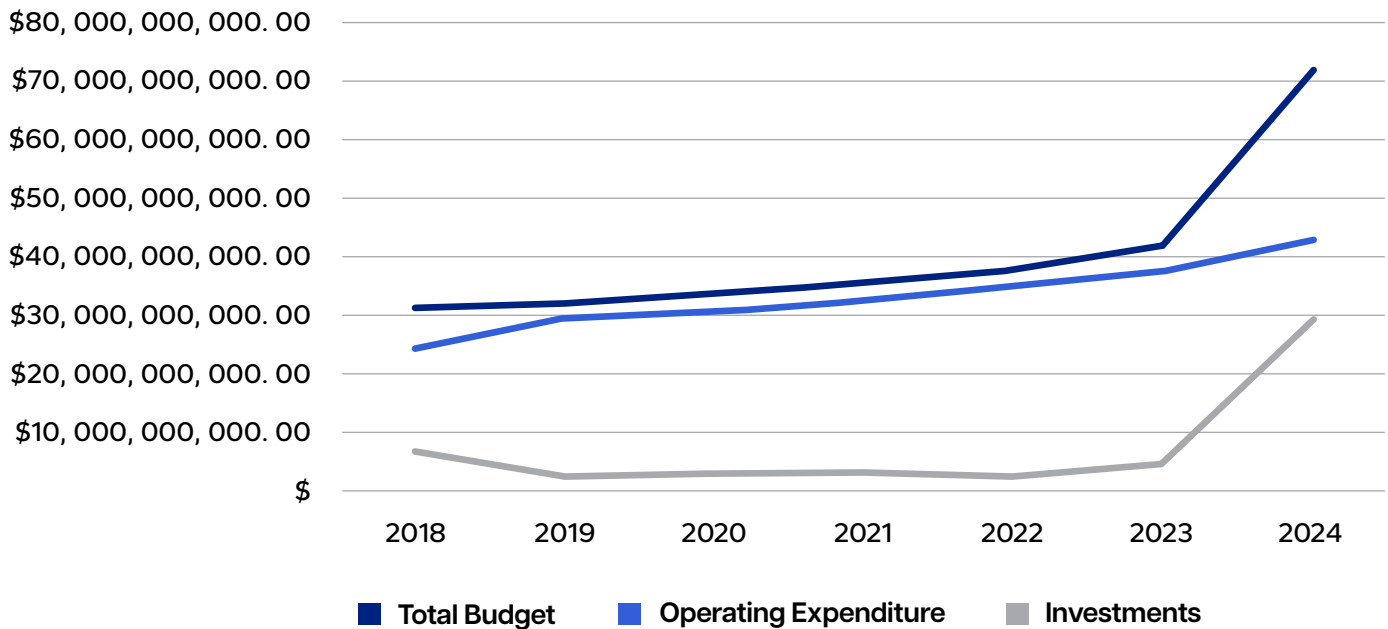
The Secretariat of the Navy, a cabinet-level federal ministry, actually consists of two major components: on one hand, it oversees the National Maritime Authority, the Merchant Marine, and the administration of the National Port System. In this regard, the Secretariat is the sole national authority on the matter and represents the Mexican State before international organizations such as the International Maritime Organization for such purposes. The other constituent element is the Mexican Navy, a military permanent institution whose main function is to employ the naval power of the federation for external defense. However, this does not mean that the Navy does not have other important missions, such as those related to its role as a coast guard (constabulary) or those of naval diplomacy.

Perhaps venturing a bit with the concepts, it can be argued that the Secretariat of the Navy oversees the National Maritime Power, which consists of both economic-civilian elements (ports, merchant marine) and naval (military) elements, and whose strategic function is nothing less than the pursuit and protection of the nation's National Maritime Interests (the NMIs have already been defined in the country's National Maritime Policy, yet to be published by the Government).

That said, and by way of clarification, one should not confuse the Secretariat of the Navy (the federal ministry) with the Mexican Navy (one of its constituent parts and perhaps the most relevant).

Starting in October 2024, once the new president has appointed the Secretary of the Navy (who acts as Secretary of State and High Command of the Navy), this individual will face a series of challenges that will mark the course of the Secretariat for the next six years, and perhaps for the next decade. In this context, the Secretariat of the Navy faces a budgetary paradox: even though direct allocations to this Secretariat have increased by more than 100% in the last 6 years, the resources allocated to its substantive tasks—namely, the truly maritime ones—have remained at historically low levels.

## The Secretariat of the Navy Budget over the years - In Mexican Pesos (MXN)



As shown in the previous chart, what might seem like a brutal increase in military naval means (ships, planes), expansion and modernization of the National Port System, or expansion of merchant marine capacities, **is actually quite the opposite**. The budget increase is explained by the absorption, by the Secretariat of the Navy, of strategic projects for the Federal Government that **have little or nothing to do with the specific mission of the Secretariat**. In fiscal year 2024, more than MXN \$22 billion (around USD \$1.3B) are allocated to the planning, construction, and operation of the Isthmus of Tehuantepec Corridor, which, although of undeniable strategic importance to the Mexican state, demands financial and human resources already scarce -to the detriment of the SEMAR's fundamental institutional capacities.

Since late 2018, the Secretariat has faced a complex reality: in addition to receiving new responsibilities such as those related to the aforementioned Corridor, it has also absorbed a significant number of functions from other Federal Government Administration entities, particularly regarding ports and the merchant marine, as well as providing support in customs, railway construction in the State of Chiapas, and overseeing Mexico City's International Airport, the country's most important one.

However, the truly concerning issue is that while receiving new and extensive responsibilities, **resources for substantive maritime tasks remain minimal.** An example of this is the cancellation of the Permanent Ship Replacement Program for the Navy, which halted the construction of vital means for the surveillance of our Territorial Sea and Exclusive Economic Zone. This cancellation left on hold the incorporation of Oaxaca-class ocean patrols vessels, Tenochtitlán-class coastal patrols vessels, and Polaris interceptor boats. Notwithstanding the pause in the Long-Range Ocean Patrol Project, that resulted in the construction of only one multipurpose frigate (a DAMEN SIGMA 10514) -out of the originally eight planned. It is also important to notice that the ARM Juarez frigate is the only high-end naval platform of the Navy, yet not all of its weapons systems were installed (it sails without its planned ASW, AShW and AAW systems).

The lack of resources has also impacted the current Navy fleet, whose **operational ratio have been significantly compromised.** This means that not only are there fewer naval means to patrol more than 3 million square kilometers of maritime domain, but the current ones urgently need investments in maintenance and upgrades. Unconfirmed reports suggest that almost 50% of the OPV fleet is not fully operational.

Regarding the economic-civilian component of the Secretariat, it can be argued that there have been some advances in port capacity expansion and, above all, in the regulation of the merchant marine sector. However, challenges remain in the country's merchant marine schools, where the incorporation—actually mandated by law—**of a training ship is still lacking;** modernization in port management and strengthening of the National Maritime Authority.

To the difficult internal situation of the Secretariat, one must add the constant change in the **global geostrategic scenario, which offers great opportunities but also fundamental challenges.** On one hand, the relocation of value chains from Asia to North America provides our country with a **strategic window** that will hardly repeat itself in the coming decades. Having safe, modern, and logistically well-connected ports is a *sine qua non* condition to take advantage of this circumstance. On the other hand, the maintenance of **free and secured Sea Lines of Communication (SLOCs)** is a task shared by all nations worldwide, as more than 80% of global trade passes through them. With a **deficient naval power like the ours, Mexico can contribute little to this effort.** Having **minimal and expandable naval** means and capabilities is a titanic and long-term task, but of vital importance to the Mexican state.

Undoubtedly, there are other challenges that the next head of the Secretariat of the Navy will face from October 2024 onwards, but the above encompass a series of tasks focused on strengthening one of the most strategic sectors for the state: the maritime sector.

In this sense, the Secretariat will have to navigate a complex situation, where increased responsibilities and tasks should be accompanied by adequate resource allocation, to avoid subsequent reduction of fundamental institutional capacities. On the other hand, and no less important, it should be remembered that the Mexican political establishment has traditionally turned its back on the sea, not considering it a strategic space or of relevance for the country's future.

Navigating between a reduced budget, ever-expanding institutional responsibilities, and a national political leadership with no maritime culture whatsoever, is a task that requires **leadership, teamwork, and strategic vision** within the next Secretariat of the Navy.



**For all the above reasons, three major strategic challenges are envisioned for the next head of the Secretariat of the Navy:**

1. The Navy, the permanent operational arm of the institution, has as its main responsibility the external defense of the nation through the use of the Federation's Naval Power. Capabilities in this area cannot continue to deteriorate. Therefore, it is essential to resume the process of modernizing naval (military) capabilities, **based on a 20-year Naval Construction Strategy**. Perhaps, the Navy should **modify its years-long Naval Operating Concept**, acquiring a single multipurpose platform (based on the proven SIGMA design) that can **conduct both constabulary and high-end missions** if the geostrategic environment in the future demands it.
2. At the economic-civilian component level, the Secretariat faces the challenge of consolidating a port system in line with the current geostrategic moment. The modernization of ports, particularly Lázaro Cárdenas and Manzanillo in the Pacific, and Veracruz and Altamira in the Atlantic, is a vital task for this. However, these ports are not isolated entities but part of a national logistics system. The Secretariat must coordinate with other government entities to ensure that the cargo entering and leaving these ports transits safely throughout its journey. In other words, **ports are as important as the logistics infrastructure they depend on**, and the Secretariat will need to play a more active role in this.
3. Consolidating the Isthmus of Tehuantepec Corridor, which, although a project far from the institutional nature of the Secretariat, represents a **huge opportunity for the Mexican state**. Therefore, the integration of a public-private strategic council in this area, under SEMAR coordination, could be a way to better integrate the various national and international actors related to this project. In fact, the **possibility of developing naval shipbuilding clusters** around the Corridor can be explored, benefiting the aforementioned naval capabilities without neglecting other industries.



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