

Fostering Positive Social Change And Development

An Interview with H.E. Esteban Moctezuma Barragán, Ambassador of Mexico to the United States

EDITORS' NOTE Ambassador Esteban Moctezuma Barragán was appointed Ambassador Extraordinary and Plenipotentiary of Mexico to the United States of America by Mexican President Andrés Manuel López Obrador, and was ratified by the Senate of the Republic with 115 votes in favor out of 116 attendees in February 2021. Among his previous governmental positions are Secretary of Public Education (2018–2021); Secretary of Social Development (1998-1999); Senator of the Republic (1997-1998); Secretary of the Interior (1994-1995); Undersecretary of Planning and Educational Coordination (1993-1994); Chief Administrative Officer of the Ministry of Public Education (1992-1993); Chief Administrative Officer of the Ministry of Programming and Budget (1988-1992); and Secretary of Administration for the Government of the State of Sinaloa (1988-1989). Additionally, he was responsible for implementing the autonomy of the Supreme Court of Justice of the Nation (1994-1995). Ambassador Barragán earned a bachelor's degree in economics from the National University; a master's degree in economic development at the University of Cambridge, United Kingdom; received a diploma in regional development in Tokyo, Japan; and holds an honorary doctorate from the University of Sciences and Arts of Chiapas.



H.E. Esteban Moctezuma Barragán

role in implementing the autonomy of the Supreme Court of Justice of the Nation, furthering judicial independence and integrity.

Beyond my public sector contributions, I have been deeply involved in civil society. As President of the Board of Trustees of the National Institute of Public Health and Executive President of Fundación Azteca, I championed initiatives like the Esperanza Azteca System of Children's and Youth Symphony Orchestras and conservation programs such as "Long Live the Lacandon Jungle!" based on a deep commitment to fostering cultural enrichment, environmental conservation, and educational excellence. With this knowledge of Mexico's public sector and firsthand experience with the country's main issues, I came to Washington, D.C. to explore how to jointly address our bilateral challenges through cooperation with the American government. I am convinced of the importance of fostering social development through education, dialogue, and diplomacy. This has been the focus of my work for the past two years and

it has been an immense privilege to represent my country and work towards a prosperous and collaborative future in North America.

What do you see as the strengths of Mexico for foreign investment?

With its sound macroeconomic policies, extensive trade agreements, and investment opportunities, Mexico is an ideal location for businesses looking to grow and succeed.

Its strategic location provides direct access to the U.S. market, Central and South America, and the Caribbean, with an extensive coastline spanning over 11,000 kilometers linking Asia-Pacific and European markets. Mexico has a strong network of international trade agreements, beyond USMCA, that include 14 Free Trade Agreements with 50 countries, providing market access to two-thirds of the world economy and one billion consumers, and 30 Reciprocal Investment Promotion and Protection Agreements (RIPPAs) with 31 countries strengthening investment certainty.

Mexico's economy is robust, with GDP growth of 3.2 percent in 2023, matching the U.S.' growth rate, and headline inflation decreasing from 8.7 percent in August 2022 to 5.5 percent

Will you highlight your career journey and what led to your role as Ambassador?

I began my career more than 40 years ago in public service, always driven by a desire to enact social change. My journey has been marked by a dedication to both the public sector and civil society, aiming to foster positive social change and development in Mexico. I've had the honor of serving in various capacities, including Secretary of Public Education in Mexico, where I led numerous initiatives to improve educational standards and access for all. As Secretary of Education, I promoted significant initiatives to advance educational equity, such as the "La Escuela es Nuestra" program to enhance school infrastructure and "Vida Saludable" to improve students' health and well-being. My career also includes roles such as Secretary of Social Development and Secretary of the Interior, where I was involved in crucial policy implementation and social programs that directly impacted the well-being of communities. Additionally, I played a pivotal



The Isthmus of Tehuantepec rail line will enhance Mexico's infrastructure and global trade routes



The Angel of Independence overlooking Reforma Avenue, a key landmark in Mexico City now surrounded by tall, modern buildings

in 2023. The country's fiscal policy has a strong track record, with public debt representing 46.8 percent of GDP and international reserves reaching \$212 billion. The domestic market is attractive, with 126 million consumers, domestic consumption expanding by 5.0 percent in 2022, and unemployment at a historic minimum of 2.6 percent in April 2024. Mexico's young and skilled workforce, with an average age of 29 and nearly half part of the active labor force, is a significant asset, with almost 1 million students enrolled in STEM fields annually.

As a result, Mexico is a magnet for global investment, attracting record levels of FDI with \$170 billion received since 2019, including \$36 billion in 2023, primarily in manufacturing, automotive, aerospace, and electronics.

What message would you want business leaders to know about the business opportunities that Mexico offers?

At this pivotal moment in history, Mexico stands as a beacon of stability and opportunity for investment. Various incentives and development programs attract investment, including:

- Tax incentives for regional development on the northern border and Southeast, such as a 50 percent value-added tax credit and a tax credit equivalent to one-third of income tax
- Fiscal incentives for the Southeastern region, including a complete income tax exemption for the first three years and 50 percent in the next three years
- Chetumal free trade zone, offering tax incentives for companies trading certain goods or services
- Decree granting tax incentives to ten key export industries, including an immediate deduction for investment in new fixed assets

and an additional 25 percent deduction for training expenses

- Country-wide development programs, offering benefits for companies importing goods temporarily and producing specific products.

Mexico also offers a one-stop shop for investors, VUIMX, providing a step-by-step guide on procedures and relevant information to facilitate investment.

How critical is Mexico's role in the global economy?

Mexico, a key player in the global economy, is home to an almost 130-million-person population,

a strategic location, and vast cultural diversity and natural resources. This unique combination positions Mexico as a leader in the global economy, offering significant potential for foreign investment. As the 12th largest economy, Mexico's GDP reached \$1.8 trillion in 2023, up from \$1.2 trillion in 2018. Its total trade stands at \$1.2 trillion, making it the world's ninth-largest exporter and importer. Over 90 percent of Mexico's exports are manufactured goods, primarily medium and technologically advanced.

Mexico's 30-year-old free-trade agreement with the U.S. and Canada (USMCA) provides duty-free access to the North American market, driving economic integration and making it an attractive location for global companies. In fact, Mexico has surpassed China as the largest supplier of goods to the U.S. With a long-term perspective, Mexico is committed to further integration to address 21st-century challenges and ensure the region's prosperity.

Will you discuss the importance of a strong relationship between the United States and Mexico?

The United States and Mexico share a profound and multifaceted relationship, one that extends far beyond the headlines and misconceptions that often dominate the narrative. In reality, our two nations are deeply intertwined, with a level of integration that has a significant impact on both our economies and societies. This interconnectedness is rooted in our shared history, culture, and geography, with one in five U.S. citizens boasting Hispanic origins, highlighting the personal bonds that transcend our border. Moreover, our trade relationship is a cornerstone of this integration, with Mexico being the top trading partner of the U.S. in the world. Mexico buys 16 percent of everything the U.S. sells to the world.

Through cooperation and collaboration, we can harness this integration to address shared challenges, such as migration and international security threats, more effectively. By working together, we can strengthen our regional capabilities and create a more resilient, innovative, and humanistic North America.

As we look to the future, our joint efforts and shared vision can pave the way for a North American region that stands as a beacon of hope and prosperity on the global stage. This is North America's moment, and together, we can seize it.

What do you tell young people in Mexico about the importance of public service?

Public service is an impactful pursuit, offering individuals a unique chance to make a tangible difference in their communities and contribute to social improvement.

What I usually tell young people interested in working for the government is that public service represents an opportunity to work towards the betterment of Mexico, setting an example for others to follow and creating a virtuous circle. ●

For more information regarding Mexico and business opportunities, please contact the Embassy of Mexico - <https://embamex.sre.gob.mx/eua/>

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