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Conditions for a more productive economy with a focus on human capital formation

- Education
- Technology and higher education
- Energy
- Petroleum sector
- Electricity
- Environmentally sustainable development
- Financial system
- Infrastructure

Policies to reduce disparities and foster inclusion

- Informality
- Social and inclusion policies

Incentives for competitiveness and improvements in Mexico's business environment

- Macroeconomic management
- Public finances
- Monetary policy
- Rule of law
- Good governance and an effective fight on organized crime
- Security, crime, and violence
- Mexico's global position as a major emerging economy

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Harpaul Alberto Kohli

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Claudio M. Loser, Drew Arnold, and Y. Aaron Szyf

Mexico in a long-term historical perspective

- A period of inward-looking industrialization through the early 1970s
- A period of oil discovery and production boom, with major international borrowing in the early 1970s and early 1980s
- A period of debt crisis in the 1980s, with a subsequent revival in the early 1990s, followed by the Tequila Crisis in 1994–95
- A period of stabilization but disappointing economic outcome after the Tequila Crisis of 1994–95
- A period of economic decline in the wake of the Great Recession of 2008–09, followed by a very impressive recovery

- Mexico's comparative quantitative indicators of performance
- Mexico's business climate and regulations
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Total factor productivity
Infrastructure
Mexico’s demographic dividend—an opportunity for growth

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Oil from tar sands and shale can reshape the world’s energy market
Prospects of nuclear energy dimmed by Nakashima tragedy
Carbon sequestration would make a big difference
Renewable sources will still play a modest role
Energy consumption will grow rapidly in emerging markets
The net effect is growing energy consumption worldwide
Mexico’s future demand for energy
Mexico’s energy consumption will continue growing
Energy in Mexico has three large markets
Mexico’s growth will be powered by hydrocarbons
Petroleum will serve Mexico’s transportation needs
Can PEMEX meet these needs?
PEMEX faces enormous challenges
PEMEX is unprofitable

Conditions leading to the 2008 reforms

Evaluation of the recent reforms

First critical issue: can PEMEX develop Chicontepec reserves?

Second critical issue: can PEP produce 1 million barrels daily in deep waters?

Third critical issue: radically improving refining operation

Outlook for PEMEX is not good

Recommendations for oil sector

PEMEX's problems will not be solved by incremental solutions

Electricity

CFE is in much better shape than PEMEX

CFE's operations have improved steadily

LFC performance gradually deteriorated

CFE has a positive net worth

CFE loses money in operations

CFE's P&L mixes economic and accounting concepts

CFE's tariffs are not economically efficient

Recommendations for the electric sector

Mexico should modify the structure of its electric sector

First best option would be a radical departure


Hervé Ferhani

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Does financial development reduce informality? Lessons from the Brazilian and Mexican experiences

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Effect of business registration reform on entrepreneurial activity in Mexico

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