

INSTITUTO MEXICANO PARA LA COMPETITIVIDAD, A.C.

ANNUAL REPORT 2023

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2023 wasn't just another year

IMCO celebrated its twentieth anniversary as one of Mexico's most robust civil society organizations. Today more than ever, the organization reaffirms its commitment to driving a competitiveness agenda.

Here are the highlighted milestones and institutional achievements that contributed to the advancement of a more prosperous, inclusive, and sustainable Mexico.

Economy:

- **The 2023 State Competitiveness Index (ICE in spanish) served as input for decision-making in local government public policy.** The ICE was presented to the governors of Chihuahua and Querétaro alongside their cabinets, as well as business representatives. Through private meetings with state-level officials, specialized consultations have been provided to the governments of Chihuahua, Yucatán, Querétaro, and Sinaloa to help improve their states' conditions. The ICE composes one of the efforts done by IMCO of monitoring the performance of state administrations, as evidenced by mentions in media, government or legislative reports, criticisms from local oppositions, and overall accountability at that level of government.
- **The Water Resource Analysis elaborated by IMCO was utilized** by the Chamber of Deputies' Water Resources Commission to draft the General Water Law.
- **The organization plays a pivotal role in the topic of nearshoring and the USMCA agenda.** Regarding these issues, IMCO organized an event in alliance with the Brookings Institution and participated in events convened by the Chamber of Deputies, Friedrich Naumann Foundation (FNF), El Financiero, Coparmex, as well as the National Metropolitan Network managed by Sedatu, INEGI, and Conapo.
- **The agenda on the challenges posed by the natural gas sector,** as well as the proposals developed by IMCO on the storage and transportation infrastructure of this energy source, have gained traction in the public discourse. Consequently, IMCO continuously receives invitations to discuss and present on the topic, both in the public and private sectors. Therefore, IMCO continues to establish itself as a reference in energy matters.
- **IMCO provided technical support to local governments.** Together with the Superior Auditor's Office of the State of Coahuila, it trained 223 state and municipal officials from 29 federative entities on optimizing municipal cadastres. Additionally, it trained representatives from the Tourism Secretariats of the states of Chiapas, Campeche, Quintana Roo, Tabasco, and Yucatán to strengthen competitiveness in the southern-southeastern region of Mexico.

Inclusive Society:

- **Federal legislators turned to IMCO's proposals in order to support initiatives** regarding paternity leave, equal pay, and regulations in favor of gender equality and non-discrimination. Meanwhile, **local deputies utilized the organization's analysis to promote measures ensuring pay equality** in the states of Tamaulipas, Oaxaca, and San Luis Potosí.
- **IMCO was present in legislative discussion spaces**, including forums on the 2024 Federal Budget with a gender perspective and the future of education, organized by the Gender Equality Commission of the Chamber of Deputies and the Senate, respectively.

Government:

- **IMCO developed an innovative methodology to analyze the payroll system of the Congress of the State of Jalisco, which identified structural challenges for its efficient management and operation.** As a result, the Congress has held working groups to implement IMCO's public policy recommendations.
- **The Ministry of Public Administration and IMCO consolidated an institutional alliance** to drive improvements in the federal public procurement process. As part of this alliance, both institutions have participated in two working sessions and are in the process of signing a collaboration agreement.

Towards the Elections:

In the context of the 2023-2024 electoral process, **IMCO has actively collaborated with the campaign teams of presidential candidates to develop evidence-based public policy proposals.**

- This year, the organization witnessed the fruition of innovative ideas alongside the commemoration of flagship projects.
- IMCO marked its twentieth anniversary with the publication of 110 research papers in 2023 (96 more publications than the world think-tank average*), including its flagship publications, as well as new projects impacting crucial areas for the country's development such as gender equality, sustainable management of natural resources, energy transition, and many more.

*Source: Think Tank State of the Sector 2023

110

Front pages
(12% more than last
year)

16

Strategic projects

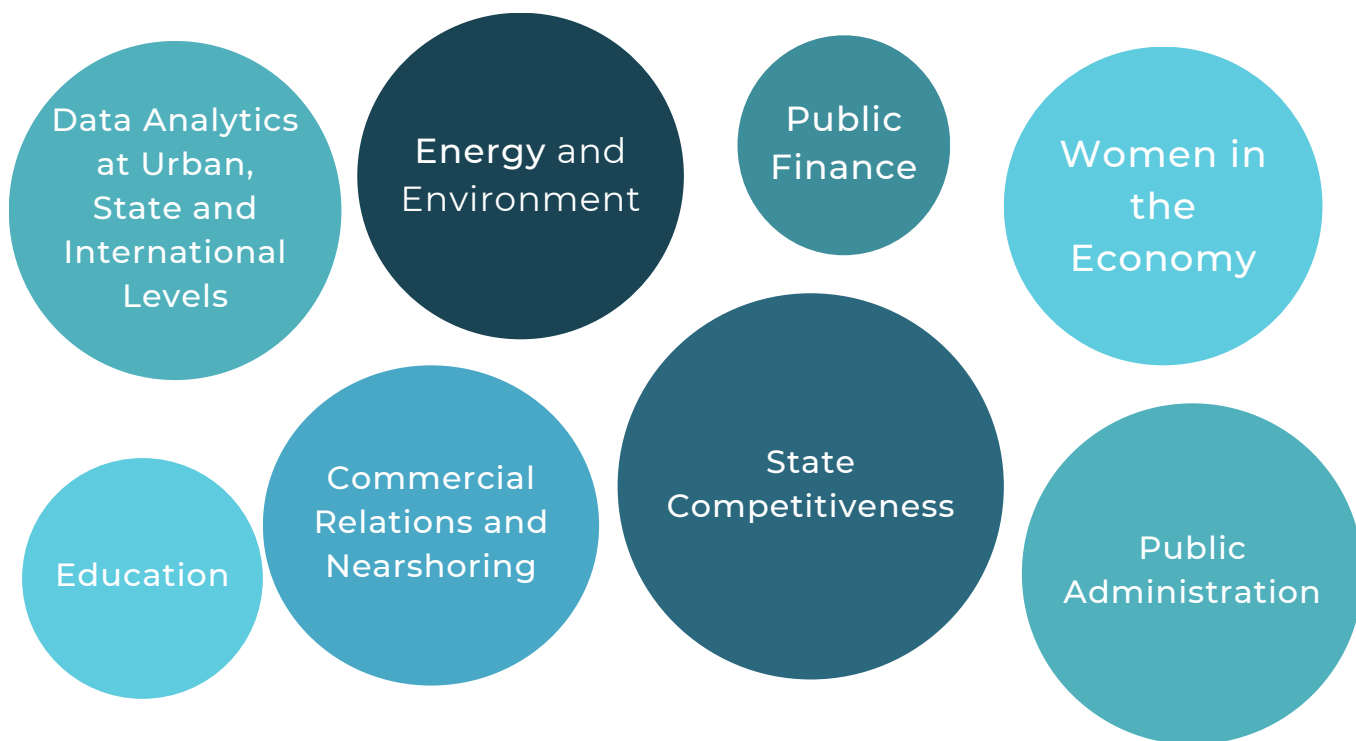
38

Research studies

56

Analysis

With an eye on 2024, the institution will continue to encourage public conversation on the subject of:



IMCO influenced the public agenda through the following projects:

1 State Competitiveness Index 2023 (ICE in spanish)

The ICE 2023 assessed the ability of entities to generate, attract, and retain talent and investment. This year, given the context, the analysis focused in on nearshoring. In this edition, ten states improved their position, thirteen regressed, and nine remained the same. Quintana Roo is the state that climbed the most places, while Yucatán is the one that lost the most.

2 PEMEX and CFE Under the Spotlight

Analyzing the **country's energy market and public finances** is not possible without focusing on the two main state-owned companies: PEMEX and CFE. Their quarterly reports allowed for a comprehensive examination of their progress through analysis of profits, losses, advancements, and setbacks.

3 Water in Mexico: Scarcity or Mismanagement?

Who consumes the most water in Mexico? How is this vital resource administered and charged for? How will droughts, which become more intense every year due to climate change, affect the country? **These questions were crucial for assessing the current state of water resources in the country.**

4 States under Gender Lens

This analysis was born with the aim of **examining the multiple barriers that women face in the labor market**, including wage gaps, gender-based violence, access to formal employment, and more. Based on these indicators, a ranking is created to unleash the economic potential of women.

5 Corruption Risk Index (IRC in spanish) 2023

The IRC is an analysis of over 867 thousand Public Procurement contracts made by the Federal Government based on three pillars: competition, transparency, and compliance with the law. In 2023, 184 federal institutions increased their corruption risk. In addition to the Index, IMCO built a tool that allows viewing details by contract, institution, and provider.

6 Compare Careers

Undoubtedly, higher education is a safe and profitable investment. But with increasing competition in the job market, the reward for studying has diminished. Now more than ever, an informed decision must be made. **In 2023, comparacarreras.org not only provided information on the highest-paying careers, with lower informality or lower unemployment, but also analyzed their profitability.**

7 Urban Competitiveness Index 2023 (ICU in spanish)

Cities are the primary point of contact for citizens with the public sphere: Mexicans require efficient public transportation, access to services such as water, and to carry out procedures quickly and easily. **In the ICU 2023, productivity isn't just analyzed; it's also showcased through #ImproveYourCity, a handbook of public policies aimed at meeting people's needs while leveraging digital tools.**

8 Nearshoring: Opportunity Challenging Mexican Entities

Nearshoring presents significant opportunities for the country. Conditions such as the availability of workers, electricity, and regulatory quality in the states are necessary to invest and establish productive chains. Some states with higher availability of labor, for example, are Tlaxcala, Durango, and Sinaloa; whereas Sonora, Sinaloa, and Durango have electricity at more competitive prices.

9 Women in Companies

Female talent is lost as the hierarchical level in companies increases, and it becomes increasingly difficult for them to hold managerial positions or reach a position on the board of directors. What factors influence this? In partnership with Kiik Consultores, **IMCO analyzed 184 companies listed on the capital and debt markets of Mexico's stock exchanges in 2022 to measure women's participation at all levels.**

10 Unfilled Vacancies in Mexico's Labor Market

In partnership with Coparmex, **IMCO analyzed the main challenges facing Mexican companies in terms of talent.** 75% consider that the greatest challenge is the insufficiency of prepared individuals to fill vacancies, as well as turnover. What can be done to leverage the unemployed population?

IMCO'S Institutional projects:

Economy and Data Analytics

<u>How to Consolidate North America as the Most Competitive Region in the World?</u>	January 9, 2023
<u>The ruling in favor of Mexico and Canada on automotive sector origin rules safeguards the region's competitiveness.</u>	January 11, 2023
<u>Inflation decelerates, yet its regressive effect persists.</u>	January 12, 2023
<u>Tariffs on white corn exports jeopardize Mexico's competitiveness.</u>	January 17, 2023
<u>Oil surpluses didn't offset the cost of fuel subsidies in 2022.</u>	January 31, 2023
<u>Analysis of Jalisco State Congress payroll.</u>	January 31, 2023
<u>Water situation in Mexico.</u>	February 7, 2023
<u>Restrictions on transgenic corn imports.</u>	February 14, 2023
<u>Bilateral X Ray: Mexico- United States</u>	February 17, 2023
<u>2022 closed with the highest job generation in the past 7 years. The challenge persists in terms of quality.</u>	February 20, 2023
<u>Dynamic engines of Mexico's economy.</u>	February 24, 2023
<u>PEMEX in the fourth quarter of 2022.</u>	February 28, 2023

<u>CFE in the fourth quarter of 2022.</u>	March 1st, 2023
<u>Consultations on the restrictions on importation of yellow corn.</u>	March 6, 2023
<u>Mexico needs to modernize its water legislation.</u>	March 21, 2023
<u>Mexico requires competitive energy to capitalize on nearshoring.</u>	March 30, 2023
<u>Acquisition of Iberdrola's plants does not nationalize the electric industry.</u>	April 5, 2023
<u>Growth stagnates in wind and solar photovoltaic energies in Mexico.</u>	April 18, 2023
<u>Agriculture, environment, and health measures are some pending issues to comply with USMCA.</u>	April 25, 2023
<u>Future of employment 2023 WEF.</u>	May 1st, 2023
<u>CFE in the first quarter of 2023.</u>	May 2, 2023
<u>PEMEX in the first quarter of 2023.</u>	May 4, 2023
<u>Granting water concessions must adhere to technical, not political, criteria.</u>	May 12, 2023
<u>2023 elections: public security in the State of Mexico.</u>	May 18, 2023

<u>2023 elections: public transportation in the State of Mexico.</u>	May 18, 2023
<u>Let's talk about public investment.</u>	May 23, 2023
<u>2023 elections: public security in Coahuila.</u>	May 25, 2023
<u>Mexican economy continues to grow with insufficient pace.</u>	May 26, 2023
<u>Nearshoring: an opportunity challenging Mexican entities</u>	May 30, 2023
<u>PRODESEN 2023-2037 artificially increases clean energy generation figures in Mexico.</u>	May 31, 2023
<u>Risk of unproductive and non-transparent public debt for the country's finances.</u>	June 2, 2023
<u>Differences escalate between the US and Mexico over agricultural biotechnology measures.</u>	June 2, 2023
<u>Let's talk about revenues in the states.</u>	June 6, 2023
<u>Facing climate change, urgent need to modernize water regulations</u>	June 20, 2023
<u>Municipal Disasters: Outdated and Underutilized</u>	June 22, 2023
<u>Pending Competence, Digital Commerce, and Telecommunications to Comply with the USMCA</u>	June 30, 2023

<u>Economic Radar: July 2023</u>	July 6, 2023
<u>Unfilled Job Vacancies in Mexico's Labor Market</u>	July 13, 2023
<u>Budget Information Barometer (BIPE) 2023</u>	July 25, 2023
<u>CFE Under Scrutiny in the Second Quarter of 2023</u>	July 31, 2023
<u>Economic Radar: August 2023</u>	August 8, 2023
<u>No Natural Gas, No Nearshoring</u>	August 15, 2023
<u>United States Requests Dispute Settlement Panel Over Agricultural Biotechnology Measures in Mexico</u>	August 17, 2023
<u>Let's Talk Debt 2023: Subnational Debt Report</u>	August 22, 2023
<u>Southern-Southeastern Mexico Requires Infrastructure to Access Natural Gas</u>	August 22, 2023
<u>ENOE 2Q2023: Growth in Labor Income</u>	August 29, 2023
<u>Mexico Needs Tariff Schemes Promoting More Efficient Water Systems</u>	August 31, 2023
<u>Economic Radar: September 2023</u>	September 7, 2023
<u>2024 Economic Package: Public Finances at the End of the Presidential Term</u>	September 8, 2023

<u>Federal Government Support for PEMEX</u>	September 13, 2023
<u>Resources for Social Programs</u>	September 14, 2023
<u>Mexico in the World</u>	September 15, 2023
<u>Less Income and More Debt</u>	September 21, 2023
<u>Economic Radar: October 2023</u>	October 9, 2023
<u>Mexico Faces Droughts Without Sufficient Resources</u>	October 10, 2023
<u>Fiscal Incentives Will Be Granted to Boost Nearshoring Investments</u>	October 13, 2023
<u>Ups and Downs in Health Resources</u>	October 17, 2023
<u>Disappearance of Trusts from the Federal Judiciary</u>	October 18, 2023
<u>CFE in the Third Quarter of 2023</u>	October 25, 2023
<u>PEMEX in the Third Quarter of 2023</u>	October 27, 2023
<u>Economic Radar: November 2023</u>	November 9, 2023

<u>Regional Competitiveness: Driving the Country's Development</u>	November 9, 2023
<u>Federal Expenditure Budget 2024</u>	November 9, 2023
<u>Reduction in Public Investment Budget</u>	November 16, 2023
<u>Deficit, Indebtedness, and Financial Costs One Year Before the End of the Administration</u>	December 1st, 2023
<u>Economic Radar: December 2023</u>	December 7, 2023
<u>The Mexican Petroleum Fund Must Be Reformed to Finance the Energy Transition</u>	December 14, 2023

Inclusive Society

<u>Women in STEM in the Mexican States</u>	February 9, 2023
<u>Without Socioemotional Learning, the New Curriculum Will Not Drive Successful Educational and Professional Trajectories</u>	February 21, 2023
<u>Survey on Professional Growth #WithGenderLens</u>	March 7, 2023
<u>International Women's Day</u>	March 7, 2023

<u>States #WithGenderLens 2023</u>	March 28, 2023
<u>SEP Promotes Actions Affecting Periodic Generation, Access, and Quality of Educational Information</u>	April 17, 2023
<u>Four Rushed Reforms That Could Affect Mexico's Competitiveness</u>	April 27, 2023
<u>Labor Day 2023: Progress in Labor Quality During This Presidential Term</u>	April 30, 2023
<u>Mothers in the Labor Market</u>	May 9, 2023
<u>Teacher's Day: Addressing Teaching Challenges to Improve Education</u>	May 11, 2023
<u>State Competitiveness Index 2023</u>	June 9, 2023
<u>Artificial Intelligence (AI) Will Revolutionize Education. Mexico Cannot Lag Behind</u>	June 14, 2023
<u>Mexico Drops Two Positions in the 2023 WEF Global Gender Gap Index</u>	June 20, 2023
<u>Glossary: Women in the Economy</u>	June 30, 2023
<u>High-Resource Households Earn 15 Times More Than Low-Resource Ones</u>	July 27, 2023
<u>Risks of the New Curriculum</u>	August 1st, 2023

<u>Women in State Secretariats 2023</u>	August 8, 2023
<u>Compare Careers 2023</u>	August 17, 2023
<u>Women with Lower Economic Independence According to ENIGH Data</u>	August 24, 2023
<u>First Day of Classes 2023: Are Conditions Sufficient?</u>	August 28, 2023
<u>Mejoredu's Diagnostic Assessments Are Insufficient to Guide Educational Policy</u>	October 2, 2023
<u>Mexico Will Achieve Gender Parity on Corporate Boards by 2052</u>	October 3, 2023
<u>Nine Out of Ten People Leaving the Labor Market for Caregiving Are Women</u>	October 16, 2023
<u>Budget Shortage to Address Educational Challenges</u>	November 7, 2023
<u>70% of Students in Guerrero at Risk of Academic Lag Due to Otis's Passage</u>	November 15, 2023
<u>77% of State Public Universities Show Irregularities in the Use of Public Resources</u>	November 22, 2023
<u>Household and Care Work Amounts to 7.2 Trillion Pesos, with 72% Contributed by Women</u>	November 24, 2023
<u>Urban Competitiveness Index 2023</u>	November 29, 2023

<u>PISA 2022: Two Out of Three Students in Mexico Do Not Reach Basic Levels of Mathematics Learning</u>	December 5, 2023
<u>Nine Out of 16 State Secretariats in Nuevo León Have Gender Pay Equality in Senior Management Positions</u>	December 12, 2023

Government

<u>Changes over time endangering Mexico's education</u>	<u>January 24, 2024</u>
<u>The Supreme Court and the Political-Electoral Reform</u>	<u>May 9, 2023</u>
<u>The paralysis of the INAI represents a historical setback in the constitutional right to access information</u>	<u>May 15, 2023</u>
<u>Executive and Supreme Court clash over transparency in priority projects</u>	<u>May 19, 2023</u>
<u>Early pre-campaigns do not exempt political parties from disclosing their expenses</u>	<u>July 10, 2023</u>
<u>Corruption Risk Index 2023</u>	<u>July 17, 2023</u>
<u>The National Anticorruption System has not been a priority in this presidential term</u>	<u>September 12, 2023</u>
<u>Public institutions in Mexico face challenges in their administrative performance</u>	<u>September 26, 2023</u>

The IMCO team thanks those who allowed us to devise and develop this year's institutional projects.

Allies

50/50 Women on Boards

Abogadas MX

Artículo 19

Asociación Nacional de Entidades de Agua y Saneamiento de México

Auditoría Superior del Estado de Coahuila

Banco Interamericano de Desarrollo

BIVA

Brookings Institution

Cámara de Diputados

Centro Mario Molina

Citibanamex

Congreso del Estado de Jalisco

Consejo para Prevenir y Eliminar la Discriminación de la Ciudad de México
COPARMEX

Foro Económico Mundial

Fundación Coppel

Fundación Friedrich Naumann

Fundación Konrad Adenauer

GIZ México

Gobierno del municipio de Querétaro

Gobiernos estatales de Chihuahua, Sinaloa, Querétaro y Yucatán

Google México

Grupo Coppel

Grupo Ensemble

Incubadora Míticas

Iniciativa de Transparencia, Anticorrupción y Transformación Digital del Tecnológico de Monterrey

Instituto Nacional de las Mujeres

Instituto Nacional de Transparencia, Acceso a la Información y Protección de Datos Personales

International Youth Foundation

Kiik Consultores

KPMG

Laureate International Universities

Movimiento STEM

National Endowment for Democracy

NovaGob México

Observatorio Nacional Ciudadano

Plan Estratégico de Juárez

Secretaría de la Función Pública

Secretaría del Trabajo de Nuevo León

TC Energy

Tecnológico de Monterrey - Campus Estado de México

University of California San Diego

Women Corporate Directors

Media

Animal Político

El Economista

El Sol de México

Expansión

El Universal

Letras Libres

Mexico Today

The Guardian

Opinión 51

Board 2023

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Emilio Carrillo

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Advisor

Eugenio Clariond

Advisor

Lorenzo de Rosenzweig

Advisor

Antonio del Valle

Advisor

Claudio X. González

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Tomás González

Advisor

Gabriela Hernández

Advisor

Luis Murillo

Advisor

Armando Paredes

Advisor

Antonio Purón

Advisor

Alejandro Ramírez

Advisor

Jaime Serra

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Daniel Servitje

Advisor

Vicente Yañez

Advisor

Jaime Zabludovsky

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Presidente

Business
Coordinating Council
(CCE in spanish)



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