

ITPG

Interview with the federal deputy Mr. Omar Borboa Becerra

Structural Reforms in Mexico

By Prof. Dr. Sergio Guerrero Rosas

I would like to share with you that during my recent visit to the Mexican Chamber of Deputies, I was fortunate enough to have the opportunity to interview the Federal Deputy representing the 10th electoral district of the State of Jalisco, Omar Borboa Becerra, on the structural reforms being implemented in Mexico. These reforms are surely of great importance to all foreign investors interested in taking advantage of business opportunities.

Sergio Guerrero Rosas (SGR): Why Politics?

Omar Borboa Becerra (OBB): Because it is a medium that allows great changes which benefit society to be accomplished.

SGR: How did you become a federal deputy?

OBB: Through my work with the people. Working in the streets, close to the population has twice allowed me to reach the Chamber of Deputies.

SGR: What are the challenges you generally face as a representative of the people?

OBB: One of the big challenges is to be able to keep the topics important to the people in the legislative agenda, despite the distance from the Chamber of Deputies to the district I represent.

SGR: Who is the political figure you most admire?

OBB: On an international level, I deeply admired Nelson Mandela. His tireless struggle for large-scale transformations in his country, in defence of people's rights, is a great example of the kind of work that those of us who work in politics should carry out. On a national level, I consider Diego Fernández de Cevallos to have been an example of the effort to defend

society's interests from legislative power.

SGR: What has most surprised you since you became deputy?

OBB: The lack of social interest in public matters has been both surprising and disappointing.

SGR: What is your advice for the new generation of Mexicans who wish to work in politics?

OBB: To make the effort so that they achieve their objectives and to never lose sight of their ideals.

SGR: What are the biggest changes you have witnessed in the Mexican economy since the last elections?

OBB: Great changes will come as a result of the tax reform, and these are about to become visible. This reform is detrimental for the national economy, especially for the country's middle class.

SGR: What should foreign investors consider with regard to Mexican structural reforms?

OBB: They should take into account that those reforms, as a group, approved throughout the current federal legislature, will strengthen national institutionalism, guaranteeing better conditions for the country's development.

SGR: What are the consequences of the main reforms in the energy sector for multinational companies?

OBB: With the energy reform, there will be more development in that sector for the benefit of citizens, in which multinational companies will be able to collaborate.

SGR: How will the world's biggest energy sector companies be affected or interested?

OBB: They will be able to collaborate more effectively in the sector, always to the benefit of Mexicans and with respect for the national resources.

SGR: What have been the main reasons

for implementing these energy and tax reforms?

OBB: The urgent need to modernise the national energy sector is the origin of the energy reform. The tax reform amendments were made as a result of the need to increase tax collections.

SGR: Talking of the tax reform: what has been the reaction of the manufacturing and mining companies?

OBB: Those companies have expressed that the reform could have been more beneficial for their sectors.

SGR: In your opinion, will the tax reform help fight the informal economy?

OBB: The reforms in tax matters should, among other things, seek to strengthen formal commerce in such a way that it guarantees better employment opportunities for those in the informal sectors; the recently approved reform does not do that.

SGR: Why should an American or foreign company be interested in investing in Mexico?

OBB: Because of the economic stability the country has had in recent years, and because the recently approved structural reforms guarantee national development.

SGR: How will the new tax on sodas and candies affect the national market?

OBB: This tax, if accompanied by well-designed public policies to combat obesity and diabetes, will contribute towards tackling these problems, which are two of the biggest public health issues faced by Mexico.

SGR: Will it help reduce obesity indices in children?

OBB: As long as these resources are used to fund government programmes that encourage healthy eating and increased physical activity, it could.

SGR: Concerning the "IVA" (Value Added



Omar Borboa, the federal deputy Sergio interviewed



Prof. Dr. Sergio Guerrero Rosas (right) with the President of the Chamber of Deputies, Ricardo Anaya Cortes (left)

Tax) reform in the border region, do you estimate that it will have an inflationary effect?

OBB: I believe it will. National conditions are different in each region, and it is important that both legislation and public policies include a vital dose of contextualisation in order to achieve their objectives. On the specific topic of IVA in the border region, the legislation is not adapted to its implementation context; competitiveness decreases in comparison with American cities.

SGR: Finally, where would you recom-

mend that someone go if they are visiting Mexico for the first time?

OBB: Guadalajara and its metropolitan area. It is one of the most beautiful cities in the country and it has many of the cultural features that most represent the nation.

SGR: Thank you very much.

The questions were posed by Prof. Dr. Sergio Guerrero Rosas. Do not hesitate to contact him if you would like more information about the Mexican structural reforms that are being implemented.

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