



Mexico's President-Elect Andrés Manuel López Obrador Seeking "Common Path" With US On Trade and Economic Development

14 August 2018

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Newly elected Mexican president-elect Andrés Manuel López Obrador has expressed his wish to pursue a "common path" with the US on trade, security, immigration and economic development. Relations between the two countries have been tense of late. Trade and immigration remain

two of the most contentious issues on the table.

In a reconciliatory letter to US President Donald Trump, Obrador noted that everything is ready to begin "a new stage" between the two nations. He added that he was pursuing a relationship with the US based on cooperation and prosperity. The letter was officially issued to a delegation of cabinet level US officials after meeting Mr. Obrador in Mexico City on July the 13th. Nonetheless, the letter was only made public on Sunday July

the 23rd. This is barely a day before Mexico, the US, and Canada meet for NAFTA negotiations after a two month hiatus.

Mr. Obrador remained optimistic that these negotiations will yield an outcome all countries will be satisfied with. The Mexican president-elect told Trump that it is worth making an effort towards the successful renegotiation of the North American Free Trade Agreement. He argued that any increased uncertainty in the matter will slow down investment and eventually hinder his long term

◀ plan to spur increased economic growth in his country.

Obrador also availed detailed descriptions of his administration's policies including an ambitious solution to stem the flow of immigrants from Central America to the US. The former Mexico City Head of Government proposed the creation of a long term development plan backed by the US and involving countries in Central America. He added that economic resources should be availed through this plan 75% of which will go to creating jobs in Mexico and other Central American nations. The other 25% will go towards strengthening border security.

Andrés Manuel López Obrador has often been described as a nationalist. His recent run for the presidency was against established ruling elites that were considered in most parts of Mexico as corrupt and dishonest. One of Obrador's key campaign platforms closely mirrored Trump's "Drain the swamp" pledge with the president-elect promising to restore faith and integrity in the country's

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top leadership.

Just like Trump, Obrador enjoyed a tense and tempestuous relationship with outgoing Mexican President Enrique Peña Neto. His decision to reach out to Trump and find common ground on a number of key issues could be good news for Mexico and its economy. But there is still more that needs to be done. The Mexican economy has grown at an average rate of 2% for the last two decades. Even though growth has been steady, it's not nearly as fast as other emerging economies like China and India that have all reported average growth rates of above 6% over the last two decades.

Andrés Manuel López Obrador

has made it clear that one of his main priorities will be to spur more growth in the economy. Normalizing relations with the US and renegotiating NAFTA successfully could be crucial to this. The President-elect has always been in favor of NAFTA and has agreed with President Trump that any new trade deal that brings higher wages in Mexico will be beneficial for both countries. There is also consensus among many analysts that the Mexican economy still has significant potential to grow faster. Mr. Obrador has presented himself as the man to unlock this potential and there is increasing confidence among ordinary Mexicans and economic analysts that he could be right.

Investing in Mexico

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