

National Investment Agreement in Infrastructure by the Private Sector

November 2019

Authors: [Vicente Corta Fernández](#), [Manuel Groenewold](#), [Francisco de Rosenzweig](#), [Jorge Kim](#), [Roberto Ríos Artigas](#), [José Antonio Ruiz Porte Petit](#), [Melissa Martínez Echeverría](#)

Background

On September 26, 2019, President Andrés Manuel López Obrador, together with the private sector, presented the National Investment Agreement in Infrastructure by the Private Sector (the "**Agreement**"). As the first bundle of the Agreement, it proposes to develop 147 projects over the next four years, representing an investment of 859 billion pesos ("**MMP**") or the approximate dollar equivalent of 42 billion dollars in the sectors of transportation, telecommunications, water and sanitation, tourism and others.

Public-Private Sector Agreement

Faced with a complex international economic scenario, the Agreement is intended to be a tool aimed at facilitating and accelerating the implementation of projects that contribute to the growth and development of Mexico and, with it, consolidate a competitive, open and attractive economy, both nationally and internationally. As part of the Agreement, the Government of Mexico committed itself, among others, to (i) conclude works that are under development and initiate new ones; (ii) promote and facilitate the participation of private investment; (iii) identify, structure and authorize the development of projects, and (iv) build a propitious environment through clear rules, macroeconomic stability and eliminate obstacles that prevent project development.

Likewise, among the commitments made by the private sector, the following are noteworthy: (i) invest programmed funds for each of the projects, (ii) propose new works to be included in the Agreement; (iii) implement the Agreement in accordance with the code of ethics of the organizations; (iv) execute projects with the foreseen time, quality and costs, and (v) jointly with the Mexican Government, follow-up on the Agreement to ensure the conclusion of each project.

The Projects

Relevant Sectors

In accordance with the Agreement, the 147 projects are distributed over five sectors and will be developed in three regions of the country: north, center and south southeast. For each of the sectors, the following projects and their respective investments are contemplated:

- i **Transport:** 101 projects that represent an investment of 283 MMP.
- ii **Tourism:** 15 projects that represent an investment of 252 MMP.
- iii **Telecommunications:** four projects which represent an investment of 118 MMP.
- iv **Water and sanitization:** 12 projects that represent an investment of 46 MMP.
- v **Others:** one project that represents an investment of 8 MMP.

As for the energy and health sectors, it was explained that the list of projects and their corresponding investments will be presented in January 2020.

Relevant projects

Of the projects listed in the Agreement, the following stand out:

- i **Transport (Highways):** Interserrana highway (Connection of the Matehuala-Salttillo highway with the Ciudad Victoria-Monterrey highway) with an investment of 10 MMP and scheduled for 2021-2022; Nuevo Laredo International Bridge 4/5 with an investment of 8 MMP and scheduled for 2023-2024, and Second level of the Indios Verdes toll booth to the toll booth of the Mexico-Pachuca highway with an investment of 7 MMP and scheduled for 2020.
- ii **Transport (Railways and suburban trains):** Tren Interurbano México-Toluca with an investment of 20 MMP and scheduled for 2020; García Monterrey Airport Railway Corridor with an investment of 13 MMP and scheduled for 2021-2022, and Baja California Coastal Train with an investment of 10 MMP and scheduled for 2023-2024.
- iii **Transport (Ports):** Ammonia Plant in Topolobampo, Sinaloa with an investment of 20 MMP and scheduled for 2021-2022; Sirius Tuxpan-Hidalgo Terminal System for the import, storage and distribution of petroleum products with an investment of 16 MMP and scheduled for 2023-2024, and Puerto Veracruz, "El Dorado" Multimodal Terminal with an investment of 5 MMP and scheduled for 2020.
- iv **Transport (Airports):** Guadalajara Airport Investment Program with an investment of 10 MMP and scheduled for 2020; Cancun Airport with an investment of 7 MMP and scheduled for 2020, and Puerto Vallarta Airport Investment Program with an investment of three MMP and scheduled for 2021-2022.
- v **Telecommunications:** Investment in mobile and fixed telephony with an investment of 86 MMP and scheduled for 2020; Broadcasting and telecommunication with an investment of 20 MMP and scheduled for 2021-2022, and Mobile Broadband Shared Network of voice and 4.5G data with an investment of 11MMP and scheduled for 2021-2022.
- vi **Water and sanitation:** "El Zapotillo" Aqueduct with an investment of 13 MMP and scheduled for 2021-2022; Desalination Plant Playas de Rosarito, Baja California with an investment of 10 MMP and scheduled for 2020, and "El Purgatorio" Aqueduct with an investment of 9 MMP and scheduled for 2021-2022.
- vii **Tourism:** Investment of the main hotel chains in 17 beach tourist destinations, inland centers and large cities with an investment of 100 MMP and scheduled for 2021-2022; Residences, 3 hotels and a golf course with an investment of 40 MMP and scheduled for 2022, and 3 resort hotels, 1 water park, 1 theme park and 1 natural park with an investment of 26 MMP and scheduled for 2020.
- viii **Others:** National Stadium of Mexico, with an investment of 8 MMP and scheduled for 2020-2021.

Invitation to the Private Sector

Considering that the Agreement is a mechanism of continuous participation through which each project will be monitored and new projects will be incorporated, it represents an opportunity for the private sector to participate, actively and immediately, in its execution and thereby contributes to the country's economy and to the development of the regions lagging behind.

White & Case, S.C.
Torre del Bosque - PH
Blvd. Manuel Avila Camacho #24
11000 Ciudad de México
Mexico

T + 52 55 5540 9600

In this publication, White & Case means the international legal practice comprising White & Case LLP, a New York State registered limited liability partnership, White & Case LLP, a limited liability partnership incorporated under English law and all other affiliated partnerships, companies and entities.

This publication is prepared for the general information of our clients and other interested persons. It is not, and does not attempt to be, comprehensive in nature. Due to the general nature of its content, it should not be regarded as legal advice.