

Legal Update

Mexican Federal Government Unveils the First Bundle of Projects with a Focus on Infrastructure

On November 26, 2019, the federal government announced the first stage of the Infrastructure National Agreement with the Private Sector (NIA). The announcement was made at the daily presidential press conference with the main industrialists and lobbying groups in Mexico in attendance. The NIA has been described as a tool to facilitate project development in Mexico.

Approximately 1600 projects will be part of the NIA. The first stage will include 147 infrastructure projects for a total investment of US \$42 billion, with 70 percent of the investment in transportation infrastructure, i.e., roads, trains, ports and airports. The remaining projects will be in the telecommunications, water, tourism and health care sectors.



Source: Mexican Government, NIA

Neither further detail on the projects nor the bidding guidelines have yet been issued. The expectation is that some of these projects would only involve the continuation of projects previously awarded but suspended due to reasons such as social consultations.

The first bundle of projects was prepared by the federal government in coordination with representatives of the private sector. The Ministry of Transport and Communications (SCT), Local Transport Ministries and the applicable Port Authorities (APIs) will be in charge of the tendering of most of the projects.

According to the information publicly available, the first set of projects will be privately funded, the second will have mixed funding, and the third will be government-funded.

Energy Sector

The first stage of the NIA does not include any reference to projects within the power or the oil and gas sector. However, energy projects may be announced as part of the second stage.

Although not announced as part of the NIA, on October 24, 2019, bidding guidelines were

issued by the Federal Electricity Commission (CFE) for the award of an agreement for the construction of the Salamanca 836 MW combined-cycled power plant, supported with a PIDIREGAS approval. CFE has further confirmed its intention to continue with the development of the four additional combined cycle power plants already included in the infrastructure programs issued by the prior administration.¹

For more information about the topics raised in this Legal Update, please contact any of the following lawyers.

Ariel Ramos

+52 (55) 9156-3666

aramos@mayerbrown.com

Raúl Fernández

+52 (55) 9156-3650

raulfernandez@mayerbrown.com

Lilia Alonzo

+52 (55) 9156-3636

lalonzo@mayerbrown.com

¹ The Salamanca Project information is available at <https://msc.cfe.mx/Aplicaciones/NCFE/Concursos/>

Mayer Brown is a distinctively global law firm, uniquely positioned to advise the world's leading companies and financial institutions on their most complex deals and disputes. With extensive reach across four continents, we are the only integrated law firm in the world with approximately 200 lawyers in each of the world's three largest financial centers—New York, London and Hong Kong—the backbone of the global economy. We have deep experience in high-stakes litigation and complex transactions across industry sectors, including our signature strength, the global financial services industry. Our diverse teams of lawyers are recognized by our clients as strategic partners with deep commercial instincts and a commitment to creatively anticipating their needs and delivering excellence in everything we do. Our "one-firm" culture—seamless and integrated across all practices and regions—ensures that our clients receive the best of our knowledge and experience.

Please visit mayerbrown.com for comprehensive contact information for all Mayer Brown offices.

Any tax advice expressed above by Mayer Brown LLP was not intended or written to be used, and cannot be used, by any taxpayer to avoid U.S. federal tax penalties. If such advice was written or used to support the promotion or marketing of the matter addressed above, then each offeree should seek advice from an independent tax advisor.

This Mayer Brown publication provides information and comments on legal issues and developments of interest to our clients and friends. The foregoing is not a comprehensive treatment of the subject matter covered and is not intended to provide legal advice. Readers should seek legal advice before taking any action with respect to the matters discussed herein.

Mayer Brown is a global services provider comprising associated legal practices that are separate entities, including Mayer Brown LLP (Illinois, USA), Mayer Brown International LLP (England), Mayer Brown (a Hong Kong partnership) and Tauli & Chequer Advogados (a Brazilian law partnership) (collectively the "Mayer Brown Practices") and non-legal service providers, which provide consultancy services (the "Mayer Brown Consultancies"). The Mayer Brown Practices and Mayer Brown Consultancies are established in various jurisdictions and may be a legal person or a partnership. Details of the individual Mayer Brown Practices and Mayer Brown Consultancies can be found in the Legal Notices section of our website.

"Mayer Brown" and the Mayer Brown logo are the trademarks of Mayer Brown.

© 2019 Mayer Brown. All rights reserved.