



April/May 2015

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Dear Member

Dear Member,

We hope you had a great couple of months! Ours were full of events about topics varying from bullying to energy; we trust you enjoyed them as much as we did.

In April and May, the Chamber was able to collaborate with various organisations in the “Inglés para la competitividad y movilidad social” initiative. We helped organise the launch of their report entitled “Inglés es posible” and are happy to inform that the event was attended by several government agencies that will surely be able to make an impact in our country’s education system.

In April, the Chamber hosted two other events: the first one, entitled “Human Capital and the Energy Reform” (page 4), sought to inform the attendees about the challenges the energy sector faces human resources-wise in the af-

termath of the energy reform. The second one, entitled “Bullying in Schools and in the Workplace”, had speakers from both the education and corporate sectors talk about the struggles any organisation has with bullying and shared best practices.

We are always looking to find new ways in which we can meet your needs as a Chamber. In May we hosted the first SME’s Business Sector Group event with a conference on strategies for SME’s to succeed followed by a networking cocktail attended by several of our new members (page 8).

As you know the Chamber is what you, our members, make of it and we always encourage you to come to us with new ideas for events, groups or material for our Chamber News. Following this initiative, we co-hosted a breakfast-conference with member Control Risks Mexico about corruption in Mexico (page 7).

Enjoy this issue of the Chamber News!

We look forward to seeing you soon,

The Chamber Team

CRITICAL MANAGEMENT

Club de Industriales. Library

24th June 2015

8:00am

Event focused on critical management, a new organizational practice that started in the UK and has begun to spread through Europe, Asia and North America. With experts from Spain, France and the Netherlands.

Members: \$600.00

Non-members: \$720.00



EDUCATION DAY

"Taking Education in Mexico to the next level: Training, Inclusion, Key Skills and the Use of Technology"

Hotel Marquis Reforma

9th September 2015

During this all-day seminar, sector experts will discuss topics and tendencies that shape today's education in Mexico.

**General Fee - \$1,000.00
(Includes lunch)**

ENERGY DAY

"Investment, Innovation & Implementation"

Hotel Camino Real

29th September 2015

Don't forget to make a reservation for our 14th Energy Day! During this all-day event, experts will analyse and comment on the tendencies that will define the Mexican energy sector in the near future.

**Members: \$3,000.00
Non-members: \$3,500.00**

Human Capital and the Energy Reform: Challenges in Technical Training and Certification

On the 22nd April, the British Chamber of Commerce hosted a breakfast-conference about the new human resources required for the energy sector entitled "Human Capital and the Energy Reform: Challenges in Technical Training and Certification." Alberto de la Fuente, head of the Chamber's Energy, Natural Resources and Environment Business Sector Group, gave a brief introduction of the subject at hand and introduced the speakers: Luis Vielma (CBM Ingeniería), Ana Rosa Parrilla (Universidad de Pemex), Juan Manuel Romero (UNAM), Herminio Silván Lanestosa (Gobierno de Tabasco), Volko de Jong (Energy Delta Institute) and John Mumford (QAA UK).



Luis Vielma, General Director at CBM opened the event with a presentation on retraining programs for professionals in the energy sector.

To kick off the event Luis Vielma presented the subject of "Reconversion/Repowering of Engineers." He talked about the challenge posed by talent development in Mexico and the possibility of implementing similar models to those in Brazil and Venezuela. Vielma also explained the oil context in our country and compared it

to recent surveys about what companies expect of recent university graduates and the skills they actually finish their studies with.



Debate focused on the problems talent faces in Mexico's energy sector, specially after the energy reform.

After Luis Vielma's presentation Carlos Ortiz (SENER), the moderator, started off the panel entitled "Is the education sector in Mexico ready for the staff demand generated by the international and competitive energy market? What are the existing challenges and initiatives?" comprised of the rest of the speakers. During this section of the conference the panelists discussed subjects such as apprenticeships in the energy sector, energy graduate and post graduate course offerings in Mexican universities, engineers as role models and company training.



Rafael Daryanani, Director for the Oil & GasEnergy Practice at Atabay, moderated the Q&A session for Luis Vielma.

To close the event the panelists participated in a Q&A session with the attendees. During this session the speakers answered questions about varying topics, such as: headhunters in the energy sector, UNAM energy programs, brain drain in Mexico and the implementation of foreign models.



From left to right: Ricardo José Padilla (UNAM), Ana Rosa Parrilla (PEMEX), Carlos Ortiz (SENER), Luis Vielma (CBM), John Mumford (QAA), Volko de Jong (Energy Delta Institute) and Herminio Silván (Tabasco).



All speakers answered questions from the audience



After the presentations, attendees enjoyed excellent networking opportunities.



Almost 100 persons attended the event

English is possible

On the 27th of April, the Chamber attended an event organized by English for Competitiveness and Social Mobility, a working group created to promote English proficiency among Mexican society. Its main objective is to improve the international competitiveness of Mexico and the social mobility of its population by raising awareness and implementing actions to promote English proficiency among the population. In this event, they presented their latest report: "English is possible: Proposal for a National Agenda". This report describes how efforts to promote language skills have not been sufficient and English remains a language that most Mexicans are deficient on. Hector Tello, Vice President of Innovation and Technology at COMCE and founder of the English for Competitiveness and Social Mobility, Juan E. Pardiñas, IMCO's General Director and Alcocer Luis Mauricio Torres, researcher at IMCO, made the presentation.



Prof. Héctor Tello, Head of English for Competitiveness and Social Mobility Initiative.

This report –an extensive and comprehensive document– explains the strong relationship between English proficiency and competitiveness, details the general situation of English proficiency in Mexico and establishes several concrete proposals to improve the English



Luis Mauricio Robles, Researcher at IMCO, presented the investigation on English proficiency in Mexico

proficiency among Mexicans. Mexican companies' competitiveness –the capacity of countries, regions, cities and sectors to attract and retain talent and investment– can be increased in two ways. The first one is to improve its ability to do business in international markets and access global and better skilled human resources. The second one is to expand its access to information and knowledge, as well as scientific and technological diffusion processes. For these reasons, a deep knowledge of English can improve its competitiveness.



Juan Pardiñas, General Director at IMCO presented English for Competitiveness and Social Mobility Initiative' proposal

First of all, speakers explained how difficult it is to carry out English proficiency measurements in Mexico. There is no official periodic measurement that allows us to know the percentage of Mexicans who speak English, their level of command. This is why it is important to have regular, reliable and standardised information on English proficiency among the population. The lack of official data and adequate instruments to measure the level of English in the population shows that English proficiency is not a relevant topic for the government. "What is not measured", they said, "cannot be evaluated or improved".



Over 170 persons attended the event.

Overall, the study revealed that despite the geographical, commercial and economic proximity to the United States, Mexico has lower levels of English proficiency compared with other competing countries in the region. According to Education First's English Proficiency Index 2014, Mexico was ranked 39th out of 63 countries that were evaluated, behind Argentina, Dominican Republic, Peru, Ecuador and Brazil. This could be easily explained by the fact that there is no clear national strategy on English proficiency. In the National Development Plan (Plan Nacional de Desarrollo [PND 2012-2018]) English is not even considered as a strategy to increase the country's competitiveness. Furthermore, national education policy is not meeting the requirements of the productive sector in terms of foreign language skills. According to a recent report, ("Sorry. Learning English in Mexico") 79% of high school graduates have a total ignorance of the English language. Universities have tried to remedy these deficiencies but do not offer tools. In 41% of the surveyed universities, English is not a compulsory subject; however, according to data from ANUIES, in 85% of them it is a requirement for graduation. In the workplace, the situation is very similar. Only 0.5% of the economically active population has received language training and very few companies offer their employees permanent English education.

For these reasons, the English for Competitiveness and Social Mobility Initiative recommends a series of actions and policies that should be pursued in order to improve English proficiency in Mexico. First, it proposes to implement a National Agenda for English. This means creating a National Intersectoral Coordination of English as a unit within the President's Office. English should not be approached solely from educational policy; it must be a joint effort between the public sector, universities and civil society. It is also necessary to design a National English Program in the public education system, to increase the number of English teachers and modernize infrastructure and teaching models. As the plan acknowledges the importance of the private sector in this process, it proposes to encourage businesses to offer their workers English training and certification. In addition to job training, business and civil organizations have a wide field of action. It would be desirable, for example, to start projects on Social Responsibility focused on English training and to develop public-private partnerships to create new teaching projects and awareness campaigns.

Bullying in Schools and in the Workplace

On the 29th April, the British Chamber of Commerce hosted a breakfast-conference entitled "Bullying in Schools and in the Workplace." Teresa De Lay, Chamber's General Director, introduced the head of the Chamber's Education and Further Studies Business Sector Group, Simon Brewster. He, in turn, gave a brief introduction to the subject at hand and presented the speakers: Amanda Jacob (General Director, Churchill School), Germán Pineda (Human Resources Director, Shell) and Ada Patricia Mendoza (Psychiatrist, Centro de Integración Juvenil DF).



Graham Sharp, President of the Chamber's Human Resources Business Sector Group.

First to speak was Amanda Jacob. She briefly explained what bullying is (and what it is not) and went on to detail Churchill's anti-bullying program. She also talked about the schools' difficulty to control cyberbullying given the unrestricted access kids have to the Internet through smartphones. Finally, Amanda did a quick exercise with the audience asking them about the myths and facts of bullying.

Next up was Germán Pineda. He presented Shell's Code of Ethics and explained that the most important anti-bullying practice in the company takes place during the hiring process. He said that the human resources department takes into account the person's compatibility



Simon Brewster, President of the Chamber's Education and Further Studies Business Sector Group.

with Shell's values and, even though the company does not apply gender quotas, it presents candidates in a way that avoids gender discrimination both during the R&S process and in the workplace.



Presentations focused on understanding bullying in order to implement appropriate solutions

Last to speak was Dr. Ada Patricia Mendoza. She talked about the main causes of bullying explaining that since bullying could be seen as a struggle of power, this means that the most relevant forms of bullying today come from gender inequality. She also noted that the parents of both bullies and victims are usually authoritarian and narcissistic people. To close the event the speakers answered questions from the attendees. Some of the topics discussed were: successful anti-bullying programs in schools, practical cases in both schools and the workplace, and the role of fear in education.



Panellists debated based on questions from the audience. From left to right: Amanda Jacob, German Pineda, Ada Patricia Mendoza and Simon Brewster.

Can a company succeed in Mexico without corruption?

On the 14th May, the British Chamber of Commerce, in collaboration with our member Control Risks Mexico, hosted a breakfast-conference about the risks and mechanisms Mexican companies and companies working in Mexico have when working against corruption entitled, "Can a company succeed in Mexico without corruption?" Nick Panes, General Director of Control Risks Mexico, gave a brief introduction of the subject at hand and introduced the speakers: Hugo López Coll (Shareholder, Corporate & Securities at Greenberg Traurig), José Claudio Treviño (Head of Anti-Bribery & Corruption Latin America and Mexico at HSBC México), T. Enrique Ortiz Casillas (Compliance Officer at Fermaca Global) and Eduardo Bohórquez (Executive Director at Transparencia Mexicana). Fernando Cevallos (Regional Director of Compliance, Intelligence, Investigations and Technology at Control Risks) acted as moderator.



DNick Panes



The panel

To kick off the event Fernando Cevallos asked the panellists to talk about corruption in an international setting, the new national anti-corruption system and how it affected their work, and the corporate point of view on corruption. Each panellist answered the questions from their individual point of view, however they agreed on several topics such as the importance of international cooperation for the creation of anti-corruption laws, the similarity the new Mexican system has with the UK Bribery Act and the need for companies to ensure that every member of their teams is aware of the changing laws and which actions are seen as corruption.

The event continued with several questions from the audience, which varied from a specific timeline for the full application of the new laws and the function of the new anti-corruption system to specific cases in the energy sector and its similarities to those in Brazil. A great part of the audience expressed concern about how this new system may affect politicians, including the President, to which the panellists answered that these laws do apply to them just not while they are still in office.



The audience

Key strategies to ensure SMEs success

On the 20th of May, the Chamber hosted a seminar and networking event at Club de Industriales. This was the first event organized by the Chamber's newly established SMEs Business Sector Group. The aim was to connect members that provide support to SMEs with companies that wish to start or improve their operation. On this occasion, we welcomed Enrique de la Garza, General Director at Consultora Mexicana, Jaime Pro, General Director General of Cotamsa Backoffice Corporativo, José Olmedo de la Peña, Partner at EY Mexico, and Víctor Frías Garcés, partner at Casares, Castelazo, Frías and Zárate. Chamber Vice President and Managing Partner at EY Mexico, Emilio Díaz, moderated the panel. To inaugurate the event, Michael Pütter, Chamber Vice President and Chairman of the SMEs Business Sector Group, welcomed the speakers and explained the importance of supporting small and medium companies. More than half of all Chamber members could be classified as SMEs. "They are the fuel of the Mexican economy", he said. For this reason, the group's main objective will be to promote discussion panels, conferences and events that benefit SMEs' performance in México.



Victor Frías spoke first. He is a founding partner of Casares, Castelazo, Frías and Zárate, a law firm that counsels Mexican and foreign companies at different stages of their business, particularly start-ups. First, he made a brief theoretical explanation of what SMEs are: how they are defined according to their size, sector and sales volume, and on which sectors they are concentrated. It was surprising that according to the official definition of an SME about 98% of companies in Mexico fall in that category. Also, 60-70% of employment is generated by SMEs. Hence the importance of SMEs and the need to provide them with tools and support that helps them to succeed. With a practical approach, he explained all Mexican laws that regulate these companies' operations and gave a series of legal strategies and tools that can help the development of SMEs.



Jaime Pro Villarreal, General Director of Cotamsa Backoffice Corporativo and Director of LEGARE Family Office Services, explained next what back-office services are and why they are convenient for small businesses. Corporate back-office is a set of corporate services (treasury, administration, human resources, legal and IT services), which can be accessed externally by small businesses that do not yet have the capacity to create their own corporation. In other words, several small companies share a whole set of corporate services and can therefore concentrate on the development of its core activity. The advantages are enormous: reduced costs, access to corporate experience and qualified personnel, increase in business efficiency, and concentration of secondary or peripheral activities in one provider, among others.

Afterwards, Enrique de la Garza explained how technology has contributed to business development. He mainly spoke about virtual technology platforms that allow SMEs to connect in virtual devices all elements of their

management: catalog, sales reports, customer data, invoices, accounting reports, etc. Besides allowing companies to be more efficient, systematic and organised, these kinds of platforms allow companies to really get to know their customers. He stressed the importance of identifying one's market and being able, with that information, to make good long-term business plans. One of the biggest problems of SMEs, he said, is that they lack well-defined plans for their future.

Finally, José Olmedo de la Peña, Partner and expert in corporate tax consulting in EY Mexico, spoke about his personal experience with small and medium enterprises, mainly based on the relationship he has had with those in charge of the company's taxation. He also said SMEs' main concern is the pressure they feel to meet fiscal guidelines and keep up with their tax obligations. Stressing what Enrique de la Garza said, he explained the importance of business planning. SMEs should be particularly aware of how their business grows and their operation plan should always be in accordance with local taxing laws.

After an enriching session of questions and answers, where participants could dialogue with speakers, all attendees stayed for a networking cocktail where consultants, experts and owners of small and medium enterprises shared experiences, exchanged information and made contacts for future business opportunities.



The role of democracy promotion for effective economic liberalization: the european union and the organization of american states compared

Democracy as a concept has many interpretations but it can be described as the process that determines who gets power through an election process in which voters exercise their citizen right and make the government accountable for its actions (Shumpeter). It is through democracy promotion strategies that states design and potentiate norms that define a collective standard of proper behaviour. (Shimmelfenning 2002:6)

The process of democratization, understood as the establishment and consolidation of a democratic regime with all its implications; norms, principles, decision making procedures and rules, is a complex one as it depends not only on domestic factors such as political culture, historical background, disposition and interests of the ruling elite and participation of civil society; but also on external factors like participation and influence of international organizations, international law, the behavior of the international community and conditionality of foreign aid.

The convergence and linkage between domestic and international processes in the establishment of a democratic regime has been recently addressed by researchers in order to explain democracy promotion strategies and explain the positive impact it may have to international trade and commerce.

The European Union and the Organization of American States have had different approaches towards democracy promotion with aims of achieving quicker and more stable economic development in their regions.

The European Union began democracy and good governance promotion in the 90's, establishing institution building and democratic culture as the main objectives.

In the 80's democracy was not considered as a uni-

versal right, but with the end of the Cold War, the idea of a country's right to 'self determination' began to be supported as a way of diffusing western values, achieving regional peace and responding to society pressure and domestic group interests.

Democracy promotion in the EU therefore became strong and was achieved through positive conditionality strategies; if countries were to receive foreign aid or economic support, European countries, especially in Eastern Europe, had to implement democratic reforms in their domestic structures and open their economy.

Political culture that was favourable towards economic liberalization and democratization was easier to implement in the European Union due to the fact that the majority countries were more open to external influences after the end of the Cold War. The fact that positive conditionality through benefits when joining the EU also served as an incentive to implement democratic reforms in the political, social and economic structure.

The path of Latin American democracy promotion on the other hand, presented different challenges in the field, some of them cultural like the "profound sense of dissatisfaction with the quality of democracy across [...] the Americas" (Legler 2007: 13) that enhanced civil society and impeachment coups, and that nowadays contributes to the risk of authoritarian backsliding in countries like Venezuela, Brazil and Argentina; or codification and legislation problems related to converting democratic principles into practice while still respecting the state sovereignty principle and avoiding the increase of mistrust within society in respect to organization empowerment. In this sense and due to this feeling of mistrust, economic development in the Latin American region was undermined and the implementation of liberal economic reforms has been a slow and difficult process in the majority of Latin American countries, including Mexico.

On the other hand the establishment of a Common Foreign and Security Policy in the EU that stands for free elections, division of power, civil and political freedoms as membership criteria, is also a way to enhance economic development as the "EU repeatedly emphasizes[...] democracy and good governance are [...] bases for 'equitable and sustainable development' ." (Smith 2003:131)

In Latin America, the strategies that the OAS uses to promote democracy have as an objective the promotion of good governance, democratic values, political participation, transparency, and constitutional subordination in accordance with the state sovereignty principle through election observation and assistance missions, political financing and support of political party reforms. However the OAS does not have any direct influence and cannot hold any type of accountability over the Latin American countries unless it is authorized by a domestic authority. This fact holds back completely the re-

gion's democratization and economic liberalization process as a country has no obligation towards the compliance of good governance, or of fair trade and liberal economic practices.

The limitations of democracy promotion within the EU regime can be found first in the lack of a 'European Identity'; that creates fragmentation within society and can be an obstacle to economic and political cooperation as well as to conflict resolution in the region which in the short and long term impact trade and investment and slow down economic recovery; as well as in the management of immigration within the Schengen Area as has been frequently debated throughout the present British Electoral Process.

Latin American countries on the other hand, including Mexico, face very complex conditions in terms of lack of an appropriate legal framework, a weak political and democratic regional culture, fragmentation within civil society and a desire of the groups in power to maintain a status quo which maintains the principle of no intervention and sovereignty before all, making democracy promotion and economic cooperation in the region more difficult.

This article by Lorena Fortuño of the Mexican Chamber of Commerce in Great Britain (MexCC) was originally published in MexCC's Mexico Weekly. Should you have any comments or doubts, please contact Milène Hayaux-Du-Tilly milenehayaux@mexcc.co.uk or Lorena Fortuño lorenafortuno@mexcc.co.uk.



Dearest members

Dearest members,

The British Chamber of Commerce would like to welcome our new members of April and May 2015! On becoming a Chamber member you will be joining over 340 members covering more than 10 different industries. We hold regular events every month so you have the opportunity to network and observe high-level speakers and panellists from both the British and Mexican public and private sectors. As well as hosting events, we also offer you a wide range of access and information services.

In addition, every month you will receive a newsletter keeping you updated with various events and articles relating to British and Mexican business. Members also have the opportunity to share relevant news and advice with readers.

Yet again I would like to thank you for becoming part of the Chamber and we hope to see more future members very soon.

Best wishes,
Teresa De Lay
Director General





EDUCATION DAY 2015



**Taking education in Mexico
to the next level:
Training, Inclusion,
Key skills and the
Use of Technology**

The British Chamber of Commerce Education Group is pleased to invite you to our 3rd Education Day. During this all-day seminar sector experts will discuss topics and tendencies that shape today's education in Mexico.

This event is the perfect opportunity for decision makers, leaders and professionals in education to come together for insight into the key issues that are affecting education in Mexico in the 21st century.

Wednesday 9th September 2015

Hotel Marquis Reforma

Paseo de la Reforma 465, Cuauhtémoc, 06500 Ciudad de Mexico, D.F.

General Fee - \$1,000.00 MXN

which includes attendance at the lunch

Don't miss this important event!

If you are interested in participating as sponsors, please contact

simon.brewster@tamf.org.mx

for further information. If you would like more information about reserving, please contact **msantarini@britchamexico.com**

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THE DATE!**



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ENERGY DAY 2015

**"Energy Day 2015 - Investment
Innovation &
Implementation"**

The British Chamber of Commerce is pleased to invite you to our 14th Energy Day. During this all-day event, experts will analyse and comment on the tendencies that will define the Mexican energy sector in the near future.

This event has grown throughout the years to become the most important energy seminar in Mexico attracting participants and speakers from all around the world.

**Tuesday 29th September 2015
Hotel Camino Real Polanco**

Salón Terraza Virreyes
Mariano Escobedo 700, Anzures, Miguel Hidalgo, 11590
México D.F.

Members \$ 3,000 pesos
Non Members \$ 3,500 pesos

Don't miss this important event!

To find out more, please contact the Chamber
(5256 0901 or tdelay@britchamexico.com)

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