



# BANCOMEXT

## Investor Relations and Investment Projects Hub Office

April 2017

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## SUMMARY

This document was prepared to present the infrastructure Investor Relations and Investment Projects Office and the webpage [mexicoprojectshub.gob.mx](http://mexicoprojectshub.gob.mx).

The Investor Relations Office and Investment Projects Hub is part of a built-in and multidisciplinary effort to link *investors*\* with projects, as well as to encourage better practices within the investment cycle, providing a new solution to Mexico and global infrastructure development.

[mexicoprojectshub.gob.mx](http://mexicoprojectshub.gob.mx) is a database of investment projects that will help domestic and international investors identify investment opportunities in Mexico by providing advanced visibility of projects to be executed, or that are being operated in diverse sectors.

\* Any reference to “*investors*” in this document considers private and institutional investors, banks, developers and consultants.



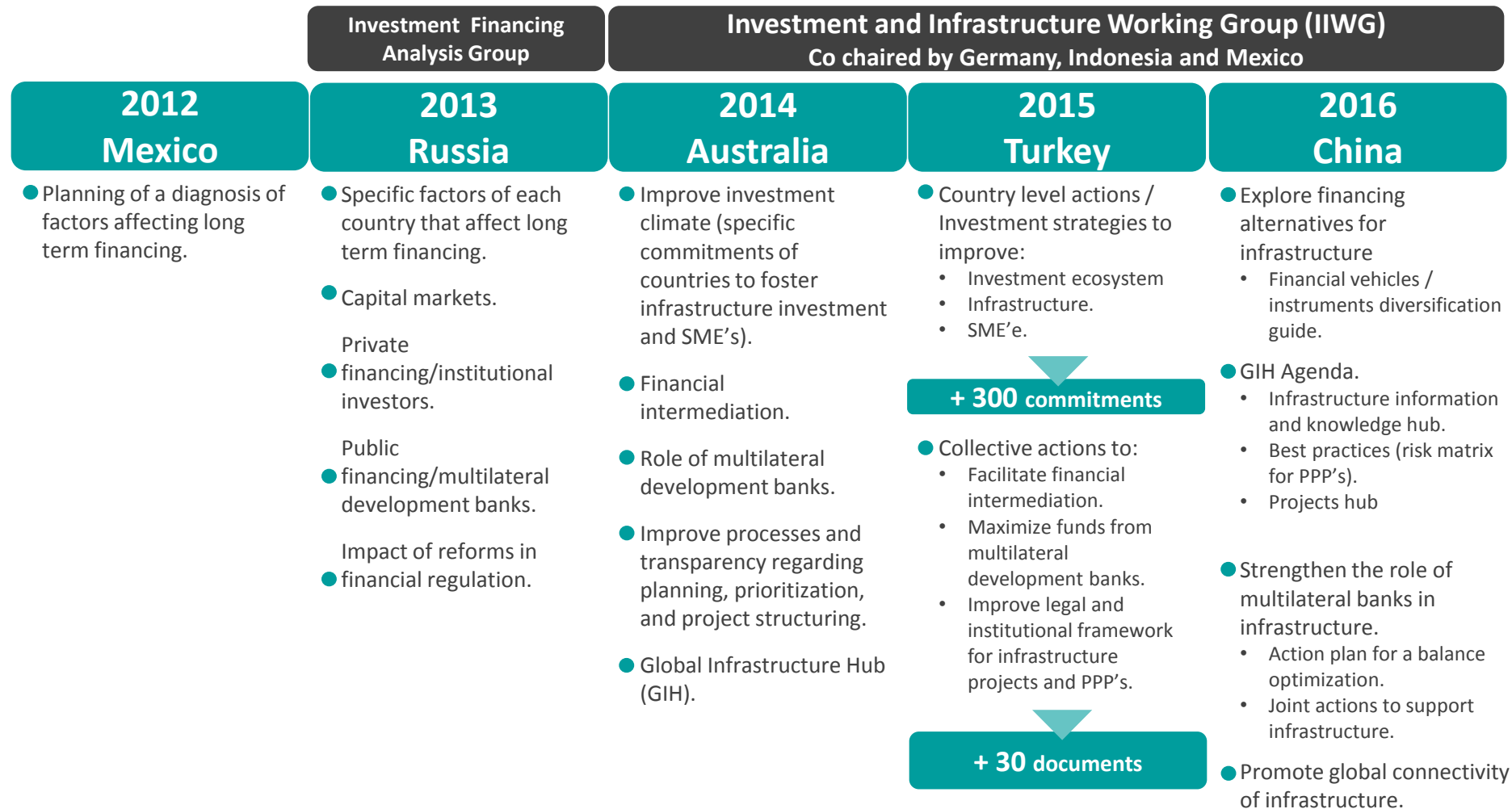
# INVESTOR RELATIONS AND INVESTMENT PROJECTS HUB OFFICE



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## G20 Investment and Infrastructure Agenda



**Important financing gap between investors and projects**

## G20 Main Recommendations

Develop investment vehicles that link institutional investors to infrastructure projects

Consolidate a pipeline of infrastructure projects that are attractive to private sector investors

## Mexico

In 2015, the Mexican Government launched two new types of vehicles listed in the Mexican Stock Exchange:

### FIBRA E

Financial vehicle that invests in mature assets in the energy and infrastructure sectors. The funds are used to develop new projects. This investment vehicle is a derivative from the FIBRA's and the master limited partnerships.

### CERPI

Financial instruments with characteristics of corporate governance and designed similarly to those of private equity funds, which can invest in any economic sector, and receive funding from domestic and foreign investors.

Structural reforms substantially increase investment opportunities

### AREAS FOR IMPROVEMENT

- There were no consolidated databases (either greenfields or brownfields).
- The information related to financing is limited.
- Technical and institutional difficulties to structure projects, mainly PPPs.



**At the request of the Ministry of Finance (SHCP) and following the recommendations of the G20, in August 2016 a specialized office was created in Bancomext to contribute in the following aspects:**

**Increase the national offer  
of bankable infrastructure  
and energy projects**

**Link infrastructure and  
energy projects with  
potential domestic and  
foreign investors**

## OFFICE FUNCTIONAL ORGANIZATION

### Structuring

- Support government entities lacking resources and experience in structuring and implementing PPP projects.
- Complement the offer of financing for pre-investment studies (Preinversión, S.A. de C.V.).
- Link the different actors of the projects, from early stages, to facilitate their development.

### Information disclosure

- Consolidate an infrastructure and energy projects pipeline in a single site.
- Provide advance visibility of the national infrastructure strategy and agenda.
- Maintain a relationship and active communication with official information sources.

### Investor Relations

- Promote the projects pipeline.
- Matchmaking of Investors and projects.
- Create a national and foreign investors directory containing preferences and particular interests.
- Coordinate with international organizations.





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# Construction of the projects hub



## Background - Concerning Issues

Studies conducted by International Organizations such as the Global Infrastructure Hub (GIH) and the Institute for International Finance (IIF) address concerns and private investors' needs regarding the quality of the investment pipeline in the global infrastructure sector

**"We would like to determine which projects are real and which are not"**

**"A data sheet with useful information of the project will foster decision making easier"**

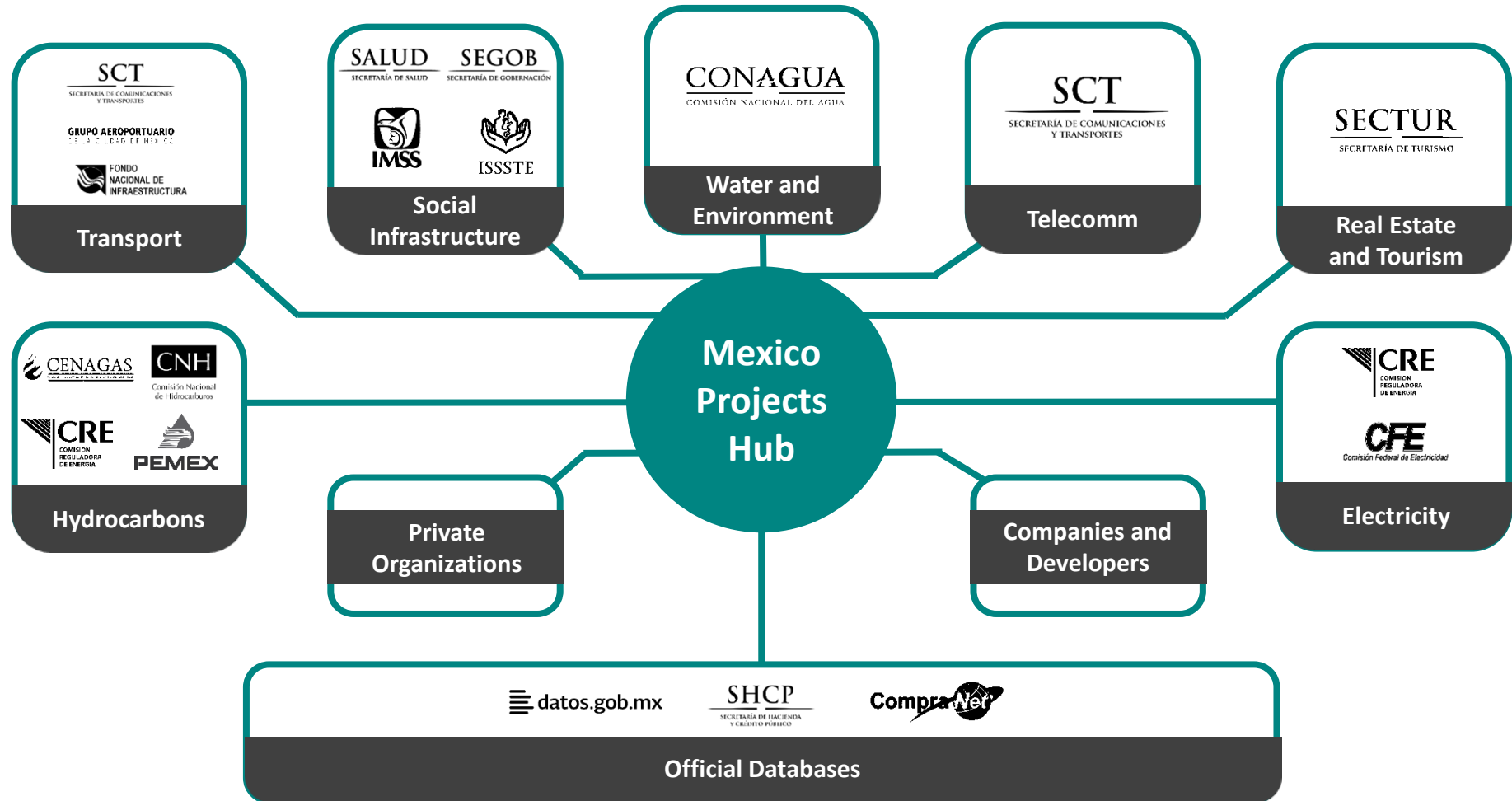
**"There is little transparency in infrastructure information, and lack of coordination at different government levels regarding project planning"**

**"It would be useful to have online updates of the project"**

**"Nowadays, it is very difficult to compare projects, given the fact that every project pipeline contains different information"**

## Background – Information sources

The Projects Hub is fed by different information sources





mexicoprojectshub.gob.mx will provide investors a project inventory at its different stages:



Among the attributes of the projects hub, we can highlight the following:

### Advanced visibility

of sponsored projects by the Government, so investors can take timely investment decisions

### Multi-sectoral information

a consolidated data base of greenfield and brownfield projects in different sectors

### Simple and functional

fully bilingual website with updated projects' relevant information, including an advanced search criteria

## Objective

Link projects with potential domestic and foreign investors





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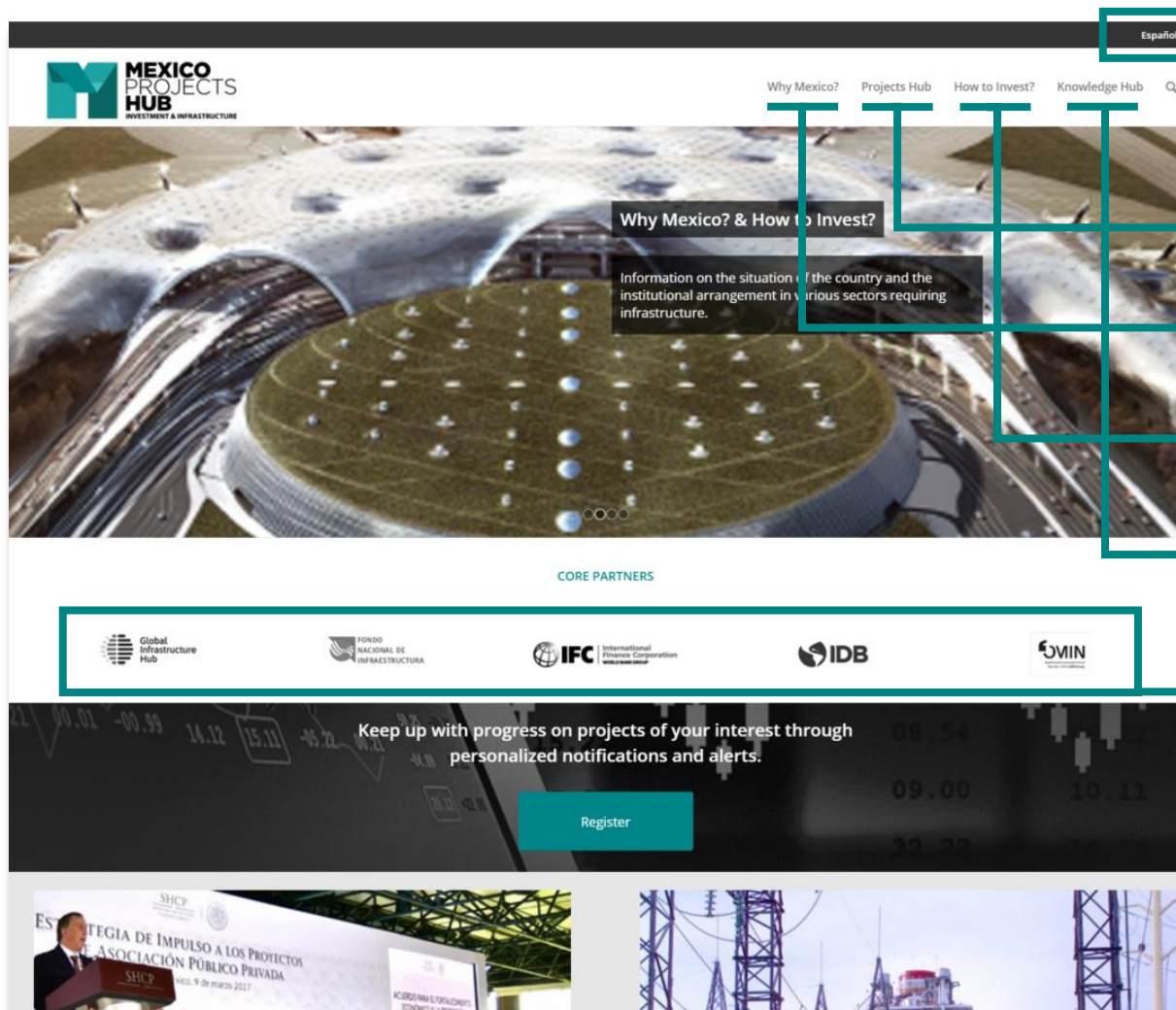


# Website presentation

[mexicoprojectshub.gob.mx](http://mexicoprojectshub.gob.mx)



The website was launched on March 2017, offering valuable information in four main sections:



Fully bilingual site available in Spanish and English versions

1 Projects Hub

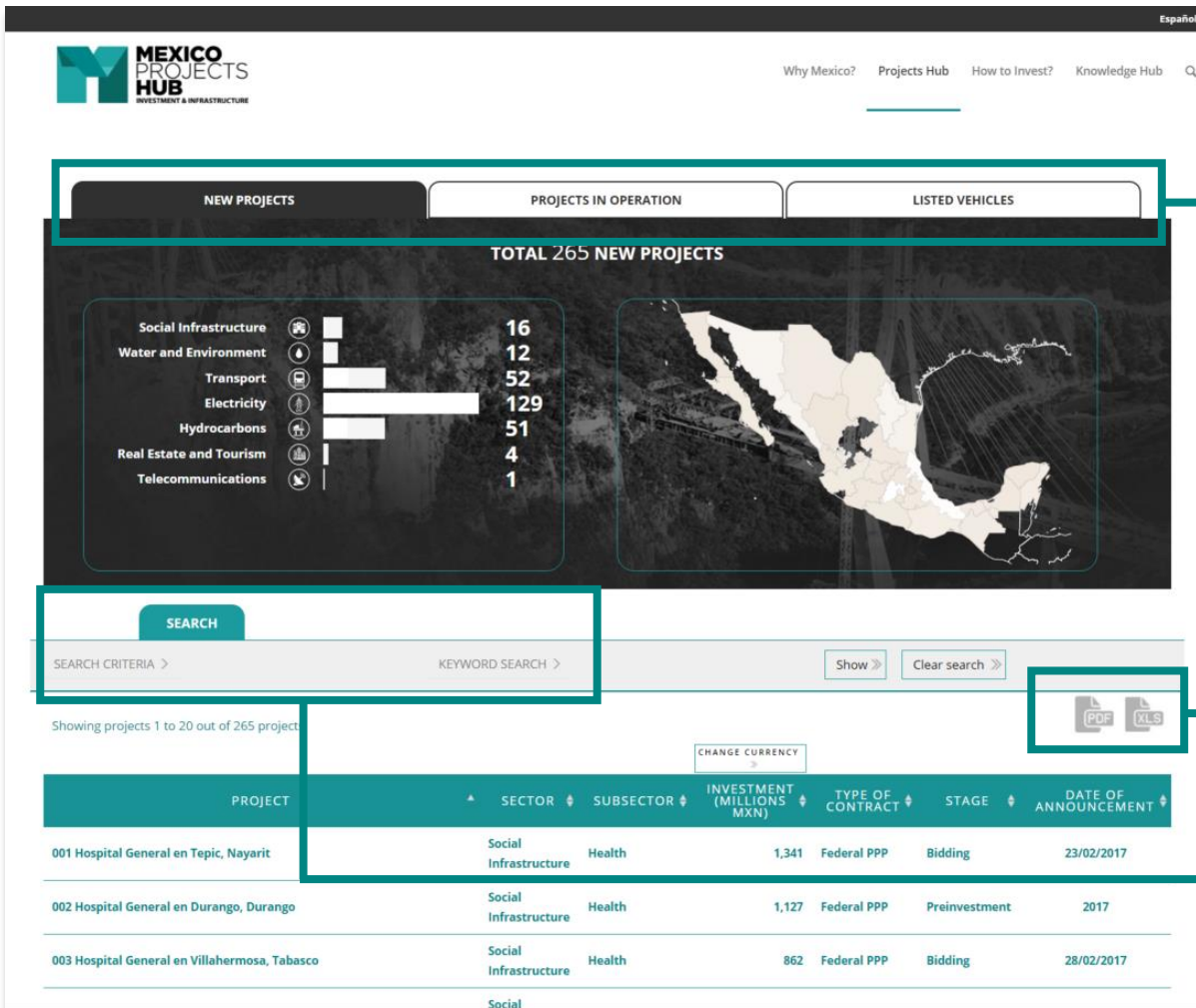
2 Why Mexico?

3 How to Invest?

4 Knowledge Hub

Mexico Projects Hub have signed agreements with GIH, FONADIN, IFC, BID, FOMIN as core partners in the project.

# 1 Projects Hub



This powerful database concentrates information from almost 500 infrastructure and energy projects and vehicles updated on a daily basis, divided in:

**54% NEW PROJECTS**

**31% PROJECTS IN OPERATION**

**15% LISTED VEHICLES**

All the information from the database can be downloaded in Excel and PDF formats.



Information can be filtered with a powerful search engine by search criteria and a keyword search.

Section with more than 1,200 links to external official sites to support and complement information



# 1 Projects Hub

	1 Pre-investment	2 Bidding	3 Execution	4 Operation	Total Projects	Total Vehicles
Transport	23	10	17	149	199	-
Electricity	78	8	42	-	128	-
Hydrocarbons	9	41	-	-	50	-
Social Infrastructure	9	6	1	4	20	-
Water and Environment	12	-	-	-	12	-
Real Estate and Tourism	4	-	-	-	4	-
Telecom	-	-	1	-	1	-
<b>TOTAL</b>	<b>135</b>	<b>65</b>	<b>61</b>	<b>153</b>	<b>414</b>	<b>-</b>
Mexican Stock Exchange	-	-	-	-	-	75

Note: The website includes five macroprojects that are not considered in the table

## PROJECTS DATA COME FROM THE FOLLOWING OFFICIAL SOURCES OF INFORMATION


**SHCP**  
SECRETARÍA DE HACIENDA  
Y CRÉDITO PÚBLICO


**SEGOB**  
SECRETARÍA DE GOBERNACIÓN


**SCT**  
SECRETARÍA DE COMUNICACIONES  
Y TRANSPORTES


**SALUD**  
SECRETARÍA DE SALUD


**SECTUR**  
SECRETARÍA DE TURISMO


**datos.gob.mx**

**CompraNet**

**CNH**  
Comisión Nacional  
de Hidrocarburos


**CRE**  
COMISIÓN  
REGULADORA  
DE ENERGÍA


**CENAGAS**  
COMISIÓN NACIONAL  
DE REGULACIÓN DE GAS


**CONAGUA**  
COMISIÓN NACIONAL DEL AGUA


**GRUPO AEROPORTUARIO**  
DE LA CLESA DE HERREROS


**IMSS**

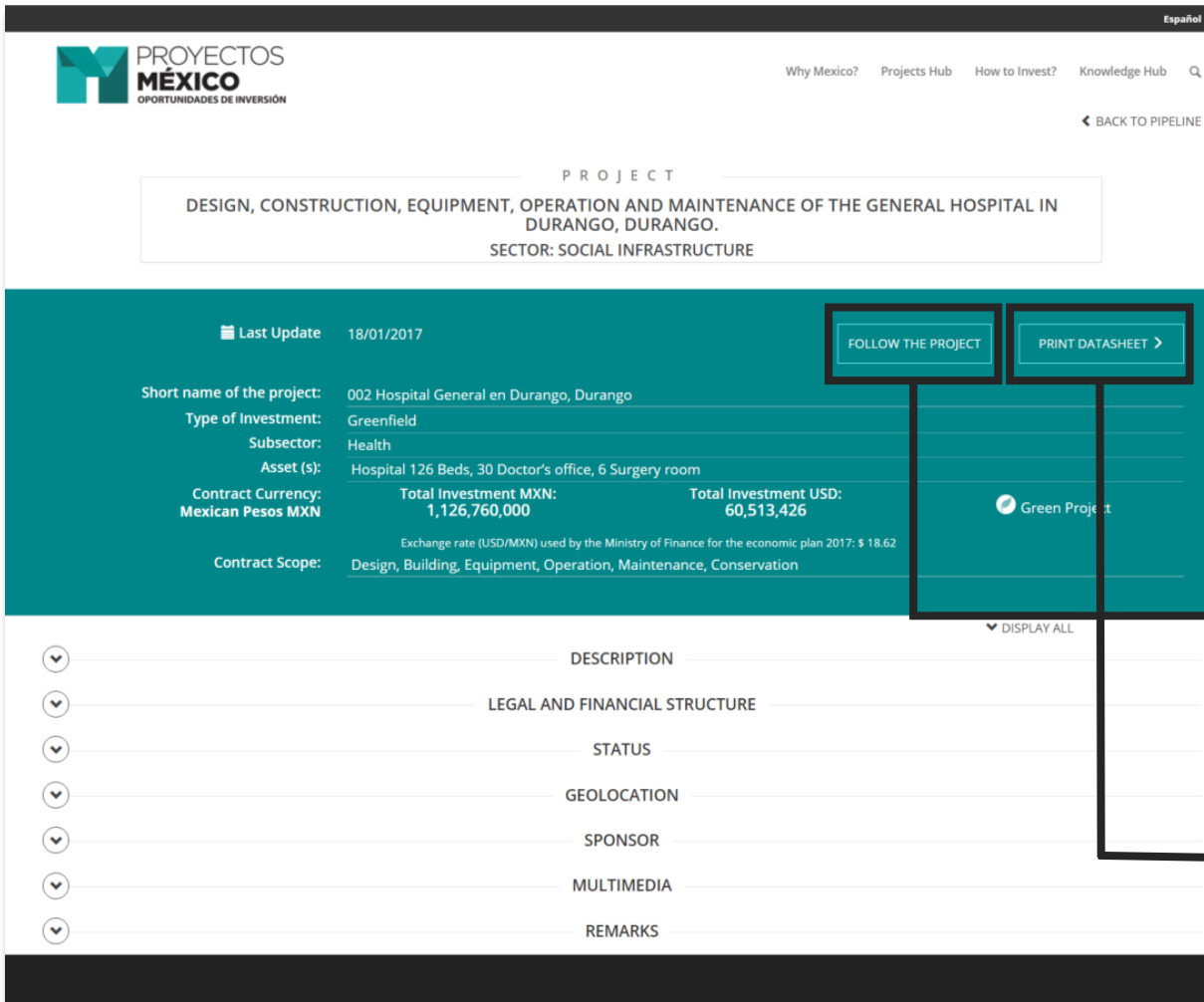
**ISSSTE**

**FONDI**  
FONDO  
NACIONAL DE  
INFRAESTRUCTURA


**PEMEX**

**CFE**  
Comisión Federal de Electricidad

# 1 Projects Hub



The screenshot displays the project details page for '002 Hospital General en Durango, Durango'. The page is in Spanish and includes a navigation bar with links like 'Why Mexico?', 'Projects Hub', 'How to Invest?', and 'Knowledge Hub'. The main content area shows the project title, sector (SOCIAL INFRASTRUCTURE), and a table of key information. Two buttons, 'FOLLOW THE PROJECT' and 'PRINT DATASHEET', are highlighted with red boxes. Below the table, there is a list of expandable sections: DESCRIPTION, LEGAL AND FINANCIAL STRUCTURE, STATUS, GEOLOCATION, SPONSOR, MULTIMEDIA, and REMARKS. A 'DISPLAY ALL' link is also visible.

PROJECT		
DESIGN, CONSTRUCTION, EQUIPMENT, OPERATION AND MAINTENANCE OF THE GENERAL HOSPITAL IN DURANGO, DURANGO.		
SECTOR: SOCIAL INFRASTRUCTURE		
Last Update	18/01/2017	
Short name of the project:	002 Hospital General en Durango, Durango	
Type of Investment:	Greenfield	
Subsector:	Health	
Asset (s):	Hospital 126 Beds, 30 Doctor's office, 6 Surgery room	
Contract Currency:	Total Investment MXN:	Total Investment USD:
Mexican Pesos MXN	1,126,760,000	60,513,426
Contract Scope:	Exchange rate (USD/MXN) used by the Ministry of Finance for the economic plan 2017: \$ 18.62 Design, Building, Equipment, Operation, Maintenance, Conservation	

- DESCRIPTION
- LEGAL AND FINANCIAL STRUCTURE
- STATUS
- GEOLOCATION
- SPONSOR
- MULTIMEDIA
- REMARKS

All projects in the database contain detailed information in a standard format, including:

- DESCRIPTION
- LEGAL AND FINANCE STRUCTURE
- STATUS
- GEOLOCATION
- SPONSOR
- MULTIMEDIA
- REMARKS

In all cases an option to “follow the project” is offered, only asking for an e-mail address for sending the alerts

There is also a printing option for getting factsheets of each project in PDF format

# 1 Projects Hub



PROJECT

DESIGN, CONSTRUCTION, EQUIPMENT, OPERATION AND MAINTENANCE OF THE GENERAL HOSPITAL IN DURANGO, DURANGO.

SECTOR: SOCIAL INFRASTRUCTURE  
SUBSECTOR: HEALTH

Last Update  
18/01/2017

Type of Investment: Greenfield ☒ Green Project

Short name of the Project: 002 Hospital General en Durango, Durango

Contract Currency:	Total Investment MXN	Total Investment USD	Exchange rate (USD/MXN) used by the Ministry of Finance for the economic plan 2017 \$ 18.62
Mexican Pesos MXN	\$ 1,126,760,000	\$ 60,513,426	

**DESCRIPTION**

Construction of a Level 2 hospital to replace the actual General Hospital "Dr. Santiago Ramón y Cajal" in Durango, Durango. Medical services will be provided by ISSSTE staff.

Contract Scope: Design, Building, Equipment, Operation, Maintenance, Conservation

Type of project:	Public / Private	Selection process:	Public Bid	Term:	25 years
Type of contract:	Federal PPP	Payment source:	Budgetary		

Asset (s): Hospital 126 Beds, 30 Doctor's office, 6 Surgery room

**GEOLOCATION**




**SPONSOR**

Entity  
Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado

Department  
Dirección de Finanzas / Área de Proyectos de Asociación Público Privada

Contact  
Rubén Noel Rodríguez González / Gustavo Mendoza Fierros

E-mail  
app.issste@issste.gob.mx

**TIMELINE**

PREINVESTMENT

BIDDING

EXECUTION

OPERATION

Registration 1st Semester 2017

Request for Proposals 2017

Proposals Reception

Rolling

Contract Signing

Start Date Execution

Start Date Operation



Email: [proyectosmexico@bancomext.gob.mx](mailto:proyectosmexico@bancomext.gob.mx)

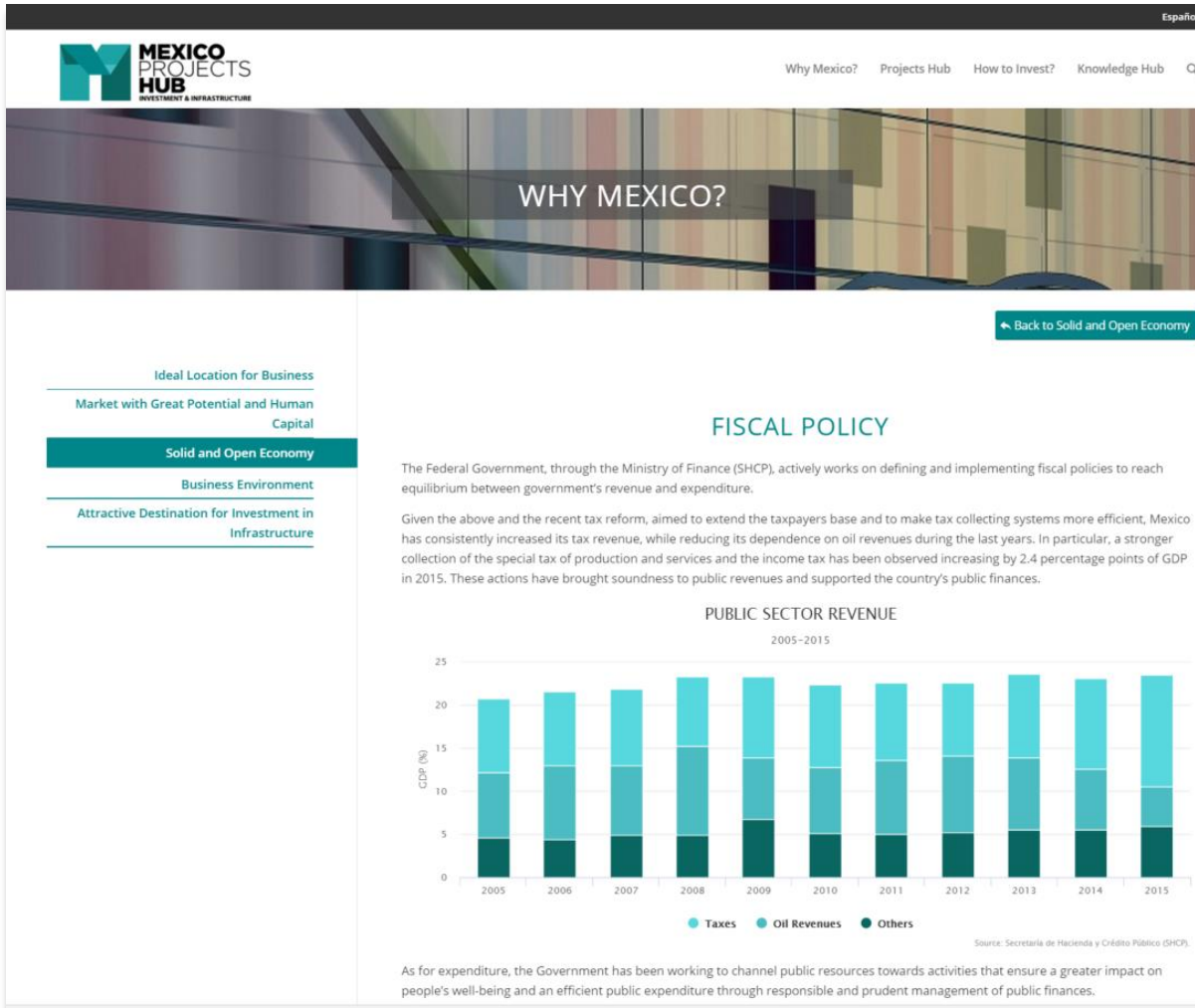




The PDF format data sheet offers summary information of the project as well as a QR code that directs the user to the updated digital file in the website.



## 2 Why Mexico?



**WHY MEXICO?**

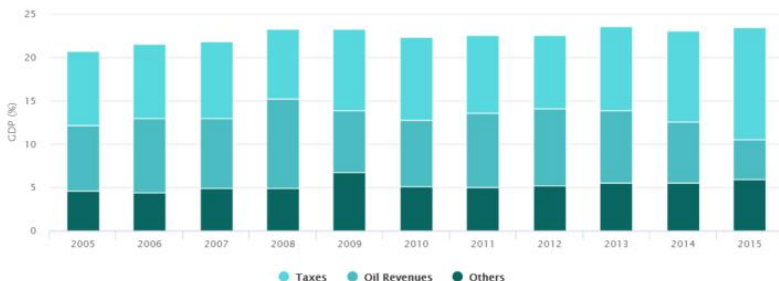
Back to Solid and Open Economy

**FISCAL POLICY**

The Federal Government, through the Ministry of Finance (SHCP), actively works on defining and implementing fiscal policies to reach equilibrium between government's revenue and expenditure.

Given the above and the recent tax reform, aimed to extend the taxpayers base and to make tax collecting systems more efficient, Mexico has consistently increased its tax revenue, while reducing its dependence on oil revenues during the last years. In particular, a stronger collection of the special tax of production and services and the income tax has been observed increasing by 2.4 percentage points of GDP in 2015. These actions have brought soundness to public revenues and supported the country's public finances.

**PUBLIC SECTOR REVENUE**  
2005-2015



Year	Taxes (%)	Oil Revenues (%)	Others (%)
2005	12.5	16.5	1.0
2006	13.0	16.0	1.0
2007	13.5	15.5	1.0
2008	14.0	14.5	1.5
2009	14.5	13.5	1.5
2010	13.0	14.0	1.0
2011	13.5	13.5	1.0
2012	14.0	13.0	1.0
2013	14.5	13.5	1.0
2014	14.0	13.0	1.0
2015	14.5	13.5	1.0

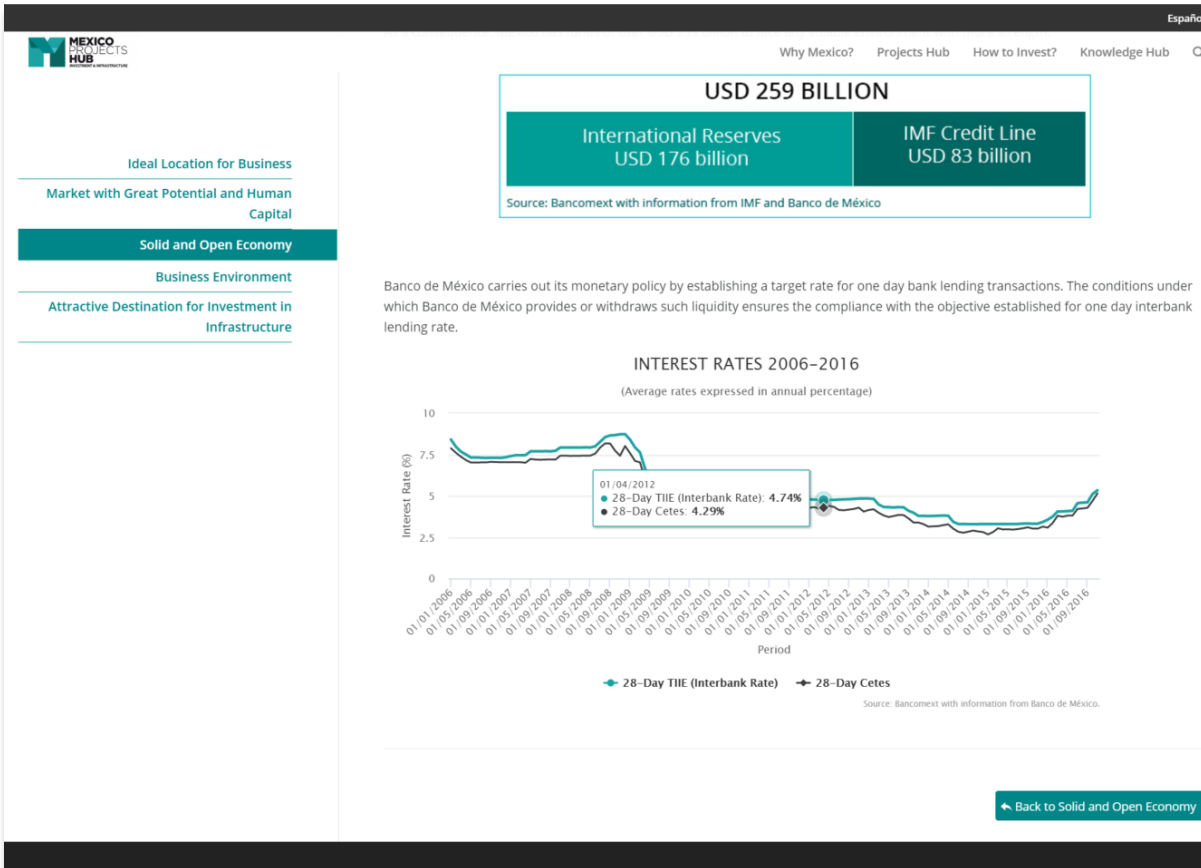
Source: Secretaría de Hacienda y Crédito Público (SHCP).

As for expenditure, the Government has been working to channel public resources towards activities that ensure a greater impact on people's well-being and an efficient public expenditure through responsible and prudent management of public finances.

This section offers valuable information related to the advantages offered by Mexico as an investment destination with updated data, figures, information, interactive tools and graphs in the following subjects:

- **Ideal location for business**
- **Market with great potential and human capital**
- **Solid and open economy**
- **Business environment**
- **Attractive destination form investment in infrastructure**

## 2 Why Mexico?



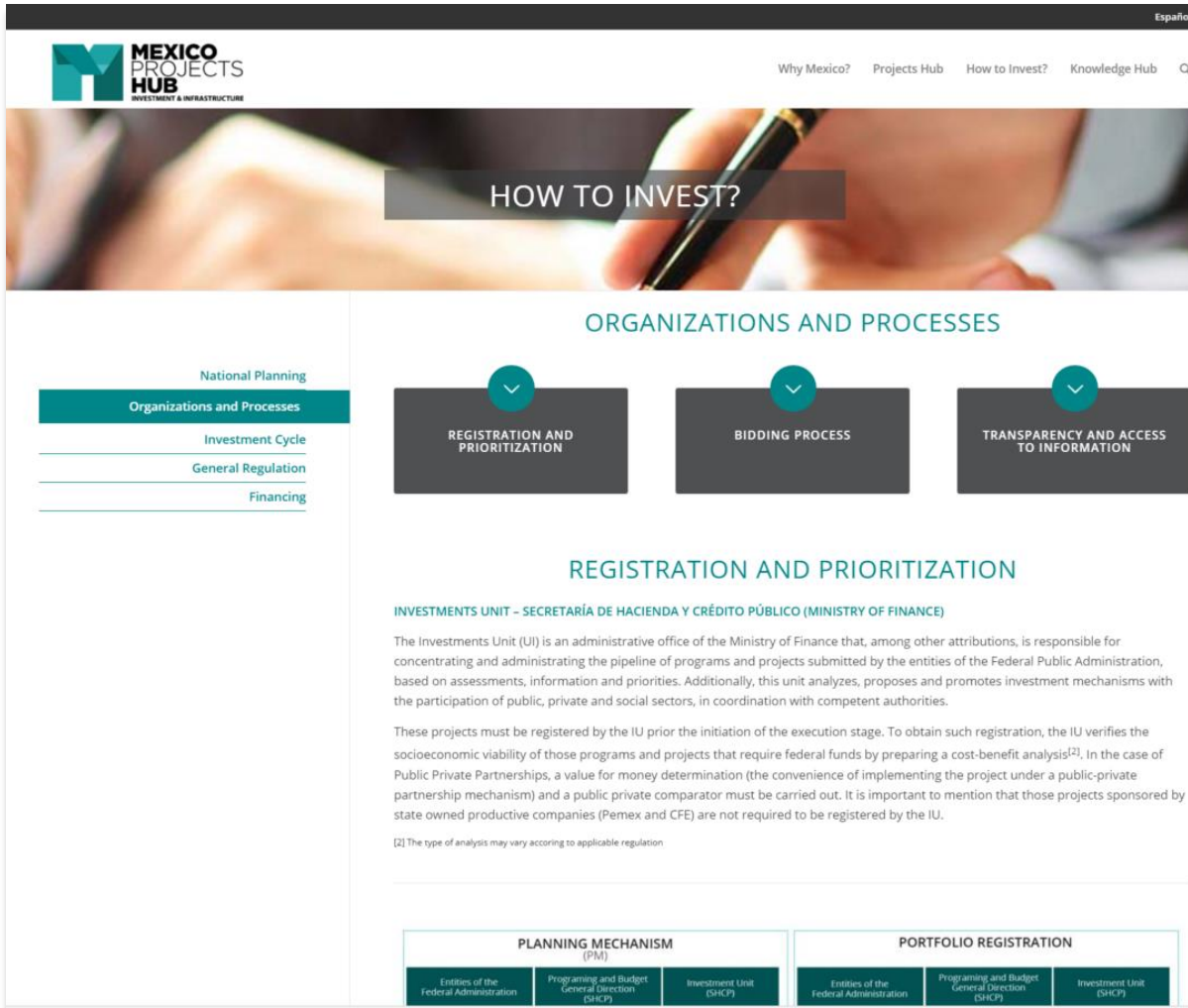
Subsections with information and data updated periodically, including:

45 data series

34 still images

22 interactive charts and images

### 3 How to Invest?



The screenshot shows the 'How to Invest' section of the Mexico Projects Hub website. The page has a dark header with the logo and navigation links: 'Why Mexico?', 'Projects Hub', 'How to Invest?', and 'Knowledge Hub'. A large banner image with the text 'HOW TO INVEST?' is at the top. Below the banner, there are three main sections: 'ORGANIZATIONS AND PROCESSES', 'REGISTRATION AND PRIORITIZATION', and 'PORTFOLIO REGISTRATION'. The 'ORGANIZATIONS AND PROCESSES' section includes a sidebar with links: 'National Planning', 'Organizations and Processes', 'Investment Cycle', 'General Regulation', and 'Financing'. The main content area shows three cards: 'REGISTRATION AND PRIORITIZATION', 'BIDDING PROCESS', and 'TRANSPARENCY AND ACCESS TO INFORMATION'. The 'REGISTRATION AND PRIORITIZATION' section is expanded, showing text about the Investments Unit (IU) and a table with two columns: 'PLANNING MECHANISM (PM)' and 'PORTFOLIO REGISTRATION'. The table lists the entities involved in each process.

**ORGANIZATIONS AND PROCESSES**

- National Planning
- Organizations and Processes
- Investment Cycle
- General Regulation
- Financing

**REGISTRATION AND PRIORITIZATION**

**INVESTMENTS UNIT - SECRETARÍA DE HACIENDA Y CRÉDITO PÚBLICO (MINISTRY OF FINANCE)**

The Investments Unit (IU) is an administrative office of the Ministry of Finance that, among other attributions, is responsible for concentrating and administrating the pipeline of programs and projects submitted by the entities of the Federal Public Administration, based on assessments, information and priorities. Additionally, this unit analyzes, proposes and promotes investment mechanisms with the participation of public, private and social sectors, in coordination with competent authorities.

These projects must be registered by the IU prior the initiation of the execution stage. To obtain such registration, the IU verifies the socioeconomic viability of those programs and projects that require federal funds by preparing a cost-benefit analysis<sup>[2]</sup>. In the case of Public Private Partnerships, a value for money determination (the convenience of implementing the project under a public-private partnership mechanism) and a public private comparator must be carried out. It is important to mention that those projects sponsored by state owned productive companies (Pemex and CFE) are not required to be registered by the IU.

[2] The type of analysis may vary according to applicable regulation

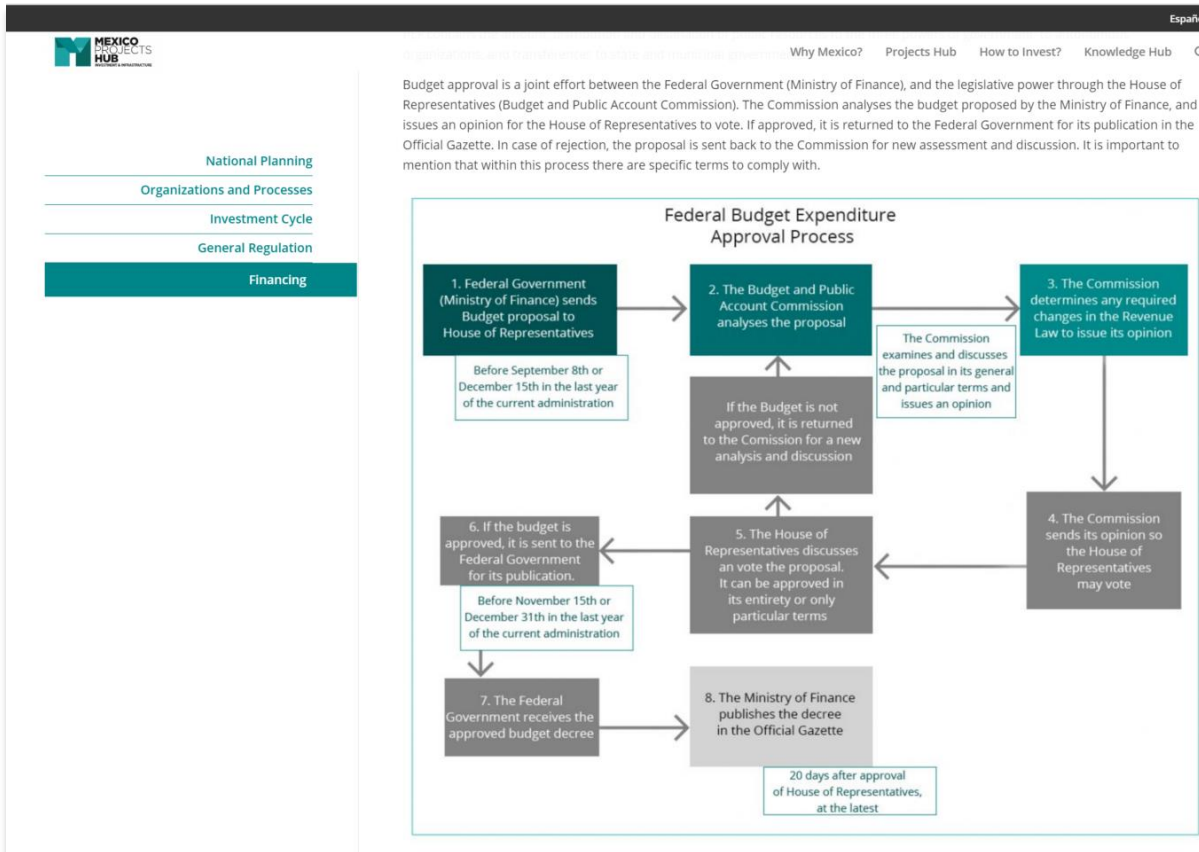
PLANNING MECHANISM (PM)			PORTFOLIO REGISTRATION		
Entities of the Federal Administration	Programming and Budget General Direction (SHCP)	Investment Unit (SHCP)	Entities of the Federal Administration	Programming and Budget General Direction (SHCP)	Investment Unit (SHCP)

Section that guides the user in the way in which infrastructure investment projects are carried out in Mexico, offering detailed information on the following topics:

- National planning
- Organizations and processes
- Investment cycles
- General Regulation
- Financing

Particularly the “investment cycle” section is an extremely useful tool that provides information on the institutional arrangement and the processes of the specific investment cycle in each sector, providing links to the websites of the agencies involved in the process.

### 3 How to Invest?



The subsections offer information updated periodically, including:

**137** links to official external sites

**18** interactive charts and images

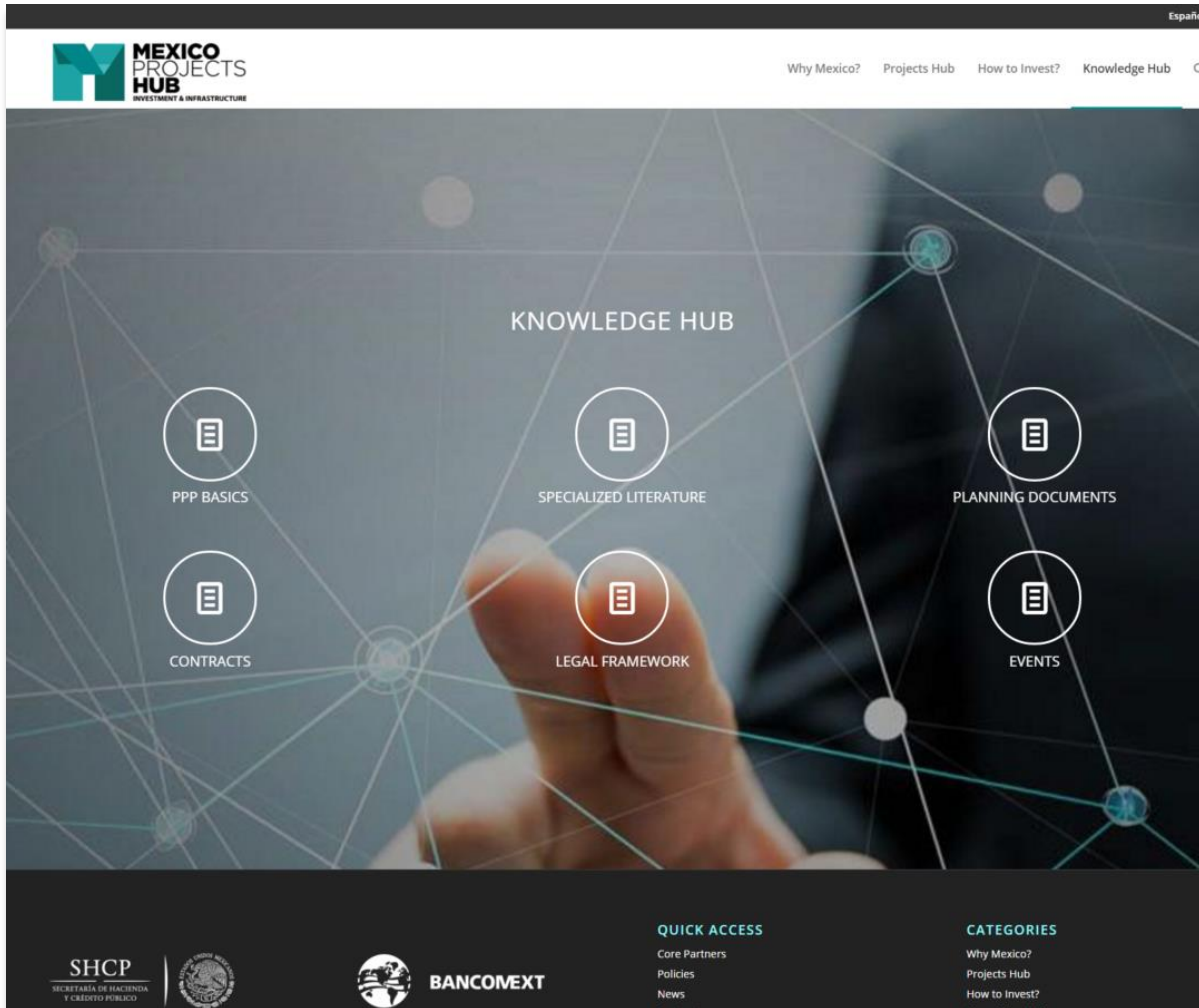
**9** still images

**5** data series



4

## Knowledge Hub



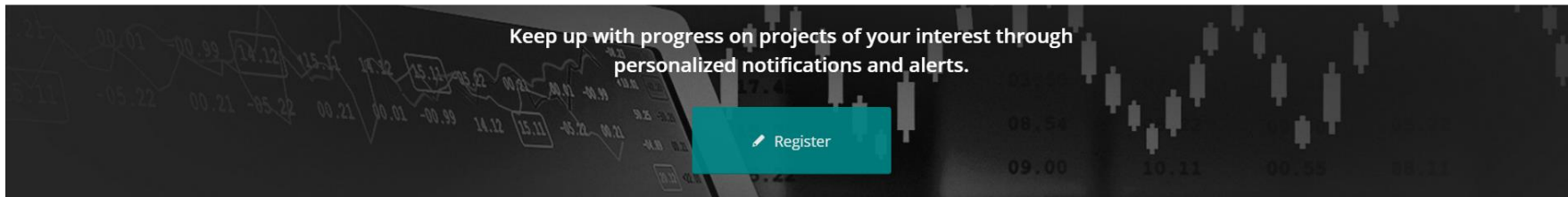
Specialized literature for the development of PPPs, with More than 100 links to documents of interest in various subjects, as well as events related to the sector around the world.

Issues addressed in the “Knowledge Hub”:

- **PPP Basics**
- **Specialized Literature**
- **Planning Documents**
- **Contracts**
- **Legal Framework**
- **Event**

More than  
**95 documents**

In addition to the “Follow the Project” option, Mexico Projects Hub has developed a system that allows interaction between the user and the data contained in the platform database (***Customer Relationship Manager***) which sends out automated information and alerts according to registered interests.



This website is open to worldwide users and is a unique and innovating way to present and follow up projects while facilitating information and reducing costs to investors when identifying investment opportunities.

This forces us to keep the platform and information constantly updated, therefore we are working on a 1.1 version in order to make it easier for investors to access information.



## Final Remarks

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- Considering the budgetary restrictions faced by governments, it is essential to encourage diversity of financing sources and carry out partnerships with the private sector for long-term projects financing.
- Nowadays, the structuring of more effective mechanisms is in progress in order to achieve established objectives. Such effort will be constant and dynamic, therefore requiring the consolidation of an open knowledge and exchange of information network with public and private organizations, domestic or foreign, contributing to improve the investment ecosystem.
- We strongly consider this initiative by Mexico's Federal Government to be a provider of a new solution to national infrastructure which will attract investors around the world to look at investment opportunities in a different and more efficient way, making it easier for them to identify opportunities in a vast array of sectors throughout Mexico as well as eliminating obstacles that may hinder their interest to invest in Mexico.