COVID-19 Global Impacts: Mexico

On April 23rd, the UC San Diego Center for U.S.-Mexican Studies, in partnership with Alianza UCMX and the UC San Francisco Institute for Global Health Sciences, hosted the sixth webinar on the implications of the global pandemic for Mexico. This document summarizes the key takeaways of our meeting. In the next few days, we will announce the seventh webinar in our series COVID-19: Mexico-U.S. Interdependence and Cooperation.

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Mexico's Health Outlook

- Mexico has 11,633 confirmed cases, but this drastically underrepresents the true number of cases due to lack of testing.
- In Latin America, Mexico has the third lowest proportion of tests per one million inhabitants (it tests a lower proportion than countries such as Guatemala, and only tests a greater proportion than Honduras and Haiti).
- Mexico now provides COVID-19 data at the municipal level; Tijuana is one of the hardest hit municipalities.
- Mexico is duplicating its number of deaths every 5.7 days, faster than most other countries.
- In Mexico, there is a higher predominance of coronavirus in males than females, and people under 60 constitute the largest proportion of the hospitalized population.
- Mexico has a high fatality rate, especially among younger people, due to high rates of diabetes and obesity.
- In the U.S., Latinos have also suffered disproportionately due to health risk factors such as housing overcrowding, diabetes, and obesity.
- The countries that have managed this crisis the best, such as China and South Korea, were badly affected by SARS in the early 2000s. The U.S. and Mexico were largely spared.

Mexico's Economic Response

- The federal government's economic plan focuses on austerity measures and microcredits, but excludes additional cash transfers for individuals and tax cuts or bailouts for firms.
- To increase austerity, 10 sub secretariats will halt their operations until January 2021 and government salaries will be reduced for those who earn over $20,000 MXN (~$1,000 USD) per month.
- Given the downturn in oil prices, Mexico needs to find additional sources of revenue to support government spending.
- The government will offer 3 million microcredits of $1,000 USD at a 6% interest rate for formal and informal businesses.
- AMLO wants to avoid increasing Mexico’s debt because he believes that it would tie his hands and weaken his ability to maneuver politically. He also wants to distance himself from other leftist leaders who have been viewed as fiscally irresponsible, and is concerned with the perception of political nepotism of previous governments’ responses to economic crises.

U.S.-Mexico Relations

- The current cooperative relationship between Trump and AMLO is an opportunity for Mexico to fill the vacuum left by decreasing Chinese exports to the U.S., especially as USMCA is expected to go into effect on July 1st.
- Remittances, the most important source of foreign income for Mexico, were 36 billion in 2019, and are expected to decrease by at least 7% this year.
- The decrease in tourism, which accounts for 8.5% of the Mexican GDP, will negatively impact the economy.
- In terms of migration policy, Trump is using the pandemic as an excuse to seal the border to asylum seekers and further his hardline campaign promises.
- Continued deportations are spreading the outbreak to Mexican border cities and Central America.

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