2026-04-22

Mexico to raise infra investment to 6% of GDP via development plan and private sector participation

Autor: Redacción

Género: Nota Informativa

https://www.bnamericas.com/en/interviews/mexico-would-raise-infrastructure-investment-to-6-of-gdp-with-plan-and-private-sector

Investment in infrastructure in Mexico could approach 6% of GDP with the new government plan and greater private participation, which would boost the recovery of the construction sector after a prolonged contraction.

Current investment is around 2.6% of GDP and could soon reach close to 4.6% with an additional injection of 700.000 million pesos, approaching international standards, said Luis Méndez, president of the Cámara Mexicana de la Industria de la Construcción (CMIC).

In an interview with BNamericas, Méndez noted that the sector's output is beginning to show signs of recovery after 20 months of contraction, with growth prospects of up to 2% by the end of 2026.

The executive stressed the key role of private investment which represents eight out of every ten pesos of productive investment and praised the legal framework that promotes public-private partnerships, while warning of challenges in security, permits and regulatory efficiency.

BNamericas: What is public investment currently as a percentage of GDP and to what level should it rise?

Méndez: Today it is at 2.6% including equipment, that is, machinery, and international organizations talk about 5% to 6%. With the new investment of 700,000 million pesos announced for 2026 [as part of the Infrastructure Investment Plan for Development with Well-being 2026-2030], that is another 1.9%, let's round it to 2%, and we may be reaching 4.6%, which means we would practically be where we should be once that is carried out.

BNamericas: In how much time would these 700,000 million pesos be executed and how is the rest of the 5.6 trillion (tn) pesos plan distributed?

Méndez: This year we believe it is complicated, which is why we were saying that there are types of projects and types of external financing that could speed this up, among them the issue of maintenance. The rest, which is approximately 4.9tn pesos, could be provided over four years, which is approximately 1.2tn per year, and if you add a PEF [budget] that is maintained as in previous years at 600.000 million (mn), then we would already be talking about 6%, which is a very historic figure.

BNamericas: How is the physical investment in infrastructure structured and what impact do the new resources have?

Méndez: Everything related to construction is divided into categories: 1.8 is for public works and 0.8 is for machinery and equipment for public works; we call all of this physical investment. If you add it up, it is 2.6%. The other 700,000 million new pesos help to mirror the 1.8, they amount to 1.9. So we have 1.8 + 1.9 plus 0.8 and possibly another 0.8 here as well as a spillover, and this would give more than 4% in investment for infrastructure in general.

BNamericas: What does the production of construction companies measure and what are they expecting for this year?

Méndez: The production of construction companies shows how much work they carried out, comparing month by month of the previous year with the current one. For 20 months we have had a decline; in fact, at the end of 2024 we had as much as 24% or 25% less when comparing 2023 with 2024. Nowadays, if you compare the latest record we have from January 2026, the amount of work has practically decreased by 1%.

What we are expecting is that by the end of this year the number will be positive, almost reaching 2%. Maybe since April already at the break-even point, no longer negative, but by the end of the year it might be between 1.5% and 2%.

BNamericas: What stands out in the government's infrastructure plan and in the new law?

Méndez: First, there is a Mexico Plan where strategic sectors are laid out. We welcome the fact that infrastructure is present transversally in all of them. And we welcome the fact that the incorporation of this new law recognizes infrastructure in its foundations as a pillar of economic development.

If we add that practically 60% of productive investment in the country has to do with construction, you see its importance: a country that has infrastructure is a country that has development.

The law has very positive aspects because it talks about recovering these public-private investments; without them there was never enough money. Nowadays there are irreducible commitments, mainly social ones, where it is not possible to invest more than 2% of GDP, which is why this law is welcomed, as it would provide a regulatory framework to guarantee these investments.

BNamericas: What areas of opportunity do you identify?

Méndez: The rule of law a lot, that is, just as the regulations and laws that need to be fine-tuned, also public security. And regarding regulations, there is a duplication in permits, bureaucracy, issues that at times slow down project execution. I think there is a lot of work to be done there.

BNamericas: What proposals are you promoting from the chamber?

Méndez: Essentially, to create a national infrastructure system, because the works are assets that generate long-term returns. We also believe it is important to strengthen a project bank in order to plan for the medium and long term.

And to strengthen the Infrastructure Council, where we believe there is still no official presence of the private sector, academia, and the social sector. To this end, we have designed an infrastructure planning institute (IPI) in which all of them participate, and we want to involve it with funding for its operation, as one more entity that has a voice and a vote.

BNamericas: How does the increase in the price of asphalt affect the sector's recovery?

Méndez: It does not affect it; rather, it may postpone the growth we were expecting by a couple of months. It is a cyclical issue that has to do with the volatility of the oil price.

The growth of construction does not depend solely on this product. There are cost adjustments that bring a lag of two or three months, and that affects companies' cash flow. But the outlook remains positive and it will recover.

BNamericas: What could be done to mitigate these effects?

Méndez: Being able to shorten this gap in timing, in the indicators, or in financing. Perhaps Pemex should have subsidized the asphalt issue, although there is also imported asphalt. It is a complex matter, but it should not worry us too much.

BNamericas: How has public works spending evolved recently?

Méndez: There was a significant drop and then increases. Today there is already an increase of 6% or 7%. Adding the new announcement, well, it will result in double the growth in the budget.

BNamericas: Which sectors are doing the most to drive private participation?

Méndez: Energy projects account for more than 50% of what will be allocated to infrastructure. Then come road projects, followed by specific projects for states and municipalities. These three categories together account for 60% or 70% of the investment.

There are water projects that are being developed so that next year they can be launched with greater momentum.

BNamericas: Why is private participation more limited in railway projects?

Méndez: All the trains in the world are subsidized. The revenue is not enough to sustain their maintenance and operation. If we talk about return on investment, it is difficult for there to be mixed investment in this type of project.

However, it has other advantages such as connectivity, productivity or tourism, and it triggers indirect economies. But it is difficult for them to have a rate of return that would make private investment feasible.

BNamericas: How do private companies participate in these projects?

Méndez: At around 60% they are private construction companies. There are tenders, but mainly in construction, engineering, and materials.

BNamericas: What are CMIC's current priorities?

Méndez: Our main mission is to represent and manage the interests of our industry. Today we have tasks such as making construction companies more competitive through specialization and training.

Also prepare MSMEs so that they can form consortia and gain access to this new investment dynamic.

We have become a consultative body and we have made almost 200 proposals to different government entities, with a great deal of communication with the government and the business leadership.

BNamericas: What potential does private investment in infrastructure have?

Méndez: Today, the country's productive investment, eight out of every ten pesos, comes from private investment. So we believe we have that potential and we hope to have a good balance with the government so that it is a win-win and benefits Mexicans with a better quality of life.

(The original version of this content was written in Spanish)