

Main Topics

- *Rapid action on energy reform predicted*
- *AMLO handpicks Porfirio Muñoz Ledo to lead left-ist coalition*
- *President Calderón defends NAFTA*
- *The government orders new electricity subsidies*
- *'Voluntary' price reductions for basic goods announced*

Key Dates

- 02/01/08:** Congress reconvenes
- 02/03/08:** Baja California Sur and Quintana Roo state elections
- 02/17/08:** Hidalgo state elections
- 03/08:** PRD elects party president

Chamber of Deputies President Ruth Zavaleta (PRD) said she expected Congress to take up **energy reform** by the end of February. Emilio Gamboa, PRI leader in the Chamber, backed an energy reform that would allow for joint ventures between Pemex and Brazil's Petrobras: "There will be an energy reform this year. ...We need to improve our deep water exploration capabilities, using technologies that Brazil has." At the inauguration of a new privately-owned nitrogen gas plant for the oil industry in Tabasco, President Calderón also backed opening up the sector to private capital, while keeping Pemex "a company that is proudly Mexican and exclusively for Mexicans." (Universal 1/9, Reforma 1/10, Jornada 1/10)

Porfirio Muñoz Ledo, one of the founders of the PRD, was chosen by **Andrés Manuel López Obrador** as the new coordinator of the Frente Amplio Progresista (FAP), the umbrella alliance of the PRD, PT, and Convergencia. At the same time, AMLO said he was ready to run "one last time" for the presidency in 2012. Columnist Ricardo Alemán noted that "The arrival of Muñoz Ledo to head the FAP confirms the call to arms against the principal adversaries of López Obrador" in the Left, and is directed principally against the New Left faction of the PRD headed by Jesús Ortega, who will probably take over leadership of the PRD in March. (Proceso 1/8, Reforma, 1/11, Universal 1/13)

In a televised address, President Calderón defended the final stage of the **North American Free Trade Agreement**, which eliminated tariffs on key agricultural products effective January 1. "In general, [NAFTA] has been beneficial for Mexicans since it has allowed us—as consumers—to have better quality products and better prices, and at the same time, it has allowed us to export more products." The President also stressed his commitment to support the farm sector, with a record Ps. 200 billion budget this year. (Presidencia 1/7)

The government ordered the Federal Electricity Commission to lower peak-hour **electricity rates** for industrial users by 30 to 50%, immediately after the Finance Ministry announced a general 8% rate increase. CFE's head of finance said the measure would cost the company Ps. 8 billion, but was justified in order to reactivate the national economy. Columnist Sergio Sarmiento commented that, "The government continues to deprecate market forces.... Like PRListas in the times of Luis Echeverría and José López Portillo, the government considers prices as an instrument of political control. ...It is not easy to understand why instead of fighting a long term problem [high prices compared to other countries] by using the resources of the CFE to invest in new plants, the President is ordering that those resources be used to provide a subsidy." (Reforma 1/9)

Secretary of the Economy Eduardo Sojo and the national chamber of supermarkets and department stores signed a "**Family Aid 2008**" agreement, which seeks to lower by 5 to 30% the prices of 300 basic products, including powdered milk, bread, eggs, sugar, chicken, beef, pork, and beans. Participation in the program, which lasts through March, is voluntary and each store will be able to choose the discounts and the products to be included. (Reforma 1/11, Notimex 1/10)

Opinion polls

A Mitofsky survey on how Mexicans feel about the future shows substantial optimism about President Calderón's prospects and their own personal financial situation, with somewhat more guarded—but still positive—perspectives on how the economy and Mexicans in general will do. (www.consulta.com, 1/7)

In 2008, do you think things will go better or worse for:

