

*Alan Stoga, President**Daniel Wilson, Managing Director and editor***Focus****Finance Secretary under fire**

The publication Mexican GDP figures – a decline of 8.2% in the first quarter – and another reduction in full-year GDP estimates (to -5.5%) is undercutting the standing of Finance Secretary **Agustin Carstens**. The *Bajo Reserva* column [asks](#), “Who is making the official estimates [for GDP growth], and how is it possible to have a correction of 6 percentage points in GDP forecasts in only 15 weeks? ...No other economy has had to make such a correction of this magnitude in its forecasts. It would seem that the management of numbers ... is not a strong point of this government.”

Two of the most sober columnists, Leo Zuckermann and Sergio Sarmiento, questioned on the same day Carstens' effectiveness, with both quoting his February 2008 statement about the impact of the U.S. economic recession on Mexico: “I am confident that it will not give us pneumonia. I expect that it will give us a cold.”

Sergio Sarmiento, who has long questioned the adequacy of economic policy, noted: “Today nobody talks of a ‘cold’ except in jest. If we want to continue with the metaphor, I imagine that the U.S. is suffering from an atypical pneumonia while Mexico is suffering from a case of H1N1 flu that hasn't been treated in time.” ([Reforma 5/22](#))

Leo Zuckermann catalogs all of Carstens' statements about the economy from February 2008 on, along with the steady reduction in GDP expectations from 3% growth to the current forecast of a 5.5% contraction. “I understand that the Finance Secretary is providing an optimistic vision of the economy in order not to deepen the economic fear. However, I believe that Carstens has abused optimism to the detriment of realism. He has consistently erred in his forecasts, and with this he has lost the credibility that a serious secretary of finance has to have. Taking into account Carstens' past performance, can we truly believe that the Mexican economy will only fall 5.5% in 2009?” ([Excelsior 5/22](#))

Key Dates

7/5: National congressional, 6 gubernatorial, and 5 other local elections.

10/18: Tabasco and Coahuila local elections

9/1: Start of new Congressional session; President delivers [Informe](#).

Security video increases outrage over Zacatecas jail break

Reforma [published security videos](#) of last week's strike by a commando group to free 53 prisoners from a state prison in Zacatecas. The videos show the convoy of seven security vehicles, with lights flashing, arriving at the Cieneguillas prison in the pre-dawn hours and being waved in through the main gate, while prisoners let themselves out of their cells as their guards disappeared. Commandos wearing official-looking uniforms escorted the 53 prisoners out in a calm and ordered manner, and left the prison in less than three minutes without any resistance from the staff. Questions were also raised as to Justice Ministry and Federal Police failures— the convoy had to pass directly by their bases on their way to and from the prison. The immediate target of outrage is Zacatecas governor **Amalia García** of the PRD. Senator **Ricardo Monreal**—himself under a cloud of suspicion—said the prison break was “the result of the complicity at the highest level of the Zacatecas government.” ([Reforma 5/20](#))

Narco on most wanted list captured

The Army captured one of the top lieutenants of the **Gulf cartel**, Raymundo Almanza Morales and three others in Monterrey. He is on the PGR's list of 37-most wanted drug traffickers. His brother Octavio was arrested in February for the murder of General Mauro Enrique Tello in Cancún. ([Reforma 5/21](#))

PRI Governors demand counterattacks against PAN

A meeting of the PRI governors and congressional leaders with party president **Beatriz Paredes** was a litany of demands that she be more combative against the PAN's constant attacks. Paredes was quoted as saying, “My strategists tell me that it won't be productive to enter into a direct confrontation with the PAN. The moment we do so, the voters will perceive a radicalization and not see us as a serene party that has proposals and experience in government.” Despite this, the PRI (using the pseudonym Anton Chigurh) produced its first [YouTube video](#) attacking Calderón for his handling of the flu outbreak. ([Universal 5/23](#), [Reforma 5/25](#))

Parties unite in rejecting Zedillo's call for fiscal reform

Former president **Ernesto Zedillo** said in a speech that the economic measures taken to date were inadequate and that Mexico needed a new fiscal reform. “We have to carry out a definitive fiscal reform, that gives financial solidity to the Mexican State, and enables it to carry out its responsibilities....Unfortunately, the petroleum wealth, that has given us so much has, in certain measure, also taken much from us. It has taken away our willingness to face responsibly the recognition that we are a country with needs.” Congressional leaders of all three parties united in attacking Zedillo. PRI Senate leader **Manlio Fabio Beltrones** called his statements “verbal incontinence.” Senator **Carlos Navarrete** of the PRD said that “Zedillo is mistaken in his diagnosis; he contributes very little with his opinion.” **Emilio Gamboa**, PRI leader in the Chamber, said Zedillo was “irresponsible.” His PAN counterpart **Héctor Larios** said, “The tax laws, without any doubt, need to be reformed, however it's not prudent or appropriate to revise them in the middle of a global economic crisis.” ([Reforma 5/18](#), 19)