

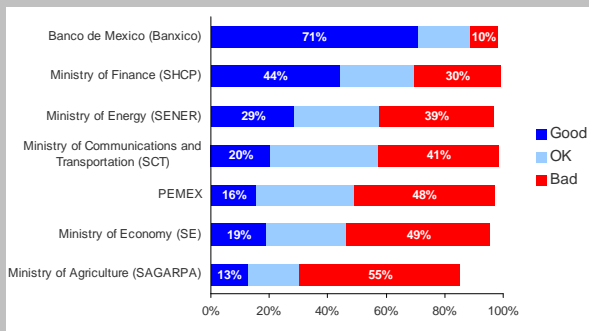
Alan Stoga, President
Daniel Wilson, Managing Director and editor

Polls

Central Bank and Ministry of Finance well-respected; other economic agencies less so

Mitofsky carried out a telephone survey of subscribers to the financial newspaper *El Economista* for perceptions of the different organizations involved with economic policy. The central bank, Banco de Mexico, was far and away the highest rated organization, followed at some distance by the Ministry of Finance. The negatives of all the other organizations were all higher than their positives. In terms of specific characteristics, Banco de Mexico is viewed as the most honest and the most efficient organization, while Hacienda is the best known, the most accessible, and provides the clearest direction. At the other extreme, the Ministry of Agriculture is viewed as the least effective, while Pemex takes the prize as the most corrupt. ([Consulta Mitofsky](#))

Opinion of government economic agencies



Characteristics of institutions

	Banxico	Finance	Econ.	Energy	SCT	Pemex	Ag.
Rating (1-10)	7.6	6.7	5.8	5.8	5.7	5.4	5.0
Most efficient	57%	17%	2%	1%	3%	5%	2%
Clearst direction	26%	48%	3%	1%	3%	0%	0%
Most accessible	24%	40%	6%	0%	3%	2%	3%
Most honest	41%	10%	4%	1%	2%	0%	2%
Best known	6%	76%	2%	0%	0%	14%	0%
Most corrupt	0%	10%	4%	1%	8%	41%	15%
Least effective	2%	10%	20%	5%	10%	12%	34%

Key Dates

- 8/8:** PAN National Council meeting
- 8/8-11:** North American Leaders Summit, Guadalajara
- 9/1:** Start of new Congressional session; President delivers *Informe*.
- 9/8:** Delivery of 2010 economic package to Congress
- 10/18:** Tabasco and Coahuila local elections
- 11/15:** Deadline for approving budget

President hints at cabinet changes

Speaking in Costa Rica at a meeting of Central American heads of state, **President Calderón** acknowledged the likelihood of cabinet changes. "Changing circumstances always require adjustments in both strategy and the government team," he said. "This is the way I've acted over the three years and will certainly continue to do so, constantly reviewing strategies and the officials responsible for carrying them out." (Reforma 7/30)

Key agricultural program aids drug traffickers

The primary government program for supporting poor farmers, **Procampo**, was shown to be paying support funds to many of the top drug traffickers and their families, as well many prominent political families, according to an investigation carried out by **CIDE** and **Fundar** and reported by *El Universal*. Among the drug traffickers (and their families) who have gotten Procampo financial support: 'El Mayo' Zambada (Sinaloa cartel), 'El Chapo' Guzmán (Sinaloa cartel), Amado and Vicente Carrillo Fuentes (Juárez cartel), and Juan Garcia Abrego (Gulf Cartel). Procampo was created 15 years ago to assist small farmers adjust to the opening of agricultural trade as part of NAFTA. The investigation estimates that the top 20% of recipients have gotten 80% of the Ps. 171 billion in grants over the life of the program, while the average small farmer receives only Ps.700 per year. In response, Secretary of Agriculture **Alberto Cárdenas** promised an immediate scrubbing of the list of beneficiaries, but said it was the responsibility of the Justice Ministry to weed out drug traffickers. ([Universal 7/27](#), [7/29](#), [Proceso 7/31](#))

Investigation of Pemex thefts

Seventy agents from the Federal Police and Justice Ministry staged a full day raid on the Pemex office responsible for the physical security of the oil company's facilities. All 800 employees of the department were sequestered while agents seized files and computers and carried out interviews as part of an investigation of widespread thefts of everything from crude oil to jet fuel. Pemex officials estimate that thefts of refined products, including tapping pipelines and hijacking tanker trucks, was the equivalent of one-fifth of Pemex's import requirements. The 'milking' of products is estimated to have grown 10% last year, and to have cost the company Ps. 9.3 billion last year. **President Calderón** blamed the "enormous bloodletting" on organized crime. ([Reforma 7/30](#), [7/31](#), [Universal 7/31](#))

Refinery location still up in air

Both Hidalgo and Guanajuato continue to work furiously to assemble the 700 hectare parcels that are the condition for the award of the new Pemex US\$9 billion refinery project—the largest public works project of the Calderón government. Pemex clearly prefers PRI-governed Hidalgo, but has said that the refinery will go to the state that can first deliver the required land. The assembly of the parcels is tied up in the complex legal proceedings for settling land titles of communal (*ejido*) land, which is under the purview of the Ministry of Agricultural Reform. Secretary **Abelardo Escobar Prieto** said that to date Hidalgo had registered 554 hectares and Guanajuato 491. ([Universal 7/31](#))

Grim economic data, but some signs of recovery

The Ministry of Finance said that GDP in the second quarter fell 10.4% year over year, with the **H1N1 flu** contributing importantly to the contraction. The ministry will wait until the delivery of economic package on September 8th to provide revised forecasts for the year and its outlook for 2010. Separately, Banco de Mexico said that its expectation was for full year decline in 2009 GDP of -6.5% to -7.5%, with growth of 2.5% to 3.5% next year. Both the agencies noted that important signs of economic stabilization emerged in May and June. ([SHCP](#), [Banxico](#))