



January 2024



Top Highlights

President Andrés Manuel López Obrador confirms that he will send a constitutional reforms package at the beginning of the next ordinary period of Congress (February to August 2024). The package will address issues such as the annual increase in the minimum wage above inflation; ensuring retirees receive 100 percent of their salary as a pension; proposing the popular election of judges, magistrates and ministers in the judiciary; eliminating various autonomous bodies, including the National Institute for Transparency, Access to Information and Personal Data Protection (INAI) and the Federal Telecommunications Institute (IFT); reducing the size of the National Electoral Institute (INE) and eliminating local electoral public bodies, among the changes in the electoral system. Despite his previous announcement not to present these reforms, President López Obrador now seeks to implement them as part of his strategy after the 2024 elections. Additionally, there is a proposal to establish a national passenger railway network.

The Energy Regulatory Commission (CRE) issues an agreement aimed at regularizing service stations. This agreement outlines a procedure designed to address unfulfilled obligations by permit holders engaged in the public sale of petroleum products, natural gas or liquefied petroleum gas. The regularization process involves a financial penalty for noncompliance, and once voluntarily paid, it is deemed as fulfilling the specified obligations. Subsequently, this process enables permit holders to submit a modification request for the transfer of their rights, which will be considered by Mexico's governing body. This measure is applicable to permit holders seeking to rectify their compliance status, who have outstanding obligations and hold a pending modification request for transfer at the commencement of the agreement's validity. Alternatively, it applies to those wishing to conduct a transfer during its term, despite contravening the stipulations outlined in Article 53 of the Hydrocarbons Law.

President López Obrador appoints Lenia Batres as a new Supreme Court judge, following the rejection from Congress on his previous candidates for the position. Batres brings with her a wealth of experience from her work within the urban development, housing and public space agencies of the Mexico City government. It is important to consider that Batres is the sister of Mexico City Mayor Martí Batres, who is considered close to various public officials within Morena and the Morena Presidential Candidate Claudia Sheinbaum. With this appointment, President López Obrador has appointed five of the 11 judges of the Supreme Court of Justice.

President López Obrador holds meeting with the U.S. Ambassador to Mexico Ken Salazar, as well as U.S. legislators. The discussions encompassed crucial topics such as migration, security and trade, with a notable focus on expressing shared interest in the development of the Isthmus of Tehuantepec. Among the participants were U.S. Reps. Michael McCaul (R-Texas), Randy Weber (R-Texas) and Henry Cuellar (D-Texas).



Congress Report

Sen. Alejandro Armenta from Morena outlines the party's focus on several key issues. These include the upcoming General Water Law, cannabis regulation, the reduction of the workweek and the "Ley Silla" (Chair Law), which intends to guarantee the right to provide a sufficient number of seats or chairs with backrests available to all workers in the service and commerce sectors. In addition, Armenta highlighted forthcoming constitutional reforms from the executive branch, encompassing topics such as Mexico's National Guard, the judicial branch, the right of individuals with disabilities to receive pensions, and the recently announced reforms



on minimum wage and pensions. Armenta also revealed plans to introduce a bill aimed at enhancing coordination among the three levels of government in matters of security. It is relevant to mention that Armenta holds a position of power within Morena's political party. In the next few days, political parties will publish their legislative agendas with the bills that will have priority for the next ordinary period in Congress.

Similarly, Rep. Ignacio Mier Velazco, coordinator of the Morena Parliamentary Group, underscored legislative priorities, emphasizing the creation of a consensus-driven reserve to facilitate the constitutional reform concerning rest days (workday).

Reps. Ignacio Mier Velazco and Manuel Rodríguez from Morena present bill that proposes amendments and additions to Article 17 of the Electric Industry Law. The objective is to mandate Mexico's Energy Regulatory Commission to issue general administrative provisions within a 60-day period, specifically addressing electric power plants with a net-installed capacity of less than 1 megawatts (MW), distributed generation and distributed clean generation. Furthermore, the bill seeks to streamline necessary modifications to the regulation, with a particular focus on Article 17, which encompasses the classifications of electric power plants, including criteria related to efficiency, quality, reliability, continuity, safety and sustainability of the National Electric System (SEN). Rep. Manuel Rodríguez is the president of the Energy Committee of the House of Representatives.

Paternity leave in Mexico. Mexico's House of Representatives approved, in a vote of 409-1 with two abstentions, reforms to the Federal Labor Laws and the Laws for State Workers to grant working male parents 20 days of paid paternity leave. The bill has been forwarded to Mexico's Senate for analysis and potential approval.



Executive Branch

The Ministry of Energy (SENER) publishes an agreement that approves and discloses the updated Clean Technologies and Fuels Transition Strategy in the *Official Gazette of the Federation*. This comprehensive document not only diagnoses the current landscape of clean, renewable and transitional energy use and generation, but also puts forth strategic action plans to actively foster their continued development.

The federal executive issues decree to promote the General Law on Alternative Dispute Resolution, alongside amendments and additions to the Organic Law of the Federal Judiciary and the Organic Law of the Federal Administrative Justice Tribunal. This law holds significance as a matter of public order, social interest and widespread observance across the entire Mexican territory. Its primary objective is to establish the foundational principles, general guidelines and allocation of competencies concerning alternative dispute resolution mechanisms.

The Ministry of Finance and Public Credit of Mexico initiates its sustainable financing program for 2024 with the issuance of a new bond linked to the sustainable development goals, with an eight-year maturity. This issuance, totaling 2 billion euros, marks Mexico's return to the euro sustainable market after an absence of almost three years. Furthermore, this operation is part of the Sustainable Financing Mobilization Strategy and the Annual Financing Plan, through which the Ministry of Finance and Public Credit of Mexico continues to strengthen the sustainable debt market.



Elections

Intercampaign period. The pre-campaign period concluded on Jan. 19, 2024, characterized by large-scale events. In the ongoing intercampaign stage until Feb. 29, 2024, the INE has implemented regulations barring candidates from participating in advertisements, debates (with exceptions) or media discussions. These measures are designed to enforce a period of restraint, preventing political parties from actively promoting their proposals through various communication channels.

Presidential debates. The General Council of the INE approved the dates and venues for the three presidential debates. The first debate will take place on April 7, 2024, the second will be held on April 28, 2024, and the third is scheduled for May 19, 2024. Additionally, the INE has announced mandatory attendance for all candidacies in the three presidential debates, and failure to attend may result in sanctions.

Presidential polls. According to a January 2024 survey conducted by an independent polling agency and daily newspaper, Claudia Sheinbaum emerged as the frontrunner in electoral preferences, earning support from 54 percent of respondents. Following closely, Xóchitl Gálvez secured the second position among the candidates with a 27 percent share of the voting intention. Meanwhile, Jorge Álvarez Máynez lagged behind, capturing only 3 percent of the preferences.



Opposition Alliance:
PAN – PRI – PRD

Xóchitl Gálvez wrapped up her pre-campaign in Mexico City, calling on the INE to exclude President López Obrador from the electoral process. The opposition's presidential pre-candidate centered her discourse on the values of freedom, truth and life.

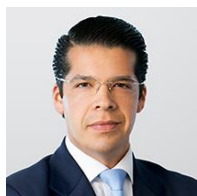


Official Alliance:
MORENA – PT – PVEM

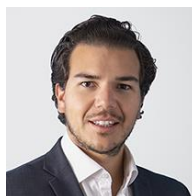
Claudia Sheinbaum concluded her pre-campaign in Mexico City surrounded by the Morena leadership and supported by governors and federal officials. The pre-candidate pledged that if she becomes president, she will maintain the same approach as the current government.

Citizens' Movement (MC). Jorge Álvarez Máynez was named the new presidential candidate for MC. From 2015 until 2018, Álvarez Máynez served as federal deputy and was reelected in 2021. During his second term, he also served as MC's coordinator of federal deputies.

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