

## Weekly Report - 8 March 2005

### **MEXICO: Country 'ripe for reform-minded left'**

**Mexico is ripe for a leftwing government that might well carry out the 'structural reforms' that the current right-of-centre administration has failed to implement. This is not a publicity soundbite touting the prospects of leftist presidential aspirant Andrés Manuel López Obrador: it is a view shared by several of Mexico's leading bankers.**

Expressing it most forcefully last week on the eve of the bankers' annual convention was the incoming president of the Asociación de Bancos de México, Marcos Martínez, who is also director-general of the Grupo Santander Serfin. 'We all agree,' said Martínez, 'that it does not matter what tendency the government represents [if] it can carry out the changes that the country needs to advance and modernise in order to increase its competitiveness.' He noted that Spain carried out most of its structural reforms under a leftwing government, and that Brazil's President Lula da Silva is a leftist. Nowadays, he said, 'it is an intelligent and moderate left that is carrying out the reforms'.

His views have been echoed by Felipe de Iturbe, director of commercial banking at Scotiabank Inverlat, who also puts willingness to reform above ideology. 'An intelligent left can carry out the reforms,' he said. 'A good leftwing government should seek to maintain the stability of the economy and promote its opening.' A similar tune is being played by Enrique Castillo, director-general of Banco Ixe: deep changes, he said, have been carried out by governments with common sense, whether on the left like Spain's Felipe González or Brazil's Lula, or on the right like Britain's Margaret Thatcher. The 'reforms' they all cite are the deregulation and privatisation of the electricity and oil & gas industries.