







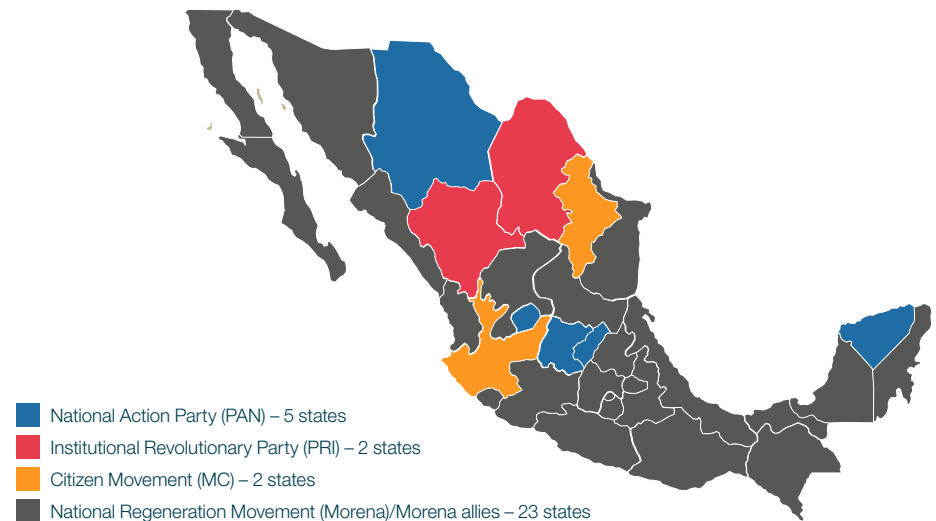
Electoral Impact Analysis Mexico 2024

General elections will be held in Mexico on 2 June 2024. The choice is between the continuity of President Andrés Manuel López Obrador (AMLO)'s national project or allowing the opposition coalition (Frente Amplio por México) to govern the country for the next six years.


Who will be elected?

	1	President
	9	Governors
	128	Senators
	500	Deputies
	31	Local congresses
	1612	Mayors

Electoral geography



Main presidential hopefuls



Claudia Sheinbaum Pardo
 Juntos Hacemos Historia coalition:
 Morena, PT, PVEM

- Former Mexico City governor (2018-23)
- BSc in Physics by the National Autonomous University (UNAM)
- MSc and PhD in Energy Engineering by the UNAM
- Close to AMLO
- Left-wing ideology, nationalistic-leaning narrative but pragmatism vis-à-vis the private sector



Bertha Xóchitl Gálvez Ruiz
 Frente Amplio por México coalition:
 PAN, PRI, PRD

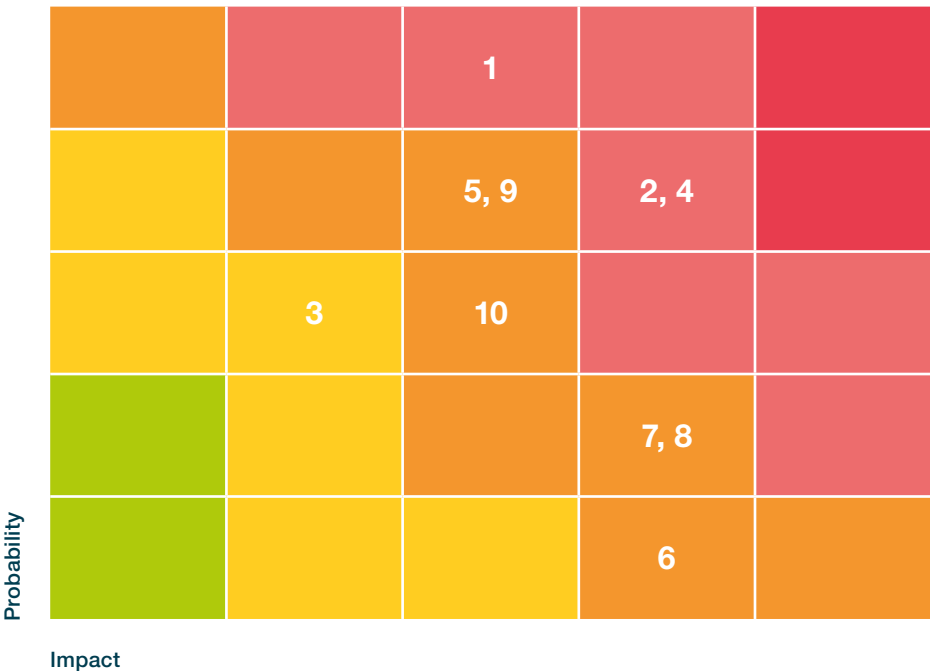
- Senator (since 2018), businesswoman in the tech sector, former Miguel Hidalgo borough mayor (Mexico City) (2015-18)
- Computer Engineer by the UNAM
- Indigenous origin and citizen profile with no party affiliation
- Centrist ideology that supports the development of the private sector

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Risks for the election process

In the context of political stability that characterises Mexico, the general elections of 2024 will be democratic and incidents threatening the presidential system are unlikely.

However, there are latent risks that may materialise under certain conditions.

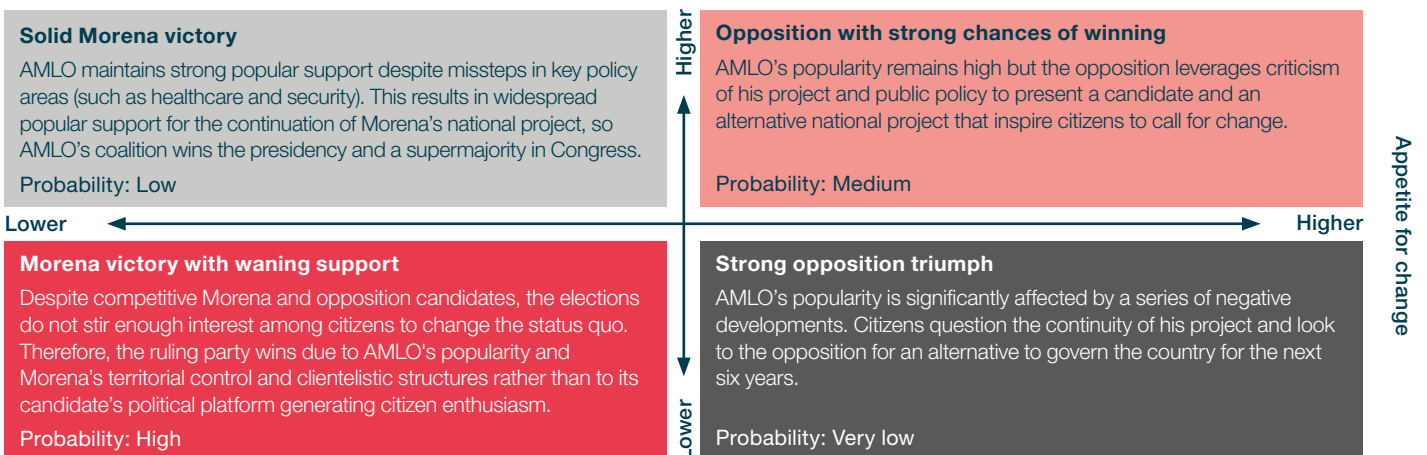


1. Institutional instability due to the intervention of the bureaucratic apparatus in the elections
2. Political violence affecting private sector personnel or operations
3. Operational disruption related to social discontent
4. Influence of organised criminal groups in the business environment
5. Challenges related to corruption stemming from the illegal financing of political campaigns
6. Uncertainty due to the questioning of the legitimacy of election results
7. Regulatory changes that negatively affect the private sector
8. Deterioration of the economic environment due to internal and/or external factors
9. Public finances strained by public spending for electoral purposes
10. Increased activity by unions and interest groups due to the mobilisation of clientelistic structures

Election scenarios

The results of the presidential election will mainly depend on the strength of the current administration headed by AMLO and society's appetite for change concerning the direction the country must take in the coming years. The most likely scenario is the Morena coalition's victory due to citizens expressing their interest in the continuation of AMLO's project.

AMLO and the 4T's strength



Electoral Impact Analysis Mexico 2024

Private sector impact

The government change will have different repercussions for the country's various economic sectors during its first year in office.

In our most likely scenario, the following challenges and opportunities stand out:

- ▶ Unlike during AMLO's administration, clean energy will be encouraged by a more favourable narrative – albeit with new bureaucracy that will have to deal with slower licencing and permitting processes, contributing to operational delays.
- ▶ The extractive and manufacturing industries will be the most affected by social conflicts and security challenges.
- ▶ Although the tech sector will be boosted, businesses in this industry will likely face a bigger tax burden.
- ▶ Financial services will face an environment similar to the current one including particular challenges regarding cyber security.

	Narrative	Regulation	Bureaucracy	Social unrest	Security	Institutional framework	Labour issues	Tax policy
Renewable energy	Improves	Improves	Worsens	Worsens	Stays the same	Stays the same	Stays the same	Stays the same
Oil and gas	Stays the same	Stays the same	Worsens	Worsens	Worsens	Stays the same	Worsens	Stays the same
Mining	Stays the same	Stays the same	Stays the same	Worsens	Worsens	Stays the same	Worsens	Stays the same
Manufacturing	Stays the same	Stays the same	Stays the same	Worsens	Worsens	Stays the same	Worsens	Improves
Technology	Improves	Stays the same	Improves	Worsens	Stays the same	Improves	Stays the same	Worsens
Financial services	Improves	Stays the same	Stays the same	Stays the same	Worsens	Stays the same	Stays the same	Stays the same

■ Improves
 ■ Stays the same
 ■ Worsens

Key aspects to consider

The private sector will benefit from considering the expected changes in international, economic, social and regulatory factors stemming from the new political environment in order to successfully navigate the challenges and opportunities presented by the change in government.

The following are a few aspects to bear in mind:

✍️
Foreign policy

- ▶ Watch for adjustments in foreign policy concerning China within the framework of that country's growing interest in investing in Mexico.

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Trade issues

- ▶ Monitor the results of trade disputes to understand the challenges the incoming administration and affected sectors will face.
- ▶ Know candidates' stances on key issues to anticipate new commercial disputes, negotiation mechanisms and their potential impact on different economic sectors.

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Security

- ▶ Keep track of proposals concerning the security strategy in order to forecast its impact and establish action plans to safeguard personnel, assets or operations accordingly.
- ▶ Study changes in organised crime dynamics during the election process and their direct impact on the private sector.

📁
Corruption and integrity

- ▶ Observe campaign financing sources to forecast corruption scenarios.

⚙️
Regulatory

- ▶ Analyse which areas candidates prioritise, which fiscal frameworks they propose and how they intend to change regulation concerning access to strategic resources (such as energy and water).
- ▶ Prepare for potential delays in the granting of permits and licences ahead of upcoming changes in the bureaucratic apparatus.
- ▶ Evaluate candidates' stances concerning regulatory bodies to assess the likelihood of changes in the effectiveness of business-related regulation.

👥
Social

- ▶ Map emerging leadership structures to efficiently manage community relations for the successful development of projects.
- ▶ Gauge changes in union dynamics and new labour policy initiatives.

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Other aspects to consider

- ▶ Weigh political adjustments at the local level in order to efficiently navigate the new political, social and operational risk environments.
- ▶ Ponder the impact of the expected configuration of congress coalitions to anticipate legislative changes.

Mexico Election Watch 2024

Subscription to monthly election insights and analysis of implications for business

Control Risks is a global specialist risk consulting firm. Our experts across 34 offices provide the insight and intelligence companies need to resolve critical issues and crises, realize opportunities, and grow.

With our unique blend of geopolitical, regulatory, technology, and security expertise, Control Risks offers unparalleled support for clients seeking to understand the implications of the Mexico election for their strategy and operations.

Our Mexico election watch package includes:

Political intelligence report covering:

Overview of the federal electoral process: Including key dates, electoral scenarios, and forecast results of the presidential election. los recursos de protección ejecutiva.

Profile of the main contenders for the Presidency: Candidates' background, track record, ideology, and positioning on key issues such as security and the economy, as well as their agendas with regards to specific industries.

Stakeholder mapping: Control Risks will evaluate how close key actors are to the main candidates for the Presidency, and their intention and ability to influence – positively or negatively – the agenda of Mexico's next president. This will include:

- ▶ Actors that have influenced and/or will influence the candidates' agenda, their probability of occupying relevant positions in the next federal cabinet, and the consequences of their influence in key industries.
- ▶ Actors who antagonize the candidates, their likelihood of hindering the contenders' agenda, and the consequences of their influence in key industries.

Analysis and outlook for selected industries: Based on the candidates' profiles, as well as those of key players, Control Risks will provide a forecast on the outlook for specific sectors ahead of the election results.

Monthly Q&A calls with our country analysts

Monthly 1.5 hours calls, running from October 2023 to May 2024, in which our analysts will provide updates on election scenarios, key players, and the outlook for select industries, and answer any questions.

Cost: USD \$9,500

Optional: Report on government scenarios

Following the official results of the presidential election, Control Risks will prepare a report detailing the most probable scenario, the most credible alternative, and the atypical scenario for the first year of government of Mexico's next president. This report will include an analysis of the elected government's agenda and the impact for select industries.

Cost: USD \$3,500

▶ For more information about the Mexico Election Watch Subscription visit controlrisks.com