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Standard & Poor's Ratings Services today said its sovereign credit ratings on Mexico are unaffected by the outcome of the presidential election. President-elect Enrique Peña Nieto led the Institutional Revolutionary Party (PRI) to victory yesterday in Mexico's presidential election.

Peña Nieto won with about 38 percent of the vote, according to preliminary results from Mexico's electoral institute (IFE). This brings the PRI back to power for the first time since being ousted in 2000 after ruling for 71 consecutive years. Although the final results for the composition of Congress are not in, the preliminary results indicate that the PRI did not win a simple majority on its own – though it might have through its coalition with the Green Party (PVEM).

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Of the six gubernatorial elections – plus Mexico City – that took place, PRI won three of them, including Jalisco, where it took the gubernatorial seat from PAN, but PRD took Tabasco from PRI.

The preliminary results on the composition of Congress suggest the continued need to negotiate across party lines, as has been the case in recent governments. Back-and-forth negotiation between the administration and Congress (and with the governors) limited the speed with which legislation could move forward, even on somewhat

non-controversial issues. And the president could only garner support across party lines with compromise on initial proposals.

All of Mexico's presidential candidates agreed on basic tenets of macro-economic policy, which Mexico's institutional framework backs, and on the need to bolster the economy's growth prospects. However, disagreement exists across and sometimes within parties about how to tackle challenging fiscal and energy issues, some of which require a constitutional amendment (with

approval by two-thirds of Congress and the state legislatures.) This has and may limit the speed and content of reform under the new administration.

Widespread and deep political and economic interests have limited momentum on passing reform centering on Mexico's low non-oil tax base and budgetary dependence on oil, oil sector mostly closed to private and foreign investment, inefficiencies in state-owned oil company Pemex, and lack of more broad-based competition in the economy.

Despite strong unification around Peña Nieto, PRI is a heterogeneous party, with both more- and less-reform minded constituencies. How long the party's members will rally around all of the president-elect's proposals and the depth of reform he will propose both remain unclear. During the campaign, there have been some encouraging signs about the Peña Nieto administration's potential policy initiatives. We might see additional detail outlined during the long transition period – the president-elect takes office on Dec. 1, 2012.