

## AMLO – Daily press conference coverage

December 20, 2018

- Today, the President addressed the following issues, among others: (1) The agreement reached with bondholders of MexCAT bonds; (2) updates on the plan to increase electricity production; and (3) the budget for fiscal year 2019
- He said that yesterday, an agreement was reached with bondholders of the New Mexico City Airport (NAICM) regarding the cash tender offer and consent solicitation, which he judged as positive given that it clears the way to solve the issue so construction of the new airport in Santa Lucia can start. In this respect, the agreement provides the possibility of certain amendments of the indentures governing the notes
- In this regard, the Army will be responsible for the construction of the Santa Lucia Airport, with resources already contemplated in the budget for fiscal year 2019. Moreover, he assured that the executive project is already finished, including plans for the transportation to the current airport
- A cooperation agreement will be signed with a state-owned enterprise of the Canadian government to modernize 60 hydroelectric plants across the country, in order to achieve the goal of doubling electricity production
- He informed that the Revenue Law has been approved by the Chamber of Deputies, and a result will be sent to the Senate to continue with the approval process. In this respect, the proposal added MXN 23,768 million more in estimated resources that would arguably come from the combat of tax evasion
- He would be very suspicious if the budget is approved by unanimity, arguing that in the past this happened because of corruption among government officials that resulted in illegal distribution of resources (“*moches*”, jargon commonly used throughout the country)
- Moreover, the government is seeking ways to front-load financial resources to the states, including through the use of savings funds, and after the Finance Minister said that anticipating resources is difficult in practice
- Regarding governors’ request for an increase in transfers resulting from taxes collected at the federal level resources sharing, he said that the budget proposal is already in the Lower Chamber, suggesting no changes in this respect at least coming from the Federal Government

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<b>HOLD</b>	<i>When the share expected performance is similar to the MEXBOL estimated performance.</i>
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