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Mexico Violence May Get Worse

Mexico's president faces violence from drug cartels and guerrillas and it will likely get worse before it gets better, experts warn.

BY CHRONICLE STAFF

Local and foreign investors are growing worried about the rising violence in Mexico, although support for the security strategy of President Felipe Calderon remains high.



President Felipe Calderon (center) is increasingly using the armed forces to combat drug cartels. (Photo: Mexican President's Office)

Last week, Mexican police discovered a car bomb inside the garage of the 59-story Torre Mayor building in Mexico City - the country's tallest building and home to offices of companies like Apple, Barclays, Marsh & McLennan and Western Union, according to Bloomberg.

So far, it is not clear who was behind the bomb, but suspects range from guerrilla groups EPR to drug cartels.

"The threat from drug cartels regarding this type of act is much larger than from international terrorist groups," Credit Suisse analyst Alonso Cervera said in a commentary Friday. "Mexico has not been the victim of major acts of terrorism for the past several years. Sporadic episodes of terrorism have taken place in Mexico City, but on a rather small scale."

PIPELINES, STORES & BANKS

The EPR has claimed responsibility for recent attacks against an oil pipeline and a Sears store. On August 1, a small bomb shattered windows and damaged a Sears store in the city of Oaxaca, but there were no injuries. Meanwhile, police successfully diffused a similar bomb outside the entrance of a Banamex branch in the city. EPR claimed responsibility for that bomb as well. Banamex, Mexico's second-largest bank, is a subsidiary of U.S. banking giant Citibank.

The previous month, parts of a Pemex pipeline between Mexico City and Guadalajara exploded. "The EPR's declarations augur ill for the country, possibly opening a new chapter of attacks on infrastructure," U.S.-based consultancy Global Insight said in a commentary. "The recent development is most unwelcome at this time as it adds more security problems in a country already weakened by a wave of crime linked to the drugs trade, which has claimed the lives of 1,300 since the beginning of the year. President Felipe Calderón's attempted crack-down has yet to be successful in containing the crime rate and the EPR has further complicated the situation."

Exclusive Analysis, a UK-based risk consultancy, agrees with Cervera that the key threat comes from drug cartels rather than EPR. "The risk of cartel-sponsored terrorist attacks will rise over the coming 12 months," the firm said in a recent commentary.

OIL, FOREIGN BANKS : HEIGHTENED RISK

It also says that despite EPR claiming credit for the gas pipeline and Sears store, there are suspicions the drug cartels were involved. "Such tactics would mirror those of the Colombian drug cartels in the 1980s," Exclusive Analysis says. "Security forces, police stations, the oil and gas industry and foreign banks are now at heightened risk from both the guerrilla groups and cartels."

Calderon has waged a war against drug cartels in an effort to reduce the growing drug-related violence that has hit Mexico in recent years. Among other things, he is using more than 24,000 military troops to fight the cartels and has reinstated extradition to the United States of captured drug bosses.

But the policies enjoy broad support from Mexicans and foreign investors alike. A clear majority of Mexicans - 63 percent - are satisfied with their government's actions against the country's illegal drug traffickers, according to a poll by *Reforma* in June.

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