

## Mexican Government Decrees Mandatory Work Stoppage

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May 4, 2009

Due to the flu epidemic A(H1N1) that is coursing through Mexico, the Mexican federal government decreed a mandatory stoppage of activities. The decree mandates a complete suspension of federal government activities and of the "production sector," a very broad term, from May 1 through May 5. This follows earlier advisories that were confined to the epicenter of the epidemic in Mexico City, and extends the prohibition on activities throughout the country, including the manufacturing operations in the north of Mexico.

The only activities excluded from the mandatory stoppage are those that are essential to control "contingencies" such as hospitals, clinics, pharmacies, labs, medical services, financial services, telecommunications, media, hotels, gas stations, markets, supermarkets, convenience stores, transport services and gas distribution. Restaurants are also excluded as long as they are not big and in enclosed areas.

Local governments are "recommended" to follow this stoppage and all are doing so.

Since this decree derives its authority from the Health Law, several sanctions are possible for violation of the decree: fines from \$100,000 to \$300,000 pesos, 36-hour arrest or closure of a business.

What are the legal effects of the decree for employers? Miller Canfield recommends the stoppage days decreed by the government should be treated as official holidays and should be paid at normal wages. While normally holidays can be worked at double pay, in this case the rule does not apply. If your company is not one of those exempted from the decree, it should not be operating during those days. If there is an urgent need to work, consultation with the union and labor authorities should be made prior to scheduling production.

If you have questions or need assistance with your operations in Mexico, please contact:

Michele M. Compton  
313.496.7916  
[compton@millercanfield.com](mailto:compton@millercanfield.com)