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John Neagle

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Mexican Foreign Debt To Reach $108 Billion In 1987

by John Neagle
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Statistics released this week by the Mexican Finance and Public Credit Ministry indicate that within the next year the Mexican foreign debt will total some $108 billion, making it the world's largest debtor nation. The statistical report was issued to the press Oct. 15 by Finance Undersecretary Francisco Suarez Davila. In the next 14 months, Mexico will pay its creditors $10 billion in interest, a sum equal to the quantity of credits likely to be received in the same period. President Miguel de la Madrid's government has stated the new credits will be invested in economic recovery. Officials argue that once economic growth is reestablished and export revenues increase, foreign debt payments will become more manageable. The Mexican government and foreign commercial bank creditors are negotiating the final details of a financial package which includes a total of some $7.7 billion in new credits, and the rescheduling of $52.5 billion of the "old" public debt. Assuming the final phase of negotiations is successful, Mexico will pay between $8 and $9.5 billion annually in interest on the debt during the next seven years, while principal payments are to be postponed during the period. Next, loan life on the old debt will be stretched to 20 years, beginning in 1987.

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