3-6-1991

$5 Billion In Special Funds Adequate To Maintain Policy Continuity In Event Of Oil Price Decline

Steven Ranieri

LADB Latin America Data Base
News & Educational Services
SourceMex
LADB Article Id: 067616
ISSN: 1054-8890

$5 Billion In Special Funds Adequate To Maintain Policy Continuity In Event Of Oil Price Decline

by Steven Ranieri
Category/Department: General
Published: Wednesday, March 6, 1991

On Feb. 27, Treasury Minister Pedro Aspe told the National Finance and Insurance Commission that the federal government had a $5 billion fund to preserve continuity in economic policy in the event of low oil prices. He said that beginning on Aug. 6, 1990, the "temporary bonanza derived from high oil prices" was deposited in a special Central Bank fund. Next, Aspe said that another $800 million in savings on foreign debt service payments (result of interest rate reduction) were added to the special fund. In December, the government created a contingency fund. According to the minister, about $1.757 billion obtained from the sale of government shares in Telefonos de Mexico (TELMEX) were deposited in this fund. Aspe added that revenues from the privatization of other state-run enterprises will be placed in the contingency fund. Aspe said the special funds are considered adequate to compensate in the event of an oil price decline to $10.80 per barrel. (Sources: AFP, 02/27/91; El Economista, La Jornada, EFE, 02/28/91)

-- End --