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According to a Dec. 13 report by the Treasury Secretariat (Secretaria de Hacienda y Credito Publico, SHCP) and the Banco de Mexico (central bank), Mexico’s economic growth could be seriously hampered if Mexican companies continue having difficulties issuing bonds on international markets. An unexpected increase in the cost of placing bonds in Europe recently forced several companies to suspend issue. For example, the state-run company PEMEX canceled issue of US$400 million in bonds and announced no more debt would be available in European markets until 1993. The increased cost was attributed to miscalculations by companies such as Nacional Financiera (NAFINSA), which accepted a return of seven points above the LIBOR (London inter-bank lending rate). The European intermediaries handling the bonds began demanding a minimum return of 7% above LIBOR on all bonds, increasing placement costs. According to the SHCP, 30% of the investment needed to fuel Mexico's economic recovery must come from investment on these foreign markets. If problems and suspensions continue, Mexico will face a capital shortage that will affect interest rates, inflation, liquidity and problems of basic infrastructure. (Sources: El Financiero, 12/10/92, 12/14/92).

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