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Multilateral Agencies Approve Loans for Projects in Mexico

by LADB Staff

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In mid-January, the World Bank and Inter-American Development Bank (IDB) announced approval of several new loans for diverse projects in Mexico during 1994. A World Bank loan of US\$1.5 billion, announced on Jan. 11, will fund projects in three main areas: social programs and regional development; environmental projects, principally in Mexico City and near the Mexico-US border; and development of capital markets and related infrastructure. Speaking to reporters in Mexico City, Shahid Husain, vice president of the World Bank for Latin America and the Caribbean, promised that the World Bank will also continue to provide assistance for Mexico's agricultural sector, especially to impoverished states in the south such as Chiapas and Oaxaca.

Meantime, on Jan. 19, the IDB formalized a loan of US\$300 million to Mexico. The funds will be divided evenly between technical-scientific research and development of Mexico's tourism infrastructure. The funds for technical and scientific research will be channeled through the National Council on Science and Technology (Consejo Nacional de Ciencia y Tecnologia, CONACYT) and the Universidad Nacional Autonoma de Mexico (UNAM).

The loans for tourism projects will be disbursed through the National Tourism Fund (Fondo Nacional de Fomento al Turismo, FONATUR), and will be directed primarily to projects designed to "increase and improve Mexico's participation in the global tourism market, thus generating revenues." This is the first time the IDB has provided Mexico with loans specifically for scientific and technological research. On seven previous occasions, the organization has funded the Mexican tourism industry. According to the Finance Secretariat (Secretaria de Hacienda y Credito Publico, SHCP), the two IDB loans carry a 20-year term at an annual interest rate of 7.26%.

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