

3-30-1994

# Mexico Admitted Informally to OECD

Carlos Navarro

Follow this and additional works at: <https://digitalrepository.unm.edu/sourcemex>

---

## Recommended Citation

Navarro, Carlos. "Mexico Admitted Informally to OECD." (1994). <https://digitalrepository.unm.edu/sourcemex/3151>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in SourceMex by an authorized administrator of UNM Digital Repository. For more information, please contact [amywinter@unm.edu](mailto:amywinter@unm.edu).

## Mexico Admitted Informally to OECD

*by Carlos Navarro*

*Category/Department: Mexico*

*Published: 1994-03-30*

On March 24, President Carlos Salinas de Gortari announced that Mexico has been informally admitted as a new member of the Paris-based Organization for Economic Cooperation and Development (OECD). Salinas made the announcement in a meeting with representatives from the business sector, labor, and members of his cabinet. According to separate reports by the Trade Secretariat (Secretaria de Comercio y Fomento Industrial, SECOFI) and the Foreign Relations Secretariat (Secretaria de Relaciones Exteriores, SRE), Mexico will formally be invited to join the organization on April 14.

Until then, while the paperwork and other procedures required for membership are completed, Mexico will retain the status of observer. This means Mexico could become a full participant in OECD decisions by the time of the organization's next meeting, scheduled for June 7-8. The principal mission of the OECD, which was formed in 1960, is to promote trade and investment among its members and to serve as a vehicle to coordinate aid from member nations to the world's poorer countries.

OECD members include Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Great Britain, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, Norway, New Zealand, Portugal, Spain, Sweden, Switzerland, Turkey, and the US. Mexico's membership represents somewhat of a change in direction for the OECD, since this is the first time a country not classified as a "developed nation" has been invited to join the organization. Mexico would also become the first member from Latin America and the first nation admitted to organization since New Zealand gained admission in 1973. Since the 1980's Mexico has participated informally in some OECD committees, especially in the panel that considers policies regarding the steel sector.

"Mexico has entered into one of the most important economic organizations in the world...allowing our country to develop an even greater presence among industrialized nations, particularly in Europe," President Salinas told those attending the March 24 meeting. Similarly, the SECOFI report noted that the OECD also provides a vehicle for exchange of ideas on the economic policies in each member country and a framework for discussions on other multilateral forums, such as the General Agreement on Tariffs and Trade (GATT).

According to political and economic observers, the timing of the announcement was an effort by the world's industrialized countries to recognize Mexico's economic reforms, despite the current crisis created by the uprising in Chiapas and the assassination of the ruling Institutional Revolutionary Party's (PRI) presidential candidate Luis Donaldo Colosio. Representatives from the Mexican business community welcomed the news, since admission to the OECD would allow Mexico greater access to loans from western banks and also provide stability for the peso relative to other foreign currencies, especially the US dollar.

On the other hand, representatives for some business organizations cautioned that Mexico must not lose sight of the fact that the country is a long way from matching the wealth of other members, especially in terms of improving the standard of living for its poorest citizens. In fact, the SECOFI document noted that membership in the OECD does not eliminate Mexico's status as a "developing country" in the eyes of the World Bank and other multilateral organizations, which are sources of loans for economic development projects. According to SECOFI, Mexico had been seeking OECD membership for almost three years.

Mexico's eventual admission appeared likely after the OECD praised Salinas's reforms in a 1992 report. The report said Mexico's privatization program and trade reforms after its 1982 debt crisis were among the most comprehensive undertaken by any country in the world. In that report, OECD economist Stephen Potter called the near elimination of the government's budget deficit, which stood at 17% of gross domestic product in 1982, "an achievement without parallel in OECD countries."

The report called Mexico's debt crisis "the pivotal event in transforming an inward-looking, predominately rural nation into the world's 13th largest economy and a major trading power."

-- End --