

4-1-1998

Proposal Would Allow Agricultural Financing Bank to Issue International Bonds

LADB Staff

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

Recommended Citation

LADB Staff. "Proposal Would Allow Agricultural Financing Bank to Issue International Bonds." (1998).
<https://digitalrepository.unm.edu/sourcemex/3892>

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.

Proposal Would Allow Agricultural Financing Bank to Issue International Bonds

by LADB Staff

Category/Department: Mexico

Published: 1998-04-01

Mexican legislators are considering a proposal to allow the agricultural lending institution Banco Nacional de Credito Rural (BANRURAL) to issue bonds on international markets rather than rely almost exclusively on direct government funding. The proposal to modify the funding mechanisms for BANRURAL is part of the federal government's plan to restructure and streamline state-run financial institutions (see SourceMex, 02/18/98).

President Ernesto Zedillo's administration appears to have discarded a proposal to merge BANRURAL with another institution and is instead seeking other ways to fund the institution. Some members of a Senate committee on lending institutions said any legislation to allow further fund-raising powers for BANRURAL must be accompanied by steps to strengthen and expand the role of the institution. "The government should find new sources of financing not only for BANRURAL but for all other state-run development banks," said Sen. Ernesto Sanchez Navarro, a member of the center-left Partido de la Revolucion Democratica (PRD).

PEMEX, Finance Secretariat issue new bonds

On a related matter, the Secretaria de Hacienda y Credito Publico (SHCP) and the state-run oil company PEMEX recently announced the issue of new bonds on international markets. The SHCP issue, a 15-year bond valued at about US\$415 million, was placed on the Italian financial markets in late March. The latest bond offering follows the issuance of US\$1 billion in bonds by the SHCP in early March (see SourceMex, 03/11/98).

Both issues are intended to cover the US\$1.5 billion in debt scheduled to mature during 1998. Meantime, the PEMEX bonds involve two separate global issues valued at US\$350 million each. The bonds, a seven-year and a 20-year issue, will provide additional financing for PEMEX projects in both the short and medium terms. These are the first PEMEX bonds issued on international markets during 1998. (Sources: Excelsior, 03/18/98; El Financiero International, 03/23/98; Notimex, 03/17/98, 03/18/98, 03/25/98; El Universal, 03/18/98, 03/26/98; El Economista, 03/18/98, 03/19/98, 03/26/98)

-- End --