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Environment Briefs: Border Pollution, Environment Tax, Forest Fires

by LADB Staff

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OECD raises concern about pollution on US-Mexico border

In a report published in mid-September, the Organization for Economic Development and Cooperation (OECD) said uncontrolled waste disposal by maquiladora plants has created an undetermined number of "potentially dangerous" toxic areas along the US-Mexico border.

According to the OECD, the Mexican government has failed to enforce regulations that require companies to return industrial waste to their country of origin. Instead, maquiladora plants, many of which are subsidiaries of US companies, frequently dispose the waste at random. The report said the 2,000 maquiladora plants located along the US-Mexico border produce about 60,000 metric tons of hazardous materials per year. Of this total, only 48,000 MT is returned to the US or their country of origin for treatment. "The whereabouts of the additional 12,000 MT is unknown," said the report.

Environmental organizations on both sides of the US- Mexico border have long questioned the industrial-waste disposal practices of maquiladora plants in the border area. However, the OECD decision to study pollution problems in the region reinforces the gravity of the problem, since the organization has been known primarily for its emphasis on trade and financial matters. Mexico became a member of the OECD in May 1994.

While the OECD report focused on the environmental violations of maquiladora plants, the organization said other factors have also contributed heavily to the deterioration of air and water quality along the US-Mexico border. "The quality of air in several cities in northern Mexico has deteriorated because of the presence of particles generated by power plants, dust caused by heavy traffic on unpaved roads, emissions from long lines of vehicles waiting to cross the US-Mexico border, and contamination caused by manufacturers of bricks and ceramic products."

Mexico studying environmental tax

President Ernesto Zedillo's administration and the environmental committee (Comision de Medio Ambiente) in the Chamber of Deputies are working on a proposal for an anti- pollution tax. Juan Carlos Belausteigointia, deputy environment secretary for planning, said the tax is necessary to increase the government's budget for environmental protection. Belausteigointia said he could not divulge how the tax would be collected because details are still being worked out by representatives of the environmental committee, the Secretaria de Hacienda y Credito Publico (SHCP), and the Secretaria de Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP).

But Belausteigointia said the revenues obtained from the tax would be used primarily to develop and expand anti-pollution programs in states and municipalities, which have to deal first-hand with much of the contamination problems in Mexico. The administration's environmental tax proposal comes in response to a recent OECD report urging Mexico to expand efforts to combat air, water,

and land contamination. The report recommends that Mexico impose a special tax, which would raise revenues for environmental protection and act as a deterrent to companies that pollute.

Among other things, the report urges Mexico to strengthen efforts to curb emissions of harmful substances into the air, expand recycling efforts, and find better ways to dispose of commercial waste. The OECD said Mexico must enforce the principle that requires companies that pollute to pay for cleanup. "Mexico can finance anti-pollution initiatives by using revenues obtained from taxes and other levies placed on environmentally related goods and services," the OECD report said. The OECD recommended that Mexico devote 0.8% of its annual GDP for environmental protection.

SEMARNAP submits 1999 budget request to fight forest fires

Environment Secretary Julia Carabias has requested a budget of 92 million pesos (US\$9.17 million) for 1999, which is equal to the amount originally approved in the 1998 budget. However, the government had to approve emergency appropriations of 48 million pesos (US\$4.78 million) and 45 million pesos (US\$4.48 million) in March and May of this year to deal with a major outbreak of forest fires due to extreme drought caused by the weather phenomenon El Nino. The fires worsened in the spring because many subsistence farmers started fires to clear land for planting.

According to SEMARNAP statistics, the fires devastated more than 500,000 hectares of grassland and forests in a wide area of Mexico, extending from Nuevo Leon state in the north to Chiapas and Tabasco in the south (see SourceMex, 04/15/98 and 05/13/98). As a result, the government spent as much as 185 million pesos (US\$18.44 million) for fire-fighting efforts last year, including the amount originally allocated for this purpose, plus the two emergency appropriations. Victor Villalobos, deputy environment secretary for natural resources, said SEMARNAP is concerned that President Zedillo and the legislature may not approve the amount requested for next year, given the three reductions in the 1998 budget that were required earlier this year.

The federal government was forced to lower expenditures because of a decline in oil-export revenues and a global financial crisis. But Villalobos said SEMARNAP is planning to make more efficient use of its fire-fighting budget for 1999. "Our basic strategy over the next several years is to devote more resources to prevention efforts than to combating forest fires," said Villalobos. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on Oct 21, reported at 10.03 pesos per US\$1.00]. (Sources: El Universal, 09/14/98, El Economista, 10/15/98; The News, 10/12/98; Novedades, 10/14/98)

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