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## **Central American Economic Integration Bank (bcie) Policy Changes**

*by Deborah Tyroler*

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On Feb. 13 in Tegucigalpa, Federico Alvarez, president of the Central American Economic Integration Bank (BCIE), told reporters that bank will no longer disburse concessionary loans. Alvarez said concessionary loans were suspended because "cheap money" is no longer available. The change in credit policy, approved by the board of governors, includes a shift in focus from public sector infrastructure to private sector funding. Under the new mechanism, the BCIE will demand that the private company requesting a loan finance 25% of the project in question, and obtain another 25% from a commercial bank. Since the bank was established in the 1970s, the BCIE has loaned over US\$2 billion to Central American governments. In 1991, profits totaled US \$21 million, compared to losses of US\$3 million in 1990. Non-regional members of the BCIE are Venezuela, Mexico and Taiwan. According to Alvarez, Canada, France, Spain, Italy and Japan are expected to become members in the near future. (Basic data from Agencia Centroamericana de Noticias- Spanish news service EFE, Notimex, Agence France-Presse, 02/13/92)

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