



International Monetary Fund

News Briefs

Mexico and the IMF

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IMF Welcomes New Mexican Economic Measures

Stanley Fischer, the Acting Managing Director of the IMF, made the following statement on Mexico:

"Last evening, the Secretary of Finance of Mexico, Mr. Guillermo Ortiz, announced a package of economic measures aimed at strengthening the program. The package includes substantial increases in prices charged by public enterprises, a rise in the value-added tax rate, and expenditure reductions. These measures will yield 1 1/2 percent of GDP and will allow the public sector to remain in surplus in 1995 despite adverse economic developments. In addition, there will be a further reduction in lending by the development banks. The authorities have reaffirmed the monetary objectives of the program, and measures are being taken to strengthen the banking system.

"The management of the IMF welcomes the substantive measures adopted by the Mexican authorities to strengthen their economic program. This program is being supported by an IMF stand-by arrangement in the amount of SDR 12.1 billion, currently equivalent to about US\$18.6 billion, which was approved on February 1, 1995. Over the past week, an IMF mission has been in Mexico City to discuss with the Mexican authorities the need for a strengthening of the Mexican economic program in light of recent developments. The IMF staff will continue to work with the Mexican authorities to ensure that policies will remain appropriate for the attainment of the program's economic objectives."

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