

refinery cost Mexico US\$500 million in government revenues and resulted in the net loss of 5,000 jobs. A \$100-million contract was awarded to a U.S. company to assist in dismantling the plant and to restore the land to a park area.

Reflecting on the relationship between poverty and his government's commitment to a healthier environment in the future, Mexico's President Salinas said recently: "The environment will worsen in poverty. It's not automatic that with growth the environment will improve, but it is automatic that with poverty the environment will worsen. We will make sure that with growth the environment will actually improve."⁶⁷

M. ANNEX SUMMARY

Mexico enacted a tough environmental law in 1988. That event marked the beginning of a new era of environmental awareness in Mexico. Since that time, it has been progressively adopting regulations and technical environmental norms to implement the General Law of Ecological Equilibrium and Environmental Protection.

Mexico's environmental law, regulations and norms are similar in stringency to the laws and regulations of developed countries. Environmental Impact Statements are required for all public and private sector projects. New high-risk facilities must also undergo a risk analysis. The comprehensiveness of these requirements limit the likelihood that companies would move to Mexico in the future with the intent of escaping environmental laws elsewhere.

In the past, Mexico has not had the financial resources required to fully enforce its environmental regulations. Since 1989 Mexico has recruited many new inspectors and has significantly increased its budget for environmental monitoring and compliance. Major programs of environmental protection and rehabilitation have been approved, particularly for Mexico City and the northern border area. By the end of 1991, over 100 polluting facilities had been closed permanently, and almost 2,000 had been forced to cease operations temporarily.

Mexico's recent initiatives, particularly since 1988, to address its environmental challenges were recognized internationally when the Earth Prize was awarded to President Salinas for his commitment to the environment.

In brief, Mexico is now integrating environmental considerations into its economic development. A complete legal framework is scheduled to be in place by the end of 1992. Although enforcement activities are being significantly increased, the government publicly recognizes that the objective of full compliance with its environmental regulations has yet to be achieved. The Salinas administration views its participation in the NAFTA as an opportunity to generate the new resources that it needs for upgrading its investment in environmental regulation and enforcement.⁶⁸

67. Jonathan Fisher, "A Conversation with Mexico's President," p. 51.

68. Embassy of Mexico, Mexico Environmental Issues, September 1992, p. 2.