

individual imports or exports hazardous materials or residues without prior authorization or in breach of the terms of the authorization.

Although SEDESOL has been hampered by budgetary constraints in the past, Mexico has made significant efforts in recent years to exercise its enforcement authority and to develop a more effective enforcement program. In 1991 the national investment in addressing environmental concerns totalled US\$1.8 billion or the equivalent of almost 0.7 per cent of Mexico's GDP. SEDESOL's budget increased from US\$6.6 million in 1989 to more than US\$77 million in 1992. An increasing percentage of the budget is being allocated to the enhancement of inspection and enforcement capabilities. SEDESOL's 1991 budget of US\$38.9 million provided for an expenditure of the equivalent of US\$4.27 million on inspection, monitoring and enforcement activities.

Mexico is also receiving US\$50 million in World Bank funds that are being matched with US\$38 million from the Mexican government. These funds will assist in modernizing and decentralizing Mexico's environmental infrastructure. A portion will be directed to improving compliance monitoring and enforcement and to increasing the number of industrial inspections.⁶²

Since 1989 there has been an increase in the number of federal environmental inspectors in Mexico. According to unverified information received by the NAFTA Environmental Review Committee, Mexico had as few as 19 federal environmental inspectors as recently as 1989. This number apparently increased to 109 inspectors in 1990, and to 209 in 1991. By the first half of 1992, the number of federal inspectors had grown to 334. Of these, 59 were located in Mexico City, 200 in the Mexico-U.S. border area, and 75 were divided equally among 25 states.⁶³

In the last six years, the number of federal environmental inspections has also increased substantially.^{64,65} During this period, there have been some 7,668 inspections of industries. By late 1991, these inspections had resulted in 1,929 temporary or partial shutdowns of factories; the negotiation of 2,112 signed pledges from plant owners to install anti-pollution equipment by scheduled deadlines; the permanent closure of 109 facilities; and the relocation of 36 operations outside Mexico City. The large number of closings has encouraged companies to approach SEDESOL to negotiate voluntary compliance agreements, which are monitored once they are finalized.⁶⁶

In the Mexico City metropolitan area, officials have pursued industries that are violating air quality standards. In March 1991, President Salinas closed one of Mexico's biggest and most polluting oil refineries. This plant was responsible for up to 15 per cent of the polluting emissions from industrial sources in the Mexico City Valley. The closure of the

62. Office of the United States Trade Representative, Review of U.S.-Mexico Environmental Issues, p. 36.

63. Embassy of Mexico, Mexico Environmental Issues, June 1992, p. 18.

64. Ibid.

65. United States Environmental Protection Agency, Mexican Environmental Laws, Regulations and Standards, p. 2.

66. Office of the United States Trade Representative, Review of U.S.-Mexico Environmental Issues, p. 41.