

BNA

April 29, 2004

## **Mexico's Fox Announces Moratorium On New Federal Regs to Boost Economy**

By John Nagel

MEXICO CITY--Mexican President Vicente Fox late April 22 signed a decree imposing a one-year moratorium on new federal regulations, with the goal of increasing the competitiveness of the Mexican economy and boosting employment.

In a speech to Mexican business leaders and Mexico's Federal Regulatory Improvement Council (COFEMER)--a government agency that oversees deregulation in Mexico and vets new regulations--Fox said that federal regulations deemed essential for protecting public health and safety would be issued in the next year, but that all other new federal regulations will be put on hold.

Fox said 63 bureaucratic procedures that have been identified by business as "high impact" or burdensome are currently under review and that most will be reformed in the first half of 2004.

The one-year moratorium will "limit all offices of the federal government" from "emitting new regulations" during the one-year period, Fox said, and only in "extraordinary cases" will new regulations be issued that affect public health, the environment, or when required by Mexico's international obligations.

Fox said in the speech that the one-year moratorium on new federal regulations would help to "contain the impulse to increase regulation" of the Mexican economy.

Mexico's economy has long been seen as strangled by overregulation, despite ongoing efforts by the government to reduce the regulatory burden.

Fox added, "Today the federal executive branch establishes a firm commitment with Mexican investors and entrepreneurs: no more unnecessary regulation, no more burdensome regulation, no more disorderly regulation, no more regulation that distracts entrepreneurs and investors from their central task" of creating of generating jobs and economic growth.

### **Changes in the Works**

Fox said that a number of important regulatory changes would be published in the *Diario Oficial*, Mexico's version of the *Federal Register*, in coming days, including a reduction of requisites for obtaining import permits issued by the Health Ministry, as well creating fixed time periods in which the Health Ministry must respond to requests for permits for advertising regulated products.

An environmental standard for mining exploration from the Environment Ministry, known as NOM-120-SEMARNAT, will also be modified in coming days, Fox said.

Other projects that are being reviewed include streamlining policies for evaluating compliance of products regulated by the Federal Telecommunications Commission, as well as establishing fixed response times from authorities for trademark and patent registration, Fox said.

During the moratorium, Fox said, authorities will seek to streamline procedures for creating new regulations. He supports a system in which both industry associations and companies support proposed new regulations.

### **Part of Strategy to Increase Competitiveness**

The moratorium on new federal regulation is part of "an articulated agenda of actions by the federal government to strengthen the competitive position of our country," Fox said, which includes efforts to provide legal security, predictability, and transparency in the regulatory framework.

Fox said that the moratorium would promote growth in the Mexican economy by preventing the creation of new regulation while at the same time existing regulations are eliminated or improved.

He "invited" local, state and municipal governments in Mexico to join the federal government's effort to help businesses by limiting new regulations.