

Candidate for President of Mexico

**VICENTE
FOX**

Mexico's Democratic Alternative

The goals of our economic proposal are to:

- I Create the adequate conditions for competitiveness and high productivity in the private sector in order to reach a 7% annual growth rate
- II Consolidate macroeconomic stability by:
 - Generating a fiscal surplus
 - Decreasing annual inflation below 5%, and
 - Financing external deficit with direct foreign investment, instead of short-term capital inflows
- III Enhance the generation of 1.3 million formal jobs per year, in order to satisfy the growth of our labor force and reduce the size of the informal sector
- IV Generate opportunities to participate in the benefits of globalization for every Mexican

¿How?

I Internal savings

- Promoting a fiscal reform to simplify procedures and generate incentives for personal savings and investment
- Increasing the private sector's internal savings from 20-22% to 24-25% of the GDP
- Increasing the public sector's savings from 2% to 3% of GDP
- Maintaining the external deficit at a sustainable level

II Productivity of capital

- Restructuring the regulatory framework of the financial, energy, transportation, telecommunications and agricultural sectors, to reduce uncertainty among investors and increase competitiveness
- Lowering operational costs in public corporations such as CFE (Federal Electricity Commission), PEMEX (Mexican Oil Company), ISSSTE and IMSS (social security institutes)
- Spreading the benefits of exports among all the participants of the production chain
- Providing professional training programs during work hours to increase productivity
- Promoting the development of new technologies
- Establishing economic incentives for small and medium enterprises

For 71 years only one

On July 2nd, 2000 Vicente Fox may

Fox believes Mexico must:

- 1 Consolidate a democratic government and the rule of law
- 2 Make Mexico an economically free country and end economic instability
- 3 Invest aggressively in education and human capital
- 4 Promote sustainable development
- 5 Make credit inexpensive and available
- 6 Reform the internal structures that will make Mexico a free-trade country
- 7 Institute incentives to increase savings rate making Mexico more attractive for foreign and domestic investors
- 8 Provide opportunities for well-paid jobs, allowing all to live dignified, productive lives

For more than 71 years, the PRI administration -the ruling party of Mexico- has not been able to manage Mexico's resources. The PRI has inhibited the development of our human capital, has wasted the capacity of our entrepreneurs, our labor force, and our rural workers. The PRI has failed to integrate the enormous potential of Mexican women and youths, and has blatantly tolerated corruption, impunity, and illegality

Party has ruled Mexico

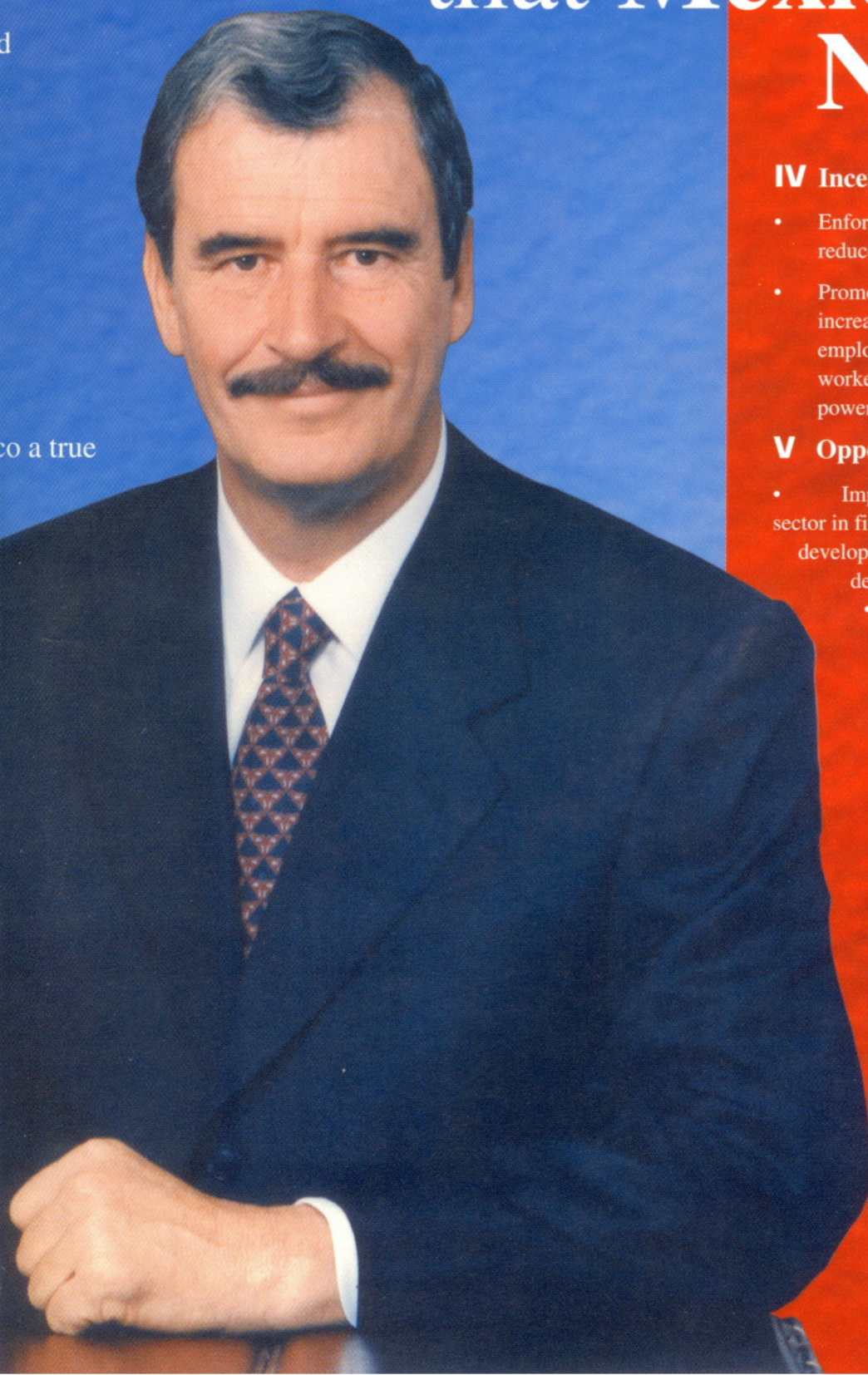
break the ruling party's stranglehold

The Change that Mexico Needs

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III Foreign direct investment

- Fully enforcing antitrust regulation with renewed institutional arrangements
- Increasing legal certainty with laws that promote Mexico's participation in the global economy
 - Allowing for strategic alliances between public enterprises and the private sector

IV Incentives to create new jobs

- Enforcing administrative deregulation in order to reduce the average cost of creating a formal job
- Promoting labor training and formal education to increase labor productivity and attain better employment conditions. This will allow Mexican workers to overcome 18 years of loss in purchasing power

V Opportunities for all Mexicans

- Implementing temporary aid to the agricultural sector in five basic areas: financing, technological development, access to the market, organizational development and institutional modernization
 - Creating permanent jobs in low-income areas
 - Eliminating bureaucratic rent-seeking and corruption that lead millions of Mexicans into the informal economy
 - Reconstructing the financial system through an efficient scheme that also serves to promote savings
 - Building a national system of micro-credits and social banking
 - Promoting community development and local forms of organizations

The target growth rate is ambitious. But it is also the minimum required to make substantial progress in reducing Mexico's unacceptable high levels of unemployment and poverty as we start the XXI century

Vicente Fox

Alliance for Change



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