

PLANNING FOR FUTURE DEVELOPMENT

The newly-elected *Partido Acción Nacional (PAN)*, National Action Party, government in Monterrey has recently launched new initiatives that will eventually lead to a comprehensive economic plan. This effort is still at the research stage and most observers believe that it will be two or three years before the city has a plan that is as sophisticated as the one in Guadalajara. City officials are studying cities in Spain and the United States, and they have also developed a good relationship with the City of Montreal. Officials are also soliciting input from business, union and academic leaders. Alberto Guerra is Secretary of *Secretaría de Desarrollo Urbano y Ecología*, Urban Development and Ecology for the City of Monterrey. "At this point we are studying the city's present reality and the expected future demands upon it," he says, "Next, we will develop a strategy, then a plan, and then begin implementation of the plan."

Mr. Guerra says the job will not be easy. There has been considerable migration from the city centre to the suburbs. "Our ability to offer tax incentives for companies to return downtown is limited by the fact that we need those property taxes to maintain our meager budget," he notes, "It is a Catch-22 scenario."

At the state level, the government has implemented radical budget cuts and the funds available for investment and trade promotion have become scarce. *ProExport Nuevo León* and the state *Dirección de Proyectos Internacionales*, International Projects Department, have been reduced to two professional staff each, plus support staff. Many observers expect *PAN* to form the state government after the April 1997 elections and new initiatives are not expected until the political situation becomes more clear.

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ENERGY

Nuevo León has sufficient energy supplies to sustain continued economic growth. The *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, operates 7 generating stations in four locations in Nuevo León. Installed capacity is more than 1.6 million kilowatts. Some 40 substations distribute power throughout the state.

A petroleum refinery, with a daily output of 260,000 barrels daily, is located at Cadereyta Jiménez, on the eastern outskirts of Monterrey. Natural gas is supplied via a pipeline running from Cactus, Chiapas to Los Ramones, Nuevo León. Gas is distributed throughout the state by *Petróleos Mexicanos (Pemex)*, the national oil company, in association with the *CFE*. There have been discussions between the state government and Noram Energy Corporation regarding the privatization of the natural gas distribution system. Liquid propane gas is available in cylinders of up to 45 kilograms and in stationary containers.

WATER AND SEWAGE

Nuevo León's hydraulic resources include 8,600 litres per second from 12 rivers. Three major reservoirs are used to ensure a reliable water supply. This includes the 1,800 million cubic metre El Cuchillo reservoir, as well as smaller areas behind the La Boca and Cerro Prieto dams.

Water is transported to Monterrey's water treatment plants through five aqueducts. Water is distributed by *Servicios de Agua y Drenaje*, Water and Drainage Services, which has branches throughout the state. There are 22 sewage treatment plants. Monterrey claims to be the only city in Mexico that treats all of its sewage.

SHELTER PROGRAM

A shelter program is available to small companies wishing to establish facilities in Monterrey quickly and with minimal fixed cost. The shelter facilities are operated by private companies under government sponsorship. They provide labour, payroll, customs, tax administration and facility maintenance for hourly fees.