

**IMPORTS OF ELECTRICAL EQUIPMENT TO MEXICO, 1990 AND 1993**  
US \$000s

	1990	1993	Percentage change
Nuclear reactors and parts	59	1,894	3099
Vapour generating boilers	9,570	78,192	717
Central heating boilers	191	201	5
Condensers	9,020	57,111	533
Turbines	28,738	91,124	217
Electric motors	62,768	131,250	109
Generating sets	11,808	82,649	600
Parts for motors and generators	27,868	19,688	-29
Transformers and ballasts	95,719	204,091	113
Battery cells and parts	32,110	40,933	27
Accumulators and parts	19,058	32,944	73
Power capacitors	14,060	16,484	17
Circuit breakers and protectors greater than 1000 volts	21,797	77,519	256
Circuit breakers and protectors less than 1000 volts	139,447	232,361	67
Boards and panels less than 1000 volts	53,881	140,757	161
Parts for circuit breakers, boards and panels	27,608	39,118	42
Wire and conductors	59,402	169,356	185
Insulators	9,951	17,149	72
Insulating fittings	13,068	26,059	99
<b>Total</b>	<b>648,704</b>	<b>1,471,640</b>	<b>127</b>

Note: 1993 data are for first 11 months.  
Source: Industry Canada.

Law, has recently been enacted and regulations were published in late 1993. Private companies are now permitted to generate electricity for their own use, as long as any surplus power is sold to the CFE.

The construction of all generation and transmission projects of more than 230 KV will now be contracted to private companies. Contracts will now be awarded to "constructors" who will build and operate the projects. This means that private companies will be responsible for a large proportion of electrical product

procurement. About 10,000 MW of capacity will be added by independent power producers over the next decade. The *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, will continue to directly construct projects of less than 230 KV.

The first private project will be *MERIDA III*, which will be a combined cycle gas turbine project with two 220 MW units, to be built at a cost of about US \$500 million. The CFE will buy all of the output of this project under a 25 year contract.

Major transmission projects will continue to be publicly financed but will be built by private sector contractors.

The CFE has some 3,500 electrical power projects, worth about US \$20 billion, in the planning or construction process. Foreign companies can bid on these projects on an equal basis with Mexican firms. The best opportunities for Canadian firms would be through joint ventures with large turnkey constructors (box).

**MAJOR TURNKEY CONSTRUCTORS FOR MEXICAN ELECTRICAL PROJECTS**

Bufete Industrial	Siemens
Asea Brown Bovari	Apycsa
Schneider	AEG
Elecnor	Isolux
Abengoa	GEC-Alstom

Source: Industry Canada.

**COMPETITION**

The electrical manufacturing industry in Mexico consists of about 2,000 firms, employing some 150,000 people. Most Mexican companies are small, family-owned firms, but multinational companies have been establishing facilities in Mexico as well.

In order to remain competitive in the newly privatized and deregulated environment, Mexican manufacturers have been rationalising their product lines. This will create opportunities for joint ventures with foreign firms. Mexican-owned companies are most competitive in lower voltage equipment and some of them would like to round out their product lines through exclusive arrangements with foreign producers.

Canadian and U.S. firms have a market advantage because of lower tariff rates under the NAFTA and because of the similarity of electrical standards. The NAFTA is also considered an advantage for challenging procurement decisions by government bodies.

