

ENERGY

Two government-owned enterprises dominate the energy sector. *Petróleos Mexicanos (Pemex)*, the national oil company, has a monopoly over all petroleum production. The *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, has the exclusive right to produce electricity sold to the public. Recently, parts of both companies have been privatized or awarded to private-sector companies. Government-owned corporations are large buyers of safety and health products, especially safety clothing and hygiene equipment. Private-sector concessions tend to be very cost-conscious.

Traditionally, *Pemex* has been a difficult company for new suppliers to approach because of its arcane purchasing system and network of insiders. But the purchasing system is now being decentralized, which will create new opportunities. Unofficial estimates indicate that the *Pemex* regional offices will be able to deal directly with foreign suppliers sometime in 1997.

MANUFACTURING

Except for construction and mining, of all the industries rated in *IMSS* Category 5, the most dangerous are manufacturing industries. The highest accident rates are found in the metalworking, furniture and rubber industries. The majority of accidents involve the misuse of equipment or inadequate use of safety equipment. According to statistics from the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, the most common accidents are inhalation of toxic fumes and lacerations.

The manufacturing sector is also vulnerable to crime. The most commonly reported crimes are theft of merchandise and industrial plans or blueprints for products. Much of this theft is perpetrated by employees. Under Mexican labour law, dismissing an employee for theft is quite difficult. As a result, industries are using more closed-circuit television systems. According to some reports, companies are also using extended probation arrangements to assist with internal security issues. The extended probation gives employers a longer period of time during which to assess the employee. The employer also retains its flexibility in terms of hiring and dismissal during the probationary period; once the employee moves from probation to full time employment, it becomes much more difficult to dismiss them, even if security leaks are suspected.