

The government recently announced that a portion of the national pension system, the *Sistema de Ahorro para el Retiro (SAR)* will be used to acquire silver reserves, to protect the fund's purchasing power. This will lead to increased demand and higher prices for silver.

The main states producing silver are Zacatecas, with 42 percent of production, followed by Durango, Chihuahua and Guanajuato. The four states account for 80 percent of national production.

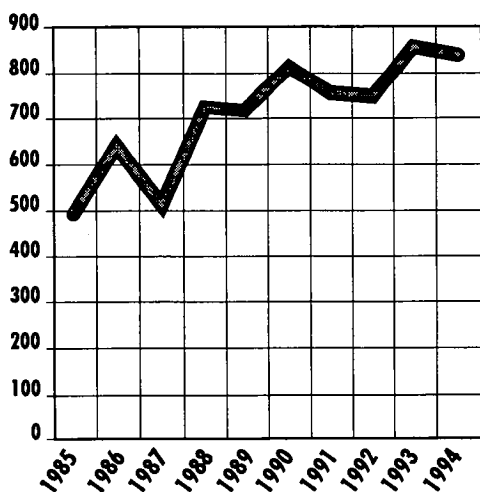
Two companies, *Minera Fresnillo* and *Minera Real de los Angeles*, are responsible for almost one-third of all Mexican silver production. *Minera Real de los Angeles* is jointly owned by *Empresas Frisco* and Canada's Placer Dome.

Silver is normally associated with lead, zinc and copper, and most of the larger operators produce more than one mineral. For example, in 1991, *Minera Real de los Angeles* produced about 30 metric tonnes of silver, 41,000 tonnes of lead and 39,000 tonnes of zinc.

NON-FERROUS METALS

Non-ferrous metals dominate Mexico's mining sector, accounting for close to half of all mineral production.

NON-FERROUS INDUSTRIAL METALS PRODUCTION, '000s OF TONNES



Source: Secretaría de Comercio y Fomento Industrial (SECOFI),
Secretariat of Commerce and Industrial Development.

COPPER

Mexico's copper production increased slightly in 1994 to reach 305,487 tonnes, which was more than 3 percent of total world production. Mexico's raw copper production has shown an annual average increase of 3.6 percent over the past decade. Capacity has been increased to meet growing demand from Mexico's export-oriented industries, particularly the *maquiladora* companies. Mexico is also a net exporter of refined copper.

The two most important copper mines are *La Caridad* and *Cananea*, with estimated mineable ore reserves of roughly 3 billion tonnes. Both companies are owned by *Grupo Industrial Minera México*, which produces 40,000 tonnes of copper per day.