

Mexico has become the world's fourth largest producer of oil from the fifth largest reserves base. The total proven hydrocarbon reserves of Mexico stood at approximately 65 billion barrels of oil as of January 1, 1994, of which 51 billion corresponded to crude oil and condensates and 14 billion to natural gas. The average production of crude oil was 2.9 million barrels per day during 1994, slightly ahead of the previous year. In 1993, PEMEX's exports of crude oil, oil products, and petrochemicals reached US\$7.5 billion, while imports (excluding capital goods) amounted to US\$1.4 billion. Exports were mainly destined to the United States (66 percent), Spain (15 percent), Japan (6 percent), France (2 percent) and Canada (2 percent). The principal benefits of the oil industry to the country arise from its export earnings and the substantial amounts transferred to the federal government as payment of taxes.

The Federal Electricity Commission has an installed generating capacity of 29 000 megawatts. Thermal power stations account for 61 percent of this capacity, while hydroelectric plants account for another 28 percent. Although 166 power stations exist throughout Mexico, a large share of the total generation comes from only a few modern plants. Generating capacity is increasing in order to meet projected demand for upcoming years. The country hopes to surpass 40 000 megawatts by the end of the century. Future increases in generating capacity will come from further exploitation of Mexico's hydro reserves and increased use of gas and coal for thermal generation.

## ***Mining***

Mexico's mining sector continues to play an important role in the growth of the Mexican economy. Traditionally, Mexico has been the world's largest producer of silver and it ranks as one of the top producers of fluorspar, sodium sulphate, celestite, bismuth, graphite, antimony, arsenic, barite, sulphur, lead, mercury, molybdenum, zinc and manganese. The mining sector accounted for about 3 percent of GDP and 1 percent of export earnings in 1993.

Investment in the mining industry is increasing due to the enactment of the recent Mining Law (1992). The law allows majority foreign investment in mines, increases mining extraction concessions from 25 to 50 years, and extends exploration concessions from 3 to 6 years. New investment (domestic and foreign) in mining exceeded US\$360 million in 1993.