

YEAR	PHYSICAL INVESTMENTS		GROWTH %
	Mex \$bln	US\$mlln	
1987	1318.4	937.9	5.9
1988	2569.7	1222.1	30.3
1989	2936.2	1182.5	( 3.2)
1990	3769.5	1328.2	12.3

Source: Informe de Labores CFE 1989-1990

Financing for these projects will depend on internal revenues of CFE, budget assigned to CFE by the Federal Government, private sector financing, and availability of foreign financing sources, such as World Bank (WB), International Reconstruction and Development Bank (IRDB) and Interamerican Development Bank (IDB). The IRDB granted a \$450 million credit and IDB a \$330 million loan for transmission, distribution, maintenance and renewal projects. During the 1989-1994 period, it is estimated that a total of \$1.7 billion will be available from these banks to finance CFE's projects. Additionally, the Canadian Export Development Corporation established a series of lines of credit with Mexican banks and companies, including a \$30 million line for CFE (contact Mr. Alberto Castelazo, tel. 553-6488). On the other hand, the financial situation of CFE has greatly improved through the 1985-1986 transfer of CFE's liabilities to the Federal Government, and the increases in tariffs on the use of electricity to reflect costs and avoid subsidies. This will allow CFE to finance 40% of its investment needs, while Federal Government transfers account for approximately 20% and loans for 40%.

### 3.1 IMPORTS

Imports have traditionally played an important role in CFE's purchasing program, since much of the equipment used by CFE is not produced locally. In 1990, imports accounted for 32% of total apparent consumption, or \$243.8 million, reflecting a 23% increase as compared to 1989.

According to CFE's annual report, total imports have been as follows since 1982:

YEAR	In million	In million
	Mex \$ pesos	U.S. \$ dollars
1982	24,358	426.1
1983	17,499	116.4
1984	28,499	153.9
1985	64,518	207.9
1986	97,527	152.9
1987	208,325	148.2
1988	811,670	354.4
1989	491,157	197.8
1990	691,983	243.8

Source: Informe de Labores CFE 1989-1990