

products at la Cangrejera. Several expansions of this complex are now being considered, including an ethylene plant and a wastewater treatment facility. Three plants were put in operation at the San Martin Texmelucan Independence Complex in 1989, for the production of acrylic nitrile and dodecilbenzene.

6. MARKET ACCESS

A company wishing to sell to the Mexican petroleum industry should first establish if there is a market for its goods or services by discussions with PEMEX and/or private companies and through trade shows. Decisions should be taken on whether to use an agent, joint venturing or licensing with a Mexican company. Mexico's market is highly competitive and companies which maintain an active presence in the market and establish a good track record by virtue of product performance, competitive price and service will do well.

All suppliers of equipment or services, whether local or foreign, to a Mexican Government entity, such as PEMEX, must be registered with the Secretariat of Programming and Budget (SPP) and with the Purchasing Department of PEMEX.

PEMEX purchasing policy follows well-specified government regulations. All purchases of up to \$180,000 can be made directly without bids, whether at the central offices or at the regional level. Bidding is divided into two basic groups: minor and major bids. Minor bidding procedures are followed for bids worth roughly \$180,000 to \$720,000. In such cases, qualified suppliers obtain the bidding terms from PEMEX and enter the competition with their quote at a predetermined date. Major bidding procedures are followed for larger purchases. The general description of the products desired by PEMEX are published in major newspapers throughout the country. Details of the acquisitions can be obtained from PEMEX's open bidding units. For international bids, the company can deal with PEMEX headquarters in Mexico and offices abroad.

Most foreign purchases are made through PEMEX's purchasing office in Houston. It is headed by Mr. Ramón Guerrero Esquivel located on 3600 South Gessner, Suite 100, Houston TX. 77065 (telex Nos. 791397, fax No. (713) 978-6298 and telephone Nos. (713) 978-7996 978-6269 and 978-5997.

PEMEX generally buys on an open account system, usually making payments 30 days after the invoice date when dealing through the Houston office. Occasionally, PEMEX pays new suppliers with letters of credit when the product is not available elsewhere or if its price is lower.

PEMEX has been delaying payments to Mexican suppliers up to approximately 120 days. This has made some of them hesitant to continue to supply PEMEX without assurance of prompt payment. Since, in order to maintain good commercial relations and its good image in international markets, PEMEX continues to pay foreign suppliers within 30 days, these companies, have supplied the Mexican market even though some of the products are also manufactured in Mexico.

As a result of Mexico's accession to GATT, the Mexican Government has gradually opened the economy to international suppliers. Import duties have been lowered from a maximum 100% in 1983, to 20% in December, 1988. The official import price system has been totally eliminated and import permits are required on only 340 of the total