According to official data from the Mexican Secretariat of Commerce and Industrial Development (SECOFI), Mexico's trade balance dropped once again in 1991 to a $11.1 billion deficit from -$4.6 billion in 1990. Exports increased by 1.1% in 1991, from $26.8 billion to $27.1 billion, while imports grew 21.7%, from $31.4 billion to $38.2 billion in 1991, having already increased 23.6% in 1990 from $25.4 billion in 1989. January-September data for 1992, place total exports at $21 billion and imports at $35.3 for the first three quarters, with estimated year-end figures of $28.6 and $47.9 billion respectively.

3. MARKET ASSESSMENT

The market for oil and gas field equipment and machinery as estimated in this report includes drilling equipment, pipes and tubes, accessories thereof, pumps, valves, compressors, winches and cranes, turbines, internal combustion engines, geological and other instruments, and parts and attachments for the above categories, all used in the oil and gas field industry. The results were based on data on Mexican import and exports published by the Secretariat of Commerce and Industrial Development (SECOFI), on PEMEX's purchasing program for 1987, 1988, 1990 and 1993 and on PEMEX's cash flow for the 1988-1992 period.

Petroleos Mexicanos (PEMEX) is a decentralized public agency owned directly by the State. Its activities include exploration, productiom and marketing of crude oil and gas, refining of gasoline and oil products, and the production of petrochemicals. Since July 1992 PEMEX was completely reorganized, splitting the corporation into a central holding company and four operating subsidiaries, in addition to the Mexican Petroleum Institute and PEMEX Internacional. The four subsidiaries are:
PEMEX Exploration and Production
PEMEX Refining
PEMEX Gas and Basic Petrochemicals
PEMEX Secondary Petrochemicals
For a more detailed description of PEMEX and its activities, see Section 5: END USER PROFILE.

Total apparent consumption of oil and gas field equipment, as defined above, increased by almost 80% in 1988 to $1.2 billion as a result of PEMEX's increase in earnings due to more favorable oil prices and to cover a backlog in demand from the more difficult mid-80's. During 1989 and 1990, the market fell again to levels more in accordance with PEMEX's year to year purchasing needs. In 1991, demand for oil and gas field equipment began to recover again with a 7% increase and 1992 showed a further 5.9% growth in consumption. Based on PEMEX's investment budget, purchases of equipment will increase to $1.1 billion in 1993. The total market is estimated to grow at an average annual rate of 4.5% and reach $1.3 billion by 1996. However, given the present volatility in crude oil prices, it is difficult to estimate the future behaviour of PEMEX and the related industry. Nevertheless,