

Companies Controlled by Industrias Peñoles SA de CV:

Cía. Minera Cedros, Fluorita Río Verde, Minera Las Torres, Minera la Negra, Campana de Plata, Cía. Fresnillo, Zimapán, Metales Peñoles, Metmex Peñoles, Refractarios Mexicanos, Refractarios Green, Dolorey, Química Magna, Minera Capela, Peñoles do Brasil, Peñoles Metals and Chemical, Química del Rey, La Encantada, and Minera Santa Lucía

Companies Controlled by Grupo Industrial Minero México Sa de CV

Mexicana de Cobre, Mexicana de Acido, Minerales Metálicos del Norte, Carbonífera de México, Zinc de México, Minera Normex, Reactivos Mexicanos, Aerominerales, Minera Picachos, Minera San Isidro, Minera Selene, Industrial Mineral México, and Minera Pilares

Government policy changes have also had a positive effect on the industry. Several large government owned mining firms have been privatized (CANAMEA and Mexicana de Cobre), and government involvement has been scaled back to focus on strategically important minerals. For example, 38 minerals were monopolized by the government in 1982; by 1993, only five minerals (iron ore, coal, sulphur, phosphates, and potassium) were controlled by the state. Companies selling technology focusing on these minerals must deal with government clients.

At the same time, revised legislation has streamlined the taxation of mining companies and facilitated foreign involvement in the mining industry. Such deregulation has improved the overall attractiveness of the Mexican mining sector. Investment levels should rise as a result.

North American Free Trade is expected to have a positive impact. Given the high cost of transportation of metals, distance plays a critical role in mineral sales. Mexico and Canada have a strong advantage over other mineral exporters given their proximity to the large U.S. market. Under NAFTA, Mexican penetration of the American market is expected to rise.

Perspectives in the Mexican mining industry are generally positive. Investment levels will continue to rise as new mineral deposits are discovered. Growth

in non-metallic minerals such as sulphur and salt will be particularly important. Although there is no direct relationship between industry growth and wastewater sales, it is likely that wastewater sales will experience a positive spin-off effect.

While no water discharge norms have been developed for the extraction of minerals, government authorities and representatives from the mining industry are together developing wastewater regulations. The first norm, expected to be implemented by the end of 1994, focuses on the design, construction, and operation of drainage ditches. By improving this aspect of the production process, authorities expect to reduce wastewater discharges. This regulation is expected to have little effect on the demand for wastewater equipment within the mining sector.

In the future, authorities also expect to create two norms focusing exclusively on the extraction of metallic minerals and non-metallic minerals. It is quite likely that such norms will include a "total recycling" commitment, under which mining companies would be prohibited from discharging any kind of wastewater.

As a general rule, mining companies are most interested in the elimination of suspended solids. However, given the remote location and arid environment of many sites, recycling and treatment of service water is also important. Many mines are located in arid zones where water extraction is costly. As a result, mining companies are often

Companies Controlled by Corporación Industrial San Luis SA de CV

Industrias Luismin, Minas San Luis, La Domincia

Companies Controlled by Empresas Frisco SA de CV

Minera Lampazos, Minera Real de los Angeles, Química Flúor, Cobre de Sonora, Minera Cumobabi, Molybex, San Francisco del Oro, Aerofrisco, Minera Promet, and Cerro de Plata

Companies Controlled by Minera Autlán SA de CV

While this company is one of the largest mining companies in Mexico, it does not have direct subsidiaries.