

Agriculture

Some 22 percent of the Mexican labour force was employed in the agriculture and fisheries sectors in 1990 as compared to 40 percent in 1970. However, agriculture remains an important sector of the Mexican economy; in 1993 agricultural exports accounted for over 5 percent of total exports and a similar proportion of GDP.

While Mexico is nearly self-sufficient in many basic food items and has a healthy export business, it maintains a trade deficit in agricultural products. Major imports include milk powder and skim milk, fresh and frozen meat, soybean seed, wheat, and edible oils. Mexico's major exports include fruits and vegetables, coffee, tobacco and cotton.

Several important steps have been taken over recent years to modernize Mexico's agricultural system. The Agricultural Reform Law of 1992 made significant changes to the traditional *ejido* system. The *ejidos*, which comprise 53 percent of the agricultural land base and employ 84 percent of the rural population, are areas expropriated by the government, following the Mexican Revolution, and distributed to the peasants. The majority of *ejidos* are worked by individual families, but some are either worked collectively or leased to private farmers. The reforms permit *ejido* members to organize and produce in the most efficient manner, buy and sell their lands, and associate with domestic or foreign investors.

The Rural Support Program known as PROCAMPO was introduced in 1993. Its purpose is to promote agricultural production by directly granting financial support to farmers growing grains and oil seeds. PROCAMPO is aimed at modifying the traditional scheme, which promoted production by means of guaranteed prices and subsidies for marketing and the purchase of inputs.

Energy

The energy sector is tightly controlled by the government. Production and marketing of hydrocarbons has been the monopoly of PEMEX since 1938. The production and distribution of electric power in Mexico are controlled by the Federal Electricity Commission (CFE), which has been forced to increase its generating capacity in order to keep up with increasing demand.