

to Cdn\$594 million, while total Canadian imports from Mexico were valued at Cdn\$1,730 million in 1990. According to Mexican figures, in 1989, 1.9% of Mexico's imports came from Canada, while 1.2% of its exports were to Canada. This makes Canada Mexico's fifth largest exporter and sixth largest importer.

3. MARKET ASESMENT

The Mexican market for electric power generation and distribution equipment, including such items as boilers, turbines for all power sources, nuclear reactors and related equipment, generators, capacitors, circuit breakers, conductors, insulated wire, fuses, switchboards, transformers and voltage regulators, reached \$761.2 million in 1990. The market increased 12.3% in 1990, 5.3% in 1989, 19.6% in 1988 and 5.6% in 1987 (see Table 1) in response to the growth in CFE's investments in major projects to face the increased demand for electricity (see Section 4).

TABLE 1
APPARENT CONSUMPTION OF ELECTRICAL
GENERATION AND DISTRIBUTION EQUIPMENT
((\$000 U.S. dollars))

	1986	1987	1988	1989	1990	1994p
Production	384.4	420.2	320.6	508.5	550.8	719.4
+ Imports	152.9	148.2	354.4	197.8	243.8	356.9
- Exports	29.1	30.2	31.3	28.5	33.4	40.7
TOTAL	508.2	538.2	643.7	677.8	761.2	1,035.6

Source: CFE, import-export data by SECOFI. author's estimates.

Based on CFE's projected investment program, it is estimated that total demand will continue growing at an average annual rate of 8%, to reach slightly over one billion dollars by 1994. It is possible, however, that investments in the electricity sector will grow at higher rates, since demand for electricity has been growing at a faster pace than the growth in capacity and investment by the industry, thereby creating a backlog in demand. The budget assigned to CFE in 1992 is of Mex\$ 18,610.6 billion or roughly US\$6 billion, representing a 4.1% increase in real terms over 1991.

CFE's total physical investments have been as follows since 1983:

YEAR	PHYSICAL INVESTMENTS		GROWTH %
	Mex \$blln	US\$mlln	
1983	147.3	979.8	
1984	233.4	1260.4	28.6
1985	363.8	1172.4	(7.0)
1986	565.0	885.7	(24.5)