

In analyzing the distribution of work by client group (Fig. 1.2) it is important to note that:

- Public sector work accounts for over 70 percent of formal construction activity. Hence government procurement opportunities are key to involvement in the industry.
- The *parastatal* entities represent the single largest spending group with over 30 percent of construction activity.
- Public construction activity is decentralized. In fact, total state and municipal government spending is greater than that of the federal government.

The following is a more detailed breakdown of construction activity performed by the federal government, *parastatal* enterprises and the private sector.

**TABLE 1.2**  
**BREAKDOWN OF MEXICAN FEDERAL GOVERNMENT CONSTRUCTION**  
**ACTIVITY, 1992**

Federal Government Entity	Construction Activity in 1992 (U.S. \$millions)	percent
Secretariat of Communications and Transportation	478	32.7
National Water Commission	370	25.4
Federal District Department	359	24.6
Secretariat of Health	91	6.2
Secretariat of Social Development and Housing	60	4.1
Other	102	7.0
<b>TOTAL</b>	<b>\$1,460</b>	<b>100 %</b>

**Source:** Mexican Construction Association (CNIC)

The significant participation of the Secretariat of Communications and Transportation is a direct result of the introduction of the highway rehabilitation program. The National Water Commission's activity is channeled towards potable water, sewer and water treatment systems. The Department of the Federal District (DDF) is a significant contributor to overall government spending on public works. Nearly one fourth of the country's population lives in the Mexico City metropolitan area which comprises the Federal District. Currently in Mexico City more than U.S. \$5 billion is being invested in new building projects. However, more and more private and foreign investment is being directed towards these projects.

