

The modernization plan included the release of additional land for private mining. According to the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development, by mid-1995 only 0.5 million hectares were still reserved for the state, compared with 13.5 million hectares in 1990. The borrowed funds were also used to encourage the development of small- to medium-sized mines, defined as those under 2,500 tonnes per day. According to one *SEMIP* official, however, companies seeking land, exploration and development permits have been mostly major Canadian and American firms.

In January 1995, President Zedillo announced a new mining development program called the *Plan Sexenal de Inversión de la Industria Minera Nacional*, Six Year Plan for Investment in the Mexican Mining Industry. The objective of the plan is to promote private investment of at least US \$5 billion over the next several years. This plan promises to stimulate investment by reducing regulation even further, and by accelerating land reforms. It will speed up the process of issuing permits for the use of explosives by the *Secretaría de la Defensa Nacional (SDN)*, Secretariat of National Defence, and it will decentralize the procedures for obtaining environmental approvals. The government is committed to an ongoing dialogue with industry representatives to develop more practical regulations. Officials of the mining chamber say that the top priorities for the next round of discussions include removal of the water tax of \$1.30 pesos per cubic metre and elimination of the 1.8 percent tax on assets.

The 1995 report of the *Cámara Minera de México (CAMIMEX)*, Mexican Mining Chamber, notes that the progress of mining modernization has been facilitated by the conciliatory stance taken by the *Sindicato Nacional Minero y Metalúrgico de la República Mexicana*, Mexican National Mining and Metallurgy Union. This is the principal trade union in the sector.

MARKETING

Mexico has no established commodity market. Sales of minerals are generally arranged through established private networks and industry associations. The industry associations publish information on the demand and supply of key minerals. The larger mineral producers have direct contacts with the key industrial users of their products. Smaller mining companies sometimes sell through distributors, but the trend is towards direct sales.