

Table 8: Financing for Housing by Agency

	1988	1989	1990	1991P	1991
	(U.S.\$ billions)				
INFONAVIT	57,504	71,925	81,000	67,000	1.20
FOVISSSTE	14,923	19,848	14,124	25,639	0.29
FOVI-BANKS	104,903	53,004	95,000	134,134	2.01
FONHAPO	61,004	42,834	61,745	60,130	0.12
PEMEX	3,147	531	5,286	5,300	0.15
CFE	1,584	1,912	1,073	1,683	0.02
FOVIMI-ISSFAM	1,179	451	1,853	3,731	0.09
FIVIDESU	3,199	38,623	29,333	4,070	0.04
State agencies				55,000	0.07
Other agencies	4,959	41,549	40,000	1,190	0.01
Reconstruction programs	10,271	3,081	0	536	0.02
Total	262,673	273,758	329,414	358,413	4.02

Source: *Catálogo CIHAC de la Construcción, 1991*

INFONAVIT = Institute for the National Fund for Worker's Housing
 FOVISSSTE = Fund for the Housing of Public Workers
 FOVI = Banking Operation and Discount Fund to Housing
 FONHAPO = National Fund for Public Housing
 PEMEX = Mexican Petroleum
 CFE = Federal Electricity Commission
 FOVIMI-ISSFAM = Army and Navy Housing Funds

Table 9: Materials Commonly Used in Housing Construction

Location	Material	Percent
Floors	Cement or concrete	46
	Earth	26
	Mosaic & other coverings	26
	Non-specified flooring	2
Roofs	Concrete or bricks	44
	Metal or asbestos sheets	17
	Tiles	13
	Cardboard	12
	Palm or wood	10
	Other	4
Walls	Bricks & blocks	57
	Adobe	21
	Wood	9
	Mud	4
	Palm or bamboo	3
	Cardboard	2
	Metal or asbestos sheets	1
	Other	3

Source: *1980 Mexican Census*

4.4 Formal Sector

The formal sector corresponds to construction by the 18,000 companies registered with the National Chamber for the Construction Industry (*Cámara Nacional de la Industria de la Construcción, (CNIC)*). While production by these companies fell by 51.3 percent in real terms in 1988, it grew by 54.5 percent in 1989, 38.5 percent in 1990 and 29.2 percent in 1991. Production is expected to grow another 8.5 percent in 1992, to reach U.S.\$10 billion.

Of the total number of firms registered with CNIC, 90.9 percent are small firms that produce 39.7 percent of production, 7 percent are medium-sized firms that produce 15 percent, 1.3 percent are large firms that produce 16.7 percent and 0.8 percent are very large firms that produce 28.6 percent.

Formal sector firms employ about 85,000 office workers and 350,000 blue-collar workers, of which only 16 percent are permanent. The remainder are seasonal due to the cyclical nature of the industry.

The firms are located mostly in the states of Mexico City (21 percent), Nuevo León (10 percent), Jalisco (8 percent) and Veracruz (7 percent).

Infrastructure development has been the principal motor of the growth in the construction industry, especially highway construction. Highway construction and management was recently privatized, bringing about major investments in this area.

Tourism and commercial development and construction have been the most active sectors in real estate development.

The public sector has traditionally played a very important role in generating projects for the formal Mexican construction industry. Until 1987, public agencies, including federal, state and municipal governments and decentralized agencies, accounted for as much as 80 percent of the total construction business of formal sector companies in Mexico. During the current administration, which has stressed privatization policies, this participation fell to 65 percent in 1991 and is expected to fall to 61 percent in 1992.

Total public sector construction can further be divided as follows:

- Parastate and decentralized agencies, headed