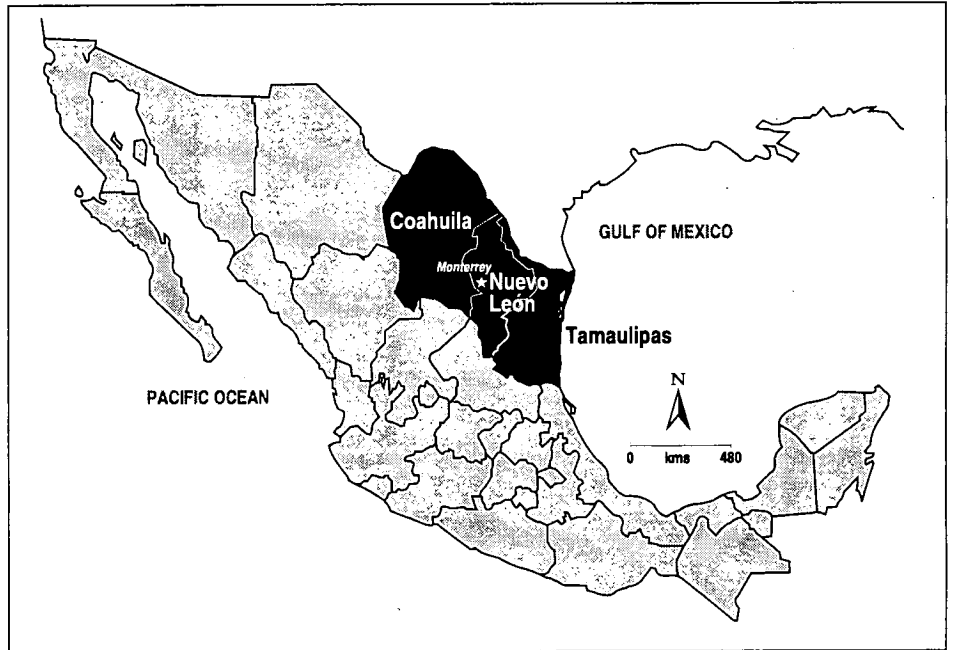


together they are home to 82 percent of the population. In Tamaulipas, there are 11 such municipalities, with 84 percent of the population. Only the Mexico City region and Baja California Norte, (which includes Tijuana and Mexicali), have higher urbanization rates than these three states.

MONTERREY AND THE NORTHEASTERN STATES



FOREIGN INVESTMENT

The peso crisis beginning in December 1994 resulted in a sharp drop in foreign investment throughout Mexico. The *Secretaría de Comercio y Fomento Industrial (Secofi)*, *Dirección General de Inversión Extranjera*, Secretariat of Commerce and Industrial Development analyzed the devaluation's impact on investment. Accordingly, in 1996 the Foreign Investment Division of *Secofi* released data showing that Nuevo León is the most popular state for foreign investors. The Federal District claims about two-thirds of all materialized direct foreign investment. Nuevo León follows with 8.1 percent of the total accumulated in 1994 to 1995. Tamaulipas and Coahuila account for 3.2 percent and 0.8 percent respectively. Total direct materialized foreign investment in Mexico fell by 44 percent from US \$9.9 billion to US \$5.5 billion between 1994 and 1995. The