

less than 50 percent as required by the 1993 investment law.

In December 1994, the administration of President Ernesto Zedillo took the liberalization process even further. The *Secretaría de Energía, Minas e Industria Paraestatal (SEMIP)*, Secretariat of Energy, Mines and State-owned Industries, was dismantled and mining responsibilities were shifted to the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development. The new mining division of *SECOFI* has a mandate to further develop the sector and these moves have been positively received by the international mining community. Some industry observers have projected that US \$6 billion will be invested in the mining sector over the next six years.

Canadian companies were quick to take advantage of these emerging opportunities and are among the leaders in developing partnerships with Mexican firms. According to media reports, the two largest mining developments currently underway involve Canadian Eldorado and Exall Resources. Other large Canadian companies active in Mexico include Cominco, Noranda and Placer Dome.

THE MINING SECTOR

Government policies have succeeded in expanding the mining sector. The value of mineral production rose by more than 24 percent in 1994 to reach almost \$10 billion pesos. Although the rate of growth declined during 1995, the industry continues to outperform the overall economy. Mining exports increased by 68 percent in the first eight months of 1995, more than double the increase for all exports.

Total production of the mining industry in 1993 was 2.5 million tonnes, according to estimates by

the United States Department of Commerce. The fastest growing mineral products were coal, gypsum, copper and lead. The market for mining equipment is expected to grow 9 percent per year for the next three years. By these estimates, demand for imported machinery and equipment should grow by an average of 12 percent per year during the next three years.

During the first three quarters of 1995, the real value of mineral production in Mexico rose by almost 10 percent, compared with the same period a year earlier. Precious metal production increased by 19 percent. Non-metallic minerals and those related to the steel industry were up by 13.4 percent and 7.4 percent, respectively.

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.

FOREIGN TRADE

There are no reliable statistics regarding Mexican imports of mining equipment and services. The harmonized system (HS) of commodity classifications used for international trade data does not separate most mining equipment from similar products used in other industries. Moreover, trade data excludes services. Canada's exports of mining

Mexico's Rank in World Mineral Production, 1994

Rank	Product	Percentage of World Production
First	Celestite*	29.8
	Silver	15.8
Second	Bismuth**	33.3
	Cadmium	13.0
	Fluorite	8.5
Third	Antimony	2.5
Fourth	Arsenic	9.4
Fifth	Lead	5.8
	Graphite	4.2
Sixth	Zinc	5.7
Seventh	Molybdenum	2.4
Eighth	Salt	3.9
Ninth	Manganese	1.3
Tenth	Gypsum	3.2
	Sulphur***	1.7

* Not including the former USSR. The volume of celestite is expressed with a 43.88 percent strontium content

** Not including American production

*** Including all forms of sulphur

Source: *Cámara Minera de México (CAMIMEX)*, Mexican Mining Chamber.