

included plans to increase the population provided with drinking water and sewage services by three million people per year. It also contemplates treating all residual water of domestic origin in urban centres before the end of the decade.

Significant opportunities exist for the export of:

- heavy equipment;
- motors, pipes and pumps for potable water and sewage systems;
- water treatment technology, engineering services and equipment; and
- laboratory equipment for water testing.

Key Customers

The government agency responsible for administration of water projects is the *Comisión Nacional del Agua (CNA)*, National Water Commission. The CNA is responsible for major purchases of materials and equipment. All motors, piping, pumps, machines and equipment are purchased centrally through its office in Mexico City. Purchases of administrative supplies and services are handled by its regional offices in the 32 states.

OPPORTUNITIES IN THE ENERGY SECTOR

The two key players in Mexico's energy sector are *Petróleos Mexicanos (PEMEX)*, the state-owned oil company, and the *Comisión Federal de Electricidad (CFE)*, the Federal Electricity Commission. Their combined construction budgets exceed US \$2 billion per year. Their needs for materials and equipment include the following:

PEMEX

- materials used in the construction of petrochemical plants;
- tubing for pipelines;
- valves, pumps, and instrumentation;
- pollution control equipment; and
- drilling equipment.

CFE

- turbines;
- control systems;
- materials for the construction of generation plants;
- equipment and materials related to transmission and distribution;
- cable-pullers;
- substation construction materials and equipment; and
- pollution control equipment.

OPPORTUNITIES IN HOUSING

Housing construction in Mexico averages 650,000 units per year. Roughly half of these units are constructed by the informal housing market, usually by the owner, often without title to the land. The remainder is built by the formal construction market either through government-assisted programs for low-income housing or private development for middle and upper-class dwellings.

Mexico has a serious shortage of housing and this has led to a tremendous demand for housing construction materials and services. The best prospects for sales in this sector include:

- prefabricated structures;
- decorative and finishing products;
- hardware;
- aluminum and wood doors and windows;
- kitchen and bathroom fixtures;
- domestic plumbing products;
- locks and security systems;
- coating materials for weather proofing;
- roofing materials; and
- carpets, flooring and curtains.

Key Customers

Under Mexico's new housing initiative, government agencies provide financing for residential construction but they are no longer responsible for building homes. Even though they are not direct purchasers of building materials, they play a key role in promoting new technologies and setting prices. These entities are therefore important contact points for

learning about future housing development plans and introducing new building concepts. The major entities are the following:

- *Fondo de Operación y Financiamiento Bancario a la Vivienda (FOVI)*, the Housing Fund for Commercial Banks;
- *Instituto del Fondo Nacional de la Vivienda para los Trabajadores (INFONAVIT)*, the Housing Pension Fund for Private Sector Employees;
- *Fondo de la Vivienda del Sistema de Seguridad Social de los Trabajadores del Estado (FOVISTE)*, the Housing Pension Fund for Public Sector Employees; and
- *Fondo Nacional de Habitaciones Populares (FONHAPO)*, the Federal government's low-income housing agency.

OPPORTUNITIES IN TOURISM

Mexico's tourist industry is expanding and there has been considerable construction activity involving hotels, marinas, shopping centres, condominiums, and golf courses. There is also a demand for infrastructure to support these facilities, including airports, water treatment plants, roads and electrical distribution systems. Hotel construction is particularly active. Approximately 10,000 new hotel rooms are constructed annually, and a large proportion are four and five-star quality.

Opportunities for construction materials and equipment include:

- high-quality finishing materials for luxury hotels and conference centres;
- bathroom fixtures and plumbing materials;
- lighting fixtures;
- systems for heating, security and control; and
- chemically-treated lumber for landscaping, piers, and docks.

