

Mexico is the world's eighth largest producer of salt, with about 4 percent of world production. Output in 1994 was about 7.5 million tonnes. About 80 percent of production comes from the *Compañía Exportadora de Sal* which operates a large mine in Baja California. This company is 51 percent owned by the government and 49 percent by Mitsubishi. This is the last government holding in the mining industry. Industry observers believe that this exception to the privatization program is due to political sensitivity concerning Japanese exploitation of Baja California.

Although Mexico remains among the world's top ten sulphur producers, output has fallen steadily for the past decade. 1994 production was 876,897 tonnes, down 3.2 percent from the year before. Peak production was in 1987 with output of 2.3 million tonnes. *Petróleos Mexicanos (PEMEX)*, the national oil company, produced almost all of Mexico's sulphur in 1994.

## MINERALS RELATED TO THE STEEL INDUSTRY

*The privatization and modernization of the steel industry is creating an expanding market for iron, metallurgical coal, coke and manganese.*

## STEEL INDUSTRY

The Mexican steel industry has undergone drastic changes in recent years. In 1982, the government began to relax its control over steel production by privatizing more than 50 steel production facilities. It converted others to different uses and closed down the least efficient. The newly-privatized steel companies have modernized and increased efficiency. Production increased by 11 percent in 1994 to reach 10.2 million tonnes.

As in other industries, the devaluation of the peso has sharply cut domestic demand while stimulating exports. According to an executive of *HYLSA*, a major steel producer, domestic demand for steel has fallen by as much as a quarter in 1995. *HYLSA* exported 6 percent of its production in 1994, but expected to export 25 percent in 1995. Total steel production is projected to increase by 5 percent during 1995, leading to an increase in demand for iron, coal and other minerals.