

by 13.4 percent and 7.4 percent, respectively.

## FOREIGN TRADE

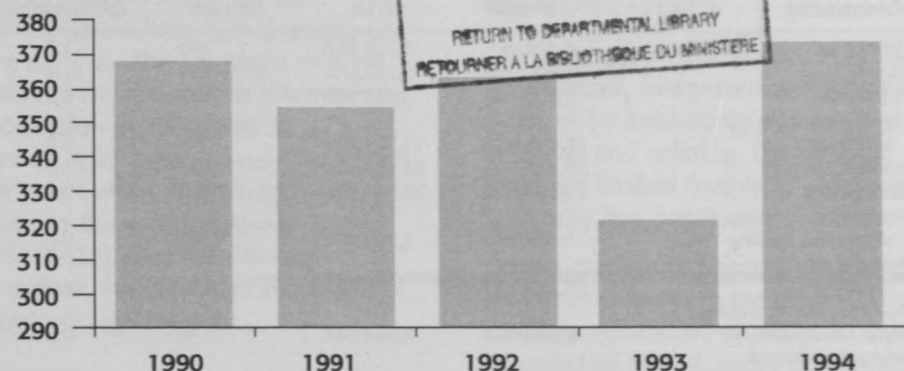
In spite of the expansion and modernization of the domestic mining industry, Mexico's imports of minerals and metals have grown along with its manufacturing output. Until the economic crisis brought about by the devaluation of the peso in December 1994, the nation had enjoyed several years of sustained growth. There was a sharp drop in economic growth in 1993, which was reflected in reduced mineral imports. The economy rebounded in 1994 with overall growth of 3.5 percent. Industrial production dropped sharply in early 1995, but it gradually improved in the second half. The reduction for the year as a whole has been estimated at about 4 percent. Growth has been forecast by the Mexican government at 3 percent for 1996.

Mexico's imports include a wide variety of minerals and metals. The largest single category is metallurgical coal and coke, which account for close to one-fifth of the total. Calcium phosphates, asbestos and copper are also imported in large quantities.

Canada's mineral exports to Mexico totalled US \$63.4 million in 1994. Sales are concentrated in a small number of categories. There are several substances for which exports have been recorded in less than commercial quantities. These are presumably samples. Those substances include salt, barium, cement and iron ore, among others. Canada is Mexico's most important supplier of four minerals: sulphur, asbestos, copper and bituminous coal. In addition, Canadian suppliers shipped almost US \$19 million worth of coke to Mexico in 1993, although sales fell off to about US \$10 million in 1994. Including coke, all five substances accounted for 97 percent of Canada's

## Mineral and Metal Imports 1990-1994

US \$ millions



Sources: Government of Mexico and Statistics Canada.

1994 mineral exports to Mexico, and more than 16 percent of Mexico's total mineral imports. This record stands in stark contrast to Canada's experience in most other sectors, where typical market shares are in the 2 to 4 percent range.

## PRECIOUS METALS

### Gold

The gold deposits that Canadians and Americans have long exploited throughout the Rocky Mountains extend southward into Mexico's *Sierra Madre*. But since the development of Mexico's deposits have been held back by government policies, they remain relatively unexploited. The same policies that encouraged domestic ownership also restricted imports of modern technology. The new mining law has changed this situation. In 1994, gold production rose by 32 percent to reach 14.6 tonnes, largely due to several new projects that went into production during the year.

### Silver

Mexico is the world's leading producer of silver, accounting for about 16 percent of global production. Output in 1994 was 2,334 tonnes, a

3.4 percent decline from the year before. A large proportion of silver production is exported.

Two companies, *Minera Fresnillo* and *Minera Real de los Angeles*, are responsible for almost one-third of all Mexican silver production. Silver is normally associated with lead, zinc and copper, and most of the larger operators produce more than one mineral.

## NON-FERROUS METALS

### Copper

Mexico's copper production increased slightly in 1994 to reach 305,487 tonnes, which was more than 3 percent of total world production. Mexico's raw copper production has shown an annual average increase of 3.6 percent over the past decade. Capacity has been increased to meet growing demand from Mexico's export-oriented industries, particularly the *maquiladora* companies. Mexico imports copper, mainly from Canada, but it is a net exporter of refined copper.

### Zinc

Mexico is the world's sixth largest zinc producer. Production in 1994