

petrochemical industry but it is becoming more open to foreign suppliers and services. Imports in this sector are valued at \$US5 billion and include polyethylene, polypropylene, heterocyclic compounds, aluminum oxide and photographic paper.

Electrical Manufacturing Equipment: Mexican imports of electrical manufacturing equipment total about \$US2.5 billion annually. The leading imports include electrical apparatus for switching or protecting circuits. It is estimated that the market for imported electrical manufacturing equipment will grow by as much as 20-30 percent a year over the next five years.

Ferrous and Non-ferrous Metals and Fabricated Materials: In 1990, the Mexican market for ferrous and non-ferrous metals and fabricated materials was more than \$US4 billion. It is estimated that it will grow by as much as 14 percent a year over the next five years. Mexico imports products worth almost \$US2 billion in this sector including flat-rolled metal products, tin-plated steel, aluminum alloy, plate, sheet or strip, refractory bricks, unwrought alloyed aluminum, asbestos, and iron or steel bars and rods. By contrast, Mexico is a major international supplier of copper, lead, gold, silver and zinc.

Industrial Equipment: In 1990, the Mexican market for industrial products exceeded \$US6 billion. Mexico currently imports industrial equipment worth \$US3.9 billion and its demand for industrial products is expected to grow by as much as 35 percent over the next five years.

Information Technologies: Mexico imported \$US10.6 billion worth of information-related products in 1991. The Mexican market for imported technology products is expected to grow by as much as 20 percent over the next five years. Present Mexican imports are wide ranging and include television receivers, video monitors, projectors, telecommunications equipment and parts, as well as data input and output units.

Recreational, Household and Health-Care Products: In 1991, Mexico imported \$US6.3 billion worth of recreational, household and health-care products. The potential for growth is considerable given Mexico's expanding young urban population. It is estimated that the market for products in this sector will grow by more than 50 percent over the next five years. Mexico imports a wide range of consumer products including books, magazines, tapes, video games, newspapers, periodicals, cosmetics, and motorized toys.

Textiles, Apparel, Leather and Footwear: In 1990, the total Mexican market for textiles, apparel, leather and footwear reached \$US10.5 billion. Mexico currently imports \$US1.4 billion worth of these products.

Construction: Construction accounts for 5 percent of the GDP and employs 10 percent of the Mexican labour force. This sector has recorded impressive growth in recent years. One significant growth area is the construction of roads and ports. The government's emphasis on these projects reflects its need for new infrastructure to facilitate external trade.

Road Transportation: Because it is short of funds, the Mexican government employs creative methods to attract private sector financing for its ambitious highway building program. The most innovative and lucrative of these methods is the offer of toll-road concessions to investors (see Figure 3.9). Under a build-operate-transfer (BOT) plan, the investor finances and builds the road, retains ownership of the highway for a period of 15 to 20 years, and recoups the investment during that period from user tolls. At the end of the concession period, the ownership of the highway is transferred to the state. The government may extend the BOT concept to other infrastructure projects.

Figure 3.9
Toll Highway and Bridge Concessions, 1991

Total projected costs: 8 trillion pesos (\$3.2 billion)

LOCATION	kms
Cuencame—Durango	140
Maravatio—Morelia—La Barca—Zapotlanejo	305
Sayula—Ocozocuaulla	263
Aguascalientes—Zacatecas	100
Pachuca—Tula—Jilotepec	105
Acayucan—Salina Cruz	230
Piramides—Tulancingo—Tuxpan—Tampico	380
Atizapan—Atlacomulco	85
Guadalajara—Tepic	80
Northern Beltway around Mexico City	147
Seven other projects (<50 km each)	201
Six bridges	
TOTAL	2,036

Source: Programa de Trabajo 1991, Secretariat of Communications and Transportation.

Electricity, Gas, Water: The electricity, gas and water sector grew by 4.1 percent in 1991. Demand for electricity is growing by 7 percent a year, but supply is often problematic. Brown-outs have been a consistent problem facing businesses and individual users alike. Efforts are being made to correct the inefficiencies of the grids and to bring on new suppliers while servicing a growing clientele. Mexico now allows private enterprises to generate electricity for private use and for sale to the state. Canada's long-standing track record in the field of hydroelectric power generation may present opportunities for the sale of technology or expertise.