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Bond Issues In Foreign Markets Pemex's Principal Source Of New Investment Financing

by Steven Ranieri

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After the 1982 economic crisis, investment in PEMEX declined by 50%, throttling plans for expansion and facility upgrades in several areas. Mexico's constitution prohibits direct foreign investment in the oil industry. Bond issues offered in foreign markets have become PEMEX's principal source of financing for new investments. Thus far, PEMEX has raised slightly more than \$340 million in London, German, Austrian and US markets. The entire sum part of an \$810 million five-year investment plan is earmarked for the Cantarell project. Located 80 km. from Ciudad del Carmen in Campeche state, Cantarell is comprised of six deposits which together produce 1.2 million barrels of crude per day. Production from this field alone is equivalent to 48% of national oil output, or 90.2% of PEMEX crude exports. The investment plan is aimed at sustaining current production through 2000, and installation of an efficient transportation system. (Source: El Financiero, 10/23/90)

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