

8-26-1992

Results Of Government's Petrochemical Reclassifications Disappointing

Steven Ranieri

Follow this and additional works at: <https://digitalrepository.unm.edu/sourcemex>

Recommended Citation

Ranieri, Steven. "Results Of Government's Petrochemical Reclassifications Disappointing." (1992).
<https://digitalrepository.unm.edu/sourcemex/1970>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in SourceMex by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

Results Of Government's Petrochemical Reclassifications Disappointing

by Steven Ranieri

Category/Department: General

Published: Wednesday, August 26, 1992

According to recent statements by the National Manufacturing Industries Chamber (CANACINTRA) and the National Chemical Industry Association (ANIQ), the federal government's reclassification of petrochemicals have not produced expected results. Moving petrochemicals from the "primary" to the "secondary" list was motivated by an attempt to expand private investment in the petrochemical sector. The government has exclusive domain over primary petrochemicals, while private companies are permitted to exploit the so-called secondary chemicals. CANACINTRA and ANIQ say overall private investment in the petrochemical sector has not appreciably increased. The main beneficiaries of the reclassifications were foreign companies. Moreover, the primary-secondary dichotomy militates against vertical integration. The two organizations point out that globally competitive companies in petrochemicals are characterized by vertical integration. Next, domestic chemical companies operate at a disadvantage compared to US counterparts. Mexican companies are forced to cope with high transportation costs for imports, and higher interest rates on financing. Despite these and other problems, however, CANACINTRA and ANIQ say that Mexico's petrochemical industry will be capable of competition after implementation of the North American Free Trade Agreement (NAFTA). (Source: Notimex, 08/19/92)

-- End --