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Trade Secretariat Sets Goal Of US\$1.1 Billion In Investments In Mining Sector In 1997

by Carlos Navarro

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In early March, the Trade Secretariat (SECOFI) announced its goal to attract nearly US\$1.1 billion in private investments in the mining sector this year. SECOFI's mining division (Direccion de Minas) said the investment forecast for this year, when added to the US\$1.5 billion invested in 1995 and 1996, would bring the total for the three-year period to almost US\$2.6 billion, or roughly 43% more than the amount invested in the previous three-year period. According to SECOFI, a significant portion of the new investment will begin to flow after the federal government approves permits for 40 projects that it sold off to the private sector in 1996. The projects, which cover 4,800 hectares, were approved in accordance with the country's new mining law. Government expects to award 1,750 exploration permits. The government's investment-promotion strategy will, in part, rely on the expected award of 1,750 concessions this year to explore for potential gold, silver, and copper reserves. According to SECOFI, the government will provide financial assistance to the mining industry by expanding loans and technical assistance from the mining-promotion trust (Fideicomiso Minero). One program will offer a total of 810 million pesos (US\$101 million) in loans to small mining operations, providing them with working capital, parts, and equipment. Coincidentally, the same week that President Ernesto Zedillo's administration revealed its plans for the mining sector, the Chihuahua state government announced the discovery of a huge gold deposit in that state. The deposit was found by Chihuahua Minas de la Alta Pimeria, a subsidiary of Canadian-based Francisco Gold Mining Co., near the town of Batopilas in southwestern Chihuahua. According to Francisco Flores Aguirre, director of the Chihuahua state mining-development department, the deposit has a potential capacity of at least 3.2 million troy ounces of gold. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on March 12, reported at 7.96 pesos per US\$1.00] (Sources: Reuter, 03/05/97, El Universal, 03/06/97, The News, 03/07/97)

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