MEXICO FUND INC
Form N-30D
June 28, 2001

The Mexico Fund, Inc.

Directors:
Juan Gallardo T. -- Chairman
Philip Caldwell
Jose Luis Gomez Pimienta
Claudio X. Gonzalez
Robert L. Knauss
Agustin Santamarina V.
Jaime Serra Puche

Officers:
Jose Luis Gomez Pimienta -- President
Samuel Garcia-Cuellar -- Secretary
Allan S. Mostoff -- Assistant Secretary
Sander M. Bieber -- Assistant Secretary
Carlos H. Woodworth -- Treasurer
Hector Trigos -- Research Vice President
Alberto Osorio -- Finance Vice President
Eduardo Solano -- Investor Relations Vice President

Investment Adviser --
Impulsora del Fondo Mexico, S.A. de C.V.

Custodian --
BBVA Bancomer, S.A.
Comerica Bank

Transfer Agent and Registrar --
American Stock Transfer & Trust Company

Counsel --
Dechert
Creel, Garcia-Cuellar y Muggenburg, S.C.

This report, including the financial statements herein, is transmitted to shareholders of The Mexico Fund, Inc. for their information. It is not a prospectus, circular or representation intended for use in the purchase of shares of the Fund or any securities mentioned in the report.

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The Mexico
Fund, Inc.

20th Anniversary
1981-2001

Semi-Annual Report
April 30, 2001
(Unaudited)

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NYSE

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www.themexicofund.com

The Mexico Fund, Inc.
Semi-Annual Report
April 30, 2001
Highlights

The Mexico Fund, Inc. is a non-diversified closed-end management investment company with the investment objective of long-term capital appreciation through investments in securities, primarily equity, listed on the Mexican Stock Exchange. The Fund provides a vehicle to investors who wish to invest in Mexican companies through a managed non-diversified portfolio as part of their overall investment program.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase, from time to time, shares of its common stock in the open market.

. The Fund's first half of fiscal 2001 ended April 30, 2001.

. During the first half of fiscal 2001, the Fund's share price per share increased 8.03%. At the same time, the Fund's net asset value per share (NAV) decreased 2.30%, while the IFCG Mexico Index decreased 2.03%. The Bolsa Index decreased 3.25% during the same period.

. As a result of the strong performance of the Fund's shares, the discount between the Fund's share price and its NAV at April 30, 2001 narrowed to 16.1% from 18.2% at January 31st and 31.0% one year earlier.

. The Fund concluded in May the Share Repurchase Program ("SRP"), which permitted the Fund to repurchase up to 10% of its outstanding shares in the open market and which was intended to enhance shareholder value.

. On March 2, 2001, the Fund filed applications with the US Securities and Exchange Commission (SEC) and the Internal Revenue Service (IRS) seeking necessary approvals for conducting periodic in-kind repurchases of Fund shares from shareholders at no less than 98% of NAV.

. In a Special Letter to Shareholders and Press Release dated March 5, 2001 the Board of Directors announced these filings and their appproval of an amendment to the Fund's Investment Advisory and Management Agreement to adopt a performance fee component to the Fund's investment advisory fee.

. The Fund intends to seek shareholder approval for the performance fee and the periodic repurchase policy after it has received comments from regulatory authorities regarding the proposed periodic repurchase policy.

. The Board of Directors declared a cash dividend of 11.3809 cents per share, after deduction of 1.4400 cents for Mexican withholding taxes on dividends received by the Fund. The dividend is payable on July 30, 2001 to shareholders of record as of June 29, 2001 and is comprised of 11.3500 cents per share of net investment income and 0.0309 cents per share of long-term capital gains.

. The Mexico Fund, Inc. celebrated its 20th Anniversary on June 4, 2001. We would like to thank our shareholders for their continued support.

THE MEXICO FUND, INC.
TO OUR SHAREHOLDERS:

Economic Environment

Because of the close economic relationship between the United States and Mexico, the deceleration of the US economy has produced a similar slow down in Mexico. During the first quarter of 2001, Mexico's gross domestic product (GDP) growth was 1.9%, compared to 6.9% during 2000. During this period, the services, energy and water, and mining sectors increased by 3.9%, 2.0%, and 0.2%, respectively. The industrial sector declined by 1.3% and, within this, the manufacturing industry declined by 1.2% and construction declined by 3.8%. Finally, the primary sector (agriculture, fishing and livestock) of the economy declined by 5.5%. Economic analysts estimate that although the Mexican economy has suffered the effects of the slow down of the US economy in the first part of this year, Mexico's GDP will grow by approximately 2.5% in 2001.

The performance of the Mexican economy continued to be accompanied by a declining trend in inflation rates. Mexico's annual inflation rate at the end of May 2001 was 6.95%, lower than the 12.32% and 8.96% achieved at the end of 1999 and 2000, respectively. Strict adherence to a restrictive monetary policy and the strong valuation of the peso in relation to the US dollar continued to contribute to this downward trend in inflation. Depending on the outcome of fiscal reform proposals submitted to Congress earlier this year, in which the Executive Branch seeks several adjustments to the Mexican tax structure, inflation is expected by analysts to further decline to between 6.5% and 8.0% during 2001. The most controversial proposal introduced by the fiscal reform package is the elimination of the "zero" Value Added Tax rate (IVA for its Spanish acronym), for medicines and foodstuffs.

Domestic interest rates have declined substantially in recent months. The interest rate of the 28-day Cetes declined from 17.6% at the end of 2000 to 8.91% as of June 18, 2001, its lowest level since February 1994. Although the Central Bank still maintains a restrictive monetary policy, the deceleration of the economy and the strength of the Mexican peso have resulted in lower inflationary pressures.

The Mexican peso continues gaining strength against the US dollar as significant amounts of foreign investment have flowed into the country. The peso-dollar exchange rate ended April 2001 at Ps. 9.252 per dollar, 3.7% lower than at the end of the 2000 fiscal year. The announcement that Citigroup will acquire Banamex, the second largest bank in Mexico, for a total amount of $12.5 billion, generated positive expectations about the Mexican economy and the peso further strengthened against the dollar during May and June, when the exchange rate temporarily dropped to levels below Ps 9.00. Since then, the exchange rate has fluctuated near the Ps. 9.10 level, but economic analysts estimate that the peso will weaken in the months to come mostly due to lower levels of domestic interest rates and expect that the exchange rate will end 2001 at approximately Ps. 9.66 per dollar.

Although the rate of growth of Mexican exports has lessened in recent months, Mexico continues to be the second largest trade partner of the United States. Total trade between Mexico and the United States amounted to $60 billion during the first three months of 2001 and was exceeded only by total trade between the United States and Canada ($100 billion). President Fox has announced his intention to further enhance trade relations with Central, and

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South American, European Union and Asian countries in an effort to diversify Mexican external trade. Ten international free trade agreements with 30 nations around the globe have so far been executed. Also, among the universe of developing nations, Mexico is one of the three most important recipients of direct foreign investment. Last year, direct foreign investment increased 14% to $13.2 billion and amounted to $3.6 billion during the first quarter of 2001. During the first four months of 2001, Mexico's exports and imports increased 4.9% and 7.8%, compared with 22% and 23%, respectively, during 2000.

Although during the first quarter of 2001 Mexico had a public sector surplus of approximately $1.4 billion, public sector finances were negatively impacted by lower than budgeted government income. This was the result of the deceleration of the US and Mexican economies and lower international oil prices. On May 11, 2001, the government announced an expense reduction plan intended to preserve the stability of public sector finances. In addition, President Fox, as mentioned above, has introduced important fiscal reform proposals to Congress. Congress has not yet announced when it would comment on the proposals.

Fund's Performance & Portfolio Strategy

During the first half of fiscal 2001, the Bolsa continued to be affected by the performance of US financial markets and by the uncertainty surrounding the approval of the fiscal reform. The IFCG Mexico Index, the Fund's benchmark, declined 2.03% during the period, while the Bolsa Index fell 3.25%. During the first half of fiscal 2001, the Fund's market price per share increased 8.03% and its NAV decreased 2.30%. Since the first half of fiscal 2001, the Fund's performance has improved, partly as a result of an upturn in the Mexican equity market from the Citigroup-Banamex announcement (see next paragraph). As of June 22, 2001, the Fund's NAV and market price per share had increased from fiscal 2000 9.5% and 20.4%, respectively, compared with an 8.0% increase in the IFCG Mexico Index, the Fund's benchmark. On April 30, 2001, the Fund's market price per share was $17.08 and its NAV $20.36, reflecting a market discount of 16.11%, a continued reduction from 18.2% at January 31, 2001 and lower than the 30.94% discount registered one year earlier. The discount has remained at levels of around 16% since the end of April 2001. During the first half of fiscal 2001, total traded volume of Fund shares on all US consolidated markets amounted to 22.1 million shares.

Based on the Fund's assessment of the recovery expectations of the domestic financial sector, during the first half of fiscal 2001, the Fund continued to direct additional amounts of resources to two companies in the financial sector, Grupo Financiero Banamex Accival (Banacci) and Grupo Financiero BBV-Bancomer (GFBB). On May 17, 2001, Citigroup Inc., the world's largest financial institution, and Banacci, announced that they had reached an agreement for the acquisition of the outstanding shares of Banacci, for an amount of $12.5 billion. At the time of this announcement, Banacci was Mexico's second largest financial group. This is Mexico's largest acquisition ever. Citigroup will pay $6.25 billion in cash and the remainder in Citigroup stock. The announcement indicated that Citigroup shares would be listed on the Mexican Stock Exchange. The market price of

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Banacci shares increased 30% the day of the announcement and the Fund was overweighted in this issuer. The Fund has also continued investing in America Movil (AMX), a company dedicated to wireless and internet services, that resulted from the spin-off of Telmex, the largest Mexican telephone company, an issuer which continues presenting strong performance of sales and cash flow. Also, the Fund invested resources in Elektra, a retail company with attractive growth opportunities resulting from a dynamic performance of domestic consumption.

Funds for these investments came from the sale of several positions in companies such as Cemex, Telmex, Walmex, Telecom, Grupo Modelo, Televisa and Femsa. The Fund realized profits in these companies and also had to reduce its investments in order to comply with U.S. tax diversification requirements. The Fund also reduced some of its investments in Alfa, Desc and Nuevo Grupo Mexico because of the adverse impact of a strong Mexican currency and low international prices of commodities and metals. Additionally, the Fund also continued to reduce its investments in issuers with limited market liquidity such as Apasco, ARA, Bimbo, Soriana, Tamsa and Contal, and also in Kimberly, Grupo Carso and Grupo Sanborns because of specific issues affecting their fundamentals and stock market prices.

Finally, the Fund also dedicated part of the proceeds from these sales to repurchase its own shares in the open market. During May 2001, the Fund completed its 10% SRP, during which the Fund repurchased 5,050,693 shares at a discount to net asset value, resulting in an increase of net asset value per share for continuing shareholders.

This Report includes for your reference a summary description of the Fund's ten largest holdings, which at the end of April 30 represented 68.6% of its total net assets. The Fund's investments are categorized according to the sector classification provided by the Mexican Stock Exchange.

The Fund has adopted a concentration policy which permits the Fund to concentrate its investments in any industry or group of industries in the IPC Index (or any successor or comparable index as determined by the Board of Directors to be an appropriate measure of the Mexican market) if, at the time of investment, such industry represents 20% or more of the IPC Index, provided, however, that the Fund will not exceed the IPC Index concentration by more than 5%.

Currently, the only industry group which represents 20% or more of the value of the securities included in the IPC Index is the communications industry group. This industry category includes local, long-distance, and cellular telephone companies, as well as broadcast and media companies. Approximately four-fifths of this industry group are telecommunications companies. As of April 30, 2001, the Fund had 30.11% of its total assets invested in this industry category, compared with this sector's 39% representation in the IPC Index. The relatively high valuation of the companies in this industry versus other Mexican issuers, and their current negative fundamentals have caused the Fund's adviser to maintain an underweighted position relative to the Fund's benchmark in this industry. The Fund's investment adviser will continue to evaluate the concentration in this industry and may choose

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not to concentrate in this industry group in the future or to concentrate in other industries subject to the concentration policy described above.

The Fund publishes on its web site, located at www.themexicofund.com, its investment portfolio as of the end of each fiscal quarter, updated within the first five business days after the closing of the quarter. Accordingly, the Fund's portfolio, as reported on the web site, is updated during the first five business days of February, May, August and November. The Fund's investment portfolio as of April 30, 2001 has been posted on the web site since early May 2001.

Declaration of Dividend

The Board of Directors has declared a cash dividend of 11.3809 cents per share, payable on July 30, 2001 to shareholders of record on June 29, 2001. In addition, the Fund will elect to pass through to U.S. shareholders as gross income for Federal income tax purposes their proportionate share of Mexican income taxes paid by the Fund, amounting to 1.4400 cents per share, resulting in gross income of 12.8209 cents per share of which 12.7900 cents per share correspond to net investment income and 0.0309 cents per share correspond to long-term capital gains. U.S. shareholders may claim a foreign tax credit or deduction for U.S. federal income tax purposes for the amount of the Mexican tax. The net dividend is comprised of 11.3500 cents per share of net investment income and 0.0309 cents per share of long-term capital gains.

Shareholders enrolled in the Dividend Reinvestment Plan will receive their distribution in shares in common stock of the Fund. Shareholders whose distributions are additionally subject to withholding of U.S. tax by the Fund will receive cash or shares, as the case may be, net of the amount of applicable U.S. withholding tax.

The full amount of the dividend, whether received in cash or in additional shares of the Fund pursuant to the Fund's Dividend Reinvestment Plan, plus the amount of the Mexican tax passed through to shareholders, will be reportable by U.S. taxpayers on their Federal income tax returns and may be subject to applicable state and local taxes.

Further Restructuring Efforts Taken by the Board of Directors

As previously announced, management of the Fund has proposed several initiatives with the goal of maximizing shareholder value. On March 5, 2001, the Board announced its intention to implement a periodic repurchase policy for the Fund which would allow shareholders to submit shares for repurchase by the Fund with proceeds being paid in actual portfolio securities of the Fund. The Fund has made filings with the SEC and the IRS to permit the Fund to conduct periodic, in-kind repurchases from shareholders at no less than 98% of net asset value. The Fund is seeking approval to conduct repurchases for between one and 25 percent of the Fund's outstanding shares, at least annually and as frequently as quarterly. As of the date of this report, the Fund had not received a response from the corresponding authorities regarding the implementation of the proposed restructure.

Additionally, in order to further align the interests of the Fund's investment adviser with the interests of shareholders, the Board has approved implementation of a performance fee component to the Fund's investment advisory

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fee that would provide the adviser with an additional incentive to outperform the Fund's benchmarket index. The Board hopes (depending on the SEC and IRS responses to the periodic repurchase policy proposal) to submit these two initiatives for shareholder approval at a special shareholders meeting later this year.

Investor Relations

The Fund's web site presents the Fund's market price and NAV per share on a same-day basis and provides a downloadable database containing the most important historical figures for the Fund. Also available is the complete history of dividend distributions made by the Fund and additional links to useful sites of Mexican government agencies, capital markets and listed companies. Web site visitors may now request online to receive via regular mail a copy of this Annual Report and the most recent Quarterly and Monthly Summary Reports. We hope that the Fund's web site is a useful resource for information and we will continue working to improve it.

The Fund also has a toll-free telephone number that will provide you with the Fund's current NAV, quarterly reports and other Fund materials:

(800) 224-4134

The Fund also offers shareholders and the general public the ability to contact the Fund via e-mail with questions or requests for additional information about the Fund. Please direct your e-mail inquiries to:

Investor Relations Office
investor-relations@themexicofund.com

In addition to the quarterly reports published by the Fund, the Investment Adviser distributes a Monthly Summary Report with information about the Fund, the Mexican economy and the Bolsa. Interested persons may either access this report on the Fund's web site or receive it via regular mail. Please request this report through the Fund's web site or write to the Investment Adviser at:

Impulsora del Fondo Mexico, sa de cv.
77 Aristoteles St. 3rd Floor
Polanco
11560 Mexico, D.F.
Mexico

Information on the Fund's NAV and market price per share is also published weekly in The Wall Street Journal, The New York Times and other newspapers in a table called "Closed-End Funds". The Fund's NYSE trading symbol is MXF.

The Fund's shares are also listed and traded on the Third Section ("Freiverkehr") of the Stuttgart Stock Exchange. The Fund's German Domestic Tax Representative is:

ARTHUR ANDERSEN
Wirtschaftsprufungsgesellschaft
Steuerberatungsgesellschaft mbH
Mergenthalerallee 10-12
65760 Eschborn/Frankfurt/M.
Postfach 53 23
65728 Eschborn/Frankfurt/M.
Germany
Telefon: 06196-99-6264

Telefax: 06196-99-6419

The Fund's dividend reinvestment plan and transfer agent is:

American Stock Transfer & Trust Company
40 Wall Street
New York, NY 10005
(212) 936-5100

Dividend Reinvestment Plan

The Fund's Dividend Reinvestment Plan (the "Plan") provides a convenient way to increase your holdings in the Common Stock of the Fund through the reinvestment of net investment income and capital gain distributions. Under the terms of the Plan, Fund shareholders are automatically enrolled as participants in the Plan. If you do not wish to participate in the Plan, please contact the Plan Agent. Upon any termination of participation under the Plan, the Plan Agent will cause a share certificate for the appropriate number of full shares to be delivered to the participant, and a cash adjustment for any fractional shares. At a shareholder's request, the Plan Agent will sell the participant's shares and remit any proceeds to the participant, net of brokerage commissions. Shareholders who do not participate in the Plan will receive all distributions in cash. The Plan provides a convenient way to increase your holdings in the Common Stock through the reinvestment of distributions.

Under the terms of the Plan, whenever the Fund declares a distribution, Plan participants will receive their distribution entirely in shares of Common Stock purchased either in the open market or from the Fund. If, on the date a distribution becomes payable or such other date as may be specified by the Fund's Board of Directors (the valuation date), the market price of the Common Stock plus estimated brokerage commissions is equal to or exceeds the NAV per share of Common Stock, the Plan Agent will invest the distribution in newly issued shares of Common Stock, which will be priced at NAV. If on the valuation date, the market price of the Common Stock plus estimated brokerage commissions is lower than the NAV per share, the Plan Agent will buy Common Stock in the open market. As a participant in the Plan, you will be charged a pro-rata portion of brokerage commissions on all open market purchases.

If your shares are registered or will be registered in the name of a broker-dealer or any other nominee, you must contact the broker-dealer or other nominee regarding his or her status under the Plan, including whether such broker-dealer or nominee will participate in the Plan on your behalf. Generally, shareholders receiving Common Stock under the Plan will be treated as having received a distribution equal to the amount payable to them in cash as a distribution had the shareholder not participated in the Plan.

If you have any questions concerning the Plan or would like a copy of the Plan brochure, please contact the Plan Agent:

American Stock Transfer & Trust Company
Attention: Dividend Reinvestment Department
40 Wall Street
New York, NY 10005
(212) 936-5100

Sincerely yours,

/s/ Jose Luis Gomez Pimienta   /s/ Juan Gallardo T.

Jose Luis Gomez Pimienta
President

Juan Gallardo T.
Chairman of the Board

June 27, 2001

Description of the Fund's Ten Largest Holdings as of April 30, 2001.

1. Wal-Mart de Mexico ("Walmex") (10.62%)
Walmex is the largest chain of retail stores in Mexico and has the dominant market position in the commercial sector of the country. The company is a subsidiary of the US firm Wal-Mart Stores, Inc (NYSE: WMT). Walmex has a total of 499 units in 46 cities in Mexico, which includes supermarkets, retail stores and restaurants.

2. Telefonos de Mexico ("Telmex") (10.42%)
Telmex is the major telecommunications company in Mexico and provides local, domestic and international long-distance telephone service, internet access, wireless, data, audio and video transmission services. Since its privatization in 1990, Telmex has aggressively modernized and has emerged as a leader in telecommunication services in Latin America. Since 1999, Telmex has also provided telecommunication services in the United States.

3. Grupo Financiero Banamex Accival ("Banacci") (8.12%)
Banacci is one of the three largest financial institutions in Mexico, offering mainly banking, brokerage, insurance and pension funds management in Mexico. Through two of its subsidiaries, Banacci is also engaged in financial activities in Argentina and California, USA, and participates in the Mexican telecommunications sector through its investment in Avantel.

4. America Movil ("AMX") (6.92%)
On February 7, 2001, America Movil, a new Mexican corporation resulting from the spin-off of Telmex's wireless business and from most of its international operations, started trading on the Mexican Bolsa and on the NYSE (NYSE: AMX). America Movil is now Mexico's leading provider of wireless telecommunications services with 10.1 million customers and a 70.6% share of the Mexican market. America Movil has business operations in Argentina, Brazil, Ecuador, Guatemala, Puerto Rico and the United States.

5. Carso Global Telecom ("Telecom") (6.90%)
Telecom is dedicated to the telecommunications business and is the holding company of Telmex (see above) and Prodigy Inc. (Nasdaq: PRGY) (US), and has a stock participation in McLeod USA, Inc. (Nasdaq: MCLD) (US). The shares of Prodigy Inc., an important Internet service provider in the United States, have traded on the NASDAQ since February 1999.

6. Grupo Financiero BBVA--Bancomer ("GFBB") (6.37%)
GFBB is one of Mexico's two largest financial groups. In terms of deposits and number of clients, GFBB is the largest private financial institution in Latin America. Grupo Banco Bilbao Vizcaya Argentaria (BBVA), the largest financial group in Spain in terms of market capitalization, is GFBB's main stockholder. GFBB's principal subsidiary is Bancomer, one of Mexico's leading commercial banks, which operates as a universal bank and offers products and services to individuals and corporations. Through its network of 2,276 branches and 4,057 automated teller machines (ATMs) in Mexico, as of the end of 2000 (including BBV-Mexico and Banca Promex), Bancomer engages in a wide variety of commercial and retail banking activities. The bank has overseas branches in London and Grand Cayman Island, agencies in New York and Los Angeles and a representative office in Sao Paulo, Brazil. Additionally, Bancomer has a subsidiary bank in

the Cayman Islands, Mercury Bank & Trust Limited.

7. Grupo Modelo ("Gmodelo") (4.95%)
Founded in 1925, Gmodelo is the leader in the production, distribution and sale of beer in Mexico with a market share in the domestic and export markets of approximately 59%. The group exports its products to 150 countries and owns 10 brand names, including Corona, the most popular beer imported from Mexico, Victoria and Modelo. The company also imports and distributes in Mexico brand names of beer produced by its partner Anheuser-Busch, including Budweiser and Bud Light.

8. Fomento Economico Mexicano ("Femsa") (4.85%)
Femsa is Latin America's largest beverage company with exports to the United States, Canada and selected countries in Latin America, Europe and the Far East. Founded in 1890, Femsa is the largest totally integrated producer of soft drinks and beer in Mexico and is the controlling company of Coca-Cola Femsa (KOF), one of the leading bottlers in Latin America. Femsa also operates the largest chain of convenience stores in Mexico (Oxxo), produces packaging materials and is an important bottler in Argentina. Brand names produced by Femsa include Sol beer and Coca-Cola, among others.

9. Cemex ("Cemex") (4.81%)
Cemex is the world's third largest cement producer. The company and its subsidiaries are dedicated to the production, distribution, commercialization and sale of cement, concrete, mix, clinker and value added products. Cemex produces and operates in 30 countries around the world and has commercial relations with 60 countries. Cemex is the leader in the cement markets of Mexico, Spain, Venezuela, Panama, Costa Rica, the Dominican Republic, Egypt and Colombia, and has important market presence in the Caribbean, Indonesia, the Philippines and the southwest region of the United States.

10. Grupo Televisa ("Televisa") (4.61%)
Televisa is the largest media company in the Spanish-speaking world and a major participant in the international entertainment industry. Televisa has interests in television production and broadcasting, international distribution of television programming, direct-to-home satellite services, publishing, music recording, cable television, radio production and broadcasting, professional sports and show business promotion, paging services, feature film production and distribution and special events promotion and dubbing. Televisa also has an unconsolidated equity stake in Univision (NYSE: UVN), the leading Spanish-language television company in the United States, and owns the "esmas.com" internet portal.

The Mexico Fund, Inc.
Schedule of Investments as of April 30, 2001 (Unaudited)

Industries	Shares Held	Common Stock (93.96%)	Series	Value (Note 1)	Percent of Net Assets
Cement Industry	4,040,000	Apasco, S.A. de C.V. ...	*	$ 20,549,330	2.19%
	9,700,000	Cemex, S.A. de C.V.	CPO	45,103,113	4.81
				65,652,443	7.00

Communications	(a)	19,000,000	America Movil, S.A. de C.V.	A	17,250,324	1.84
	(a)	51,900,000	America Movil, S.A. de C.V.	L	47,681,582	5.08
	(a)	32,000,000	Carso Global Telecom, S.A. de C.V.	A1	64,747,082	6.90
	(a)	22,895,000	Grupo Televisa, S.A. ...	CPO	43,231,264	4.61
		19,000,000	Telefonos de Mexico, S.A. de C.V.	A	33,268,482	3.55
		37,200,000	Telefonos de Mexico, S.A. de C.V.	L	64,452,659	6.87
		25,515,000	TV Azteca, S.A. de C.V.	CPO	11,886,041	1.26
					282,517,434	30.11
Financial Groups		41,811,200	Grupo Financiero Banamex Accival, S.A. de C.V. .	O	76,147,722	8.12
	(a)	74,649,900	Grupo Financiero BBVA-Bancomer, S.A. de C.V.	O	59,787,696	6.37
	(a)	4,827,000	Grupo Financiero Inbursa, S.A. de C.V. .	O	15,521,320	1.65
	(a)(b)	--	Grupo Financiero Scotiabank Inverlat Recovery Trust.........		--	0.00
					151,456,738	16.14
Food, Beverages		11,896,000	Fomento Economico Mexicano, S.A. de C.V.	UBD	45,465,041	4.85
and Tobacco		23,000,000	Grupo Bimbo, S.A. de C.V.	A	34,057,501	3.63
		16,848,500	Grupo Modelo, S.A. de C.V.	C	46,418,965	4.95
					125,941,507	13.43
Holding Companies		5,350,000	Alfa, S.A. de C.V.	A	7,072,038	0.75
	(a)	6,100,000	Corporacion Interamericana de Entretenimiento, S.A. de C.V.	B	21,421,206	2.28
		20,600,000	Desc, S.A. de C.V.	B	8,906,182	0.95
	(a)	8,500,000	Grupo Carso, S.A. de C.V.	A1	20,992,758	2.24
	(a)	2,640,000	Grupo Sanborns, S.A. de C.V.	B-1	3,281,453	0.35
					61,673,637	6.57
Housing	(a)	5,900,000	Consorcio ARA, S.A. de C.V.	*	8,219,952	0.87
	(a)	2,290,000	Corporacion Geo, S.A. de C.V.	B	1,863,781	0.20
					10,083,733	1.07
Mining Industry		5,100,000	Grupo Mexico, S.A. de C.V.	B	13,323,281	1.42

Pulp and Paper	14,200,000	Kimberly-Clark de Mexico, S.A. de C.V. ..	A	37,924,989	4.04

The Mexico Fund, Inc.
Schedule of Investments as of April 30, 2001 (Unaudited) -- (Continued)

Industries	Shares Held	Common Stock (Continued)	Series	Value (Note 1)	Percent of Net Assets
Retail Stores	11,770,000	Controladora Comercial Mexicana, S.A. de C.V.	UBC	$ 8,994,153	0.96%
	10,624,400	Grupo Elektra, S.A. de C.V.	CPO	9,990,519	1.06
	4,000,000	Organizacion Soriana, S.A. de C.V.	B	8,737,570	0.93
	13,090,000	Wal-Mart de Mexico, S.A. de C.V.	C	29,230,372	3.12
	29,600,000	Wal-Mart de Mexico, S.A. de C.V.	V	70,416,775	7.50
				127,369,389	13.57
Steel	431,000	Tubos de Acero de Mexico, S.A.	*	5,687,970	0.61
		Total Common Stock (Identified Cost--$593,198,608)..........		$881,631,121	93.96%

Securities	Short-Term Securities (3.34%)	Value (Note 1)	Percent of Net Assets
Repurchase Agreements	Bancomer, S.A., 13.20%, dated 04/30/01, due 05/02/01, repurchase price $31,362,327, collateralized by Bondes.................	$ 31,339,344	3.34%
	Total Short-Term Securities (Identified cost--$31,339,344).....	31,339,344	3.34
	Total Investments (Identified cost--$624,537,952)..........	912,970,465	97.30
	Other Assets in Excess of Liabilities.........	25,309,159	2.70

Net Assets Equivalent to $20.36 per share on 46,079,925 shares of capital stock outstanding (Note 7)...	$938,279,624	100.00%

(a) Shares of these securities are currently non-income producing. Equity investments that have not paid dividends within the last twelve months are considered to be non-income producing.
(b) See Note 10 to Financial Statements.

See Notes to Financial Statements.

The Mexico Fund, Inc.
Statement of Assets and Liabilities as of April 30, 2001 (Unaudited)

Assets:		
Investments:		
Securities, at value (Note 1):		
Common stock (identified cost--$593,198,608)........	$881,631,121	
Short term securities (identified cost-- $31,339,344).....................................	31,339,344	
Total investments (identified cost--$624,537,952)..		$912,970,465
Receivables from securities sold....................		25,912,662
Prepaid Mexican withholding taxes (Note 1)..........		664,230
Prepaid expenses....................................		184,686
Interest receivable.................................		11,491
Total assets....................................		939,743,534
Liabilities:		
Payable for repurchase of Fund's shares (Note 9).....		678,295
Payable to Investment Advisor (Notes 2 and 3)........		621,084
Accrued expenses and other liabilities..............		166,531
Total liabilities...............................		1,463,910
Net Assets--Equivalent to $20.36 per share on 46,079,925 shares of capital stock outstanding (Note 7)..		$938,279,624

See Notes to Financial Statements.

The Mexico Fund, Inc.
Statement of Operations (Unaudited)   For the Six Months Ended April 30, 2001

Net Investment Income:		
Income (Note 1):		
Dividends....................................	$ 8,588,011	
Interest and discounts earned................	1,679,087	

Total income.................................		$ 10,267,098
Expenses:		
Investment advisory fee (Note 2).............	3,091,406	
Administrative services (Note 3).............	180,938	
Value-added taxes (Note 1)...................	508,494	
Printing, distribution and mailing of shareholder reports........................	107,101	
Legal fees...................................	452,438	
Directors' fees..............................	130,773	
Directors' and Officers' expenses............	60,897	
Accounting and audit fees....................	60,939	
Custodian fees (Note 5)......................	47,074	
Transfer agent and dividend disbursement fees..	10,500	
Shareholders' information....................	121,099	
Stock exchange fees..........................	24,006	
Insurance....................................	64,173	
Miscellaneous................................	65,825	

Operating expenses...........................		4,925,663

Net investment income (Note 1)...............		5,341,435

Net Realized and Unrealized Gain (Loss) on Investments and Foreign Currency Transactions:		
Net realized gain on investments and foreign currency transactions (Notes 1 and 6):		
Proceeds from sales..........................	138,959,060	
Cost of securities sold......................	52,220,863	

Net realized gain on investments.............	86,738,197	
Net realized gain from foreign currency transactions................................	552,656	

Net realized gain on investments and foreign currency transactions......................		87,290,853
Decrease in net unrealized gain on investments and translation of assets and liabilities in foreign currency:		
Investments:		
End of period (Note 6).......................	288,432,513	
Beginning of period..........................	416,636,993	

Decrease in net unrealized gain on investments.................................	(128,204,480)	
Translation of assets and liabilities in foreign currency:		
End of period................................	662,683	
Beginning of period..........................	35,585	

Increase in net unrealized gain on translation of assets and liabilities in foreign currency....................................	627,098	

Decrease in net unrealized gain on investments and translation of assets and liabilities in		

foreign currency............................	(127,577,382)
Net Decrease in Net Assets Resulting from Operations..................................	$ (34,945,094)

See Notes to Financial Statements.

The Mexico Fund, Inc.
Statements of Changes in Net Assets

	For the Six Months Ended April 30, 2001 (Unaudited)	For the Year Ended October 31, 2000
Increase (Decrease) in Net Assets:		
From Operations		
Net investment income..................	$ 5,341,435	$ 8,893,385
Net realized gain on investments and foreign currency transactions.........	87,290,853	59,717,615
Decrease in net unrealized gain on investments and translation of assets and liabilities in foreign currency.......	(127,577,382)	(2,934,353)
Net (decrease) increase in net assets resulting from operations.............	(34,945,094)	65,676,647
Dividends to shareholders from net realized gain on investments..........	(2,348,286)	--
Dividends to shareholders from net investment income....................	(87,660)	(9,429,937)
	(37,381,040)	56,246,710
From Capital Share Transactions (Note 9)		
Repurchase of stock, at cost...........	(46,475,271)	(22,737,565)
Total (decrease) increase in net assets..............................	(83,856,311)	33,509,145
Net Assets:		
Beginning of period....................	1,022,135,935	988,626,790
End of period..........................	$ 938,279,624 (A)	$1,022,135,935 (A)

See Notes to Financial Statements.

(A) Including accumulated net investment loss of $(5,045,636) as of April 30, 2001 and $(10,852,067) as of October 31, 2000.

The Mexico Fund, Inc. Financial Highlights	For the Six Months Ended April 30, 2001 (Unaudited)	For the Year Ended October 31, 2000	1999	1998	1997	1996
Per Share Operating Performance:						
Net asset value, beginning of period....	$ 20.84	$ 19.57	$ 15.52	$ 23.49	$ 17.33	$ 13.80
Net investment income (Note 1).............	0.11**	0.18**	0.40	0.39**	0.40	0.50
Net (loss) gain on investments and translation of foreign currency (Note1)......	(0.86)**	1.10**	4.10	(7.48)**	6.16	3.46
Total from investment operations............	(0.75)**	1.28**	4.50	(7.09)**	6.56	3.96
Less Dividends and Distributions:						
Dividends to shareholders from net investment income.....	(0.00)	(0.19)	(0.45)	(0.23)	(0.38)	(0.43)
Distributions to shareholders from net capital gains.........	(0.05)	--	--	(0.60)	(0.02)	--
Total dividends and distributions..........	(0.05)	(0.19)	(0.45)	(0.83)	(0.40)	(0.43)
Capital Share Transactions:						
Effect on NAV of stock repurchased...........	0.32	0.18	--	--	--	--
Capital charge resulting from issuance of fund shares................	--	--	--	(0.05)	--	--
Net asset value, end of period................	$ 20.36	$ 20.84	$ 19.57	$ 15.52	$ 23.49	$ 17.33
Market value per share, end of period.........	$ 17.08	$ 15.81	$ 14.31	$ 11.25	$ 18.69	$ 14.13
Total investment return based on market value per share..............	8.33%	11.82%	31.92%	(36.70%)	35.03%	18.77%
Ratios to Average Net Assets:						
Expenses...............	1.08%*	0.96%	0.98%	0.93%	0.91%	1.00%
Net investment income..	1.17%*	0.78%	2.14%	1.87%	1.80%	2.93%
Supplemental Data:						
Net assets at end of period (in 000's).....	$938,280	$1,022,136	$988,627	$783,775	$1,167,893	$861,750
Portfolio turnover rate.................	7.48%	22.27%	6.40%	3.69%	7.58%	9.57%

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*Annualized

**Amounts were computed based on average shares outstanding during the period.

See Notes to Financial Statements.

The Mexico Fund, Inc.

Selected Quarterly Financial Data (Unaudited)

	(Amounts in thousands, except share amounts)			
	Quarter Ended April 30, 2001		Quarter Ended January 31, 2001	
	Total	Per Share	Total	Per Share
Investment income..................	$ 8,138	$ 0.18	$ 2,129	$ 0.05
Net investment income (loss).......	$ 5,573	$ 0.12	$ (232)	$ (0.00)
Net realized gain on investments...	$ 35,496	$ 0.77	$ 51,242	$ 1.10
Net realized gain (loss) from foreign currency transactions.....	$ 701	$ 0.02	$ (148)	$ (0.00)
Decrease in net unrealized gain on investments......................	$(64,168)	$(1.39)	$(64,036)	$ (1.37)
Increase in net unrealized gain on translation of assets and liabilities in foreign currency..............	$ 174	$ 0.00	$ 453	$ 0.01
Net assets........................	$938,280	$20.36	$969,768	$ 20.79

See Notes to Financial Statements.

The Mexico Fund, Inc.

Notes to Financial Statements--

April 30, 2001 (Unaudited)

1. Operations and Significant Accounting Policies:

The Fund is registered under the Investment Company Act of 1940, as amended (the "1940 Act"), as a closed-end management investment company. On October 16, 2000, the Fund received shareholder approval to convert from a diversified to a non-diversified investment company under the 1940 Act. The investment objective of the Fund is to seek long-term capital appreciation through investment in securities, primarily equity, listed on the Mexican Stock Exchange.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund.

Valuation of investments -- Investments traded on the Mexican Stock Exchange are valued at the closing price reported by the Mexican Stock Exchange. The closing price represents the weighted average for the last ten minutes of operations in any business day. Short-term securities are carried at cost, plus accrued interest, which approximates market value. All other securities are valued in accordance with methods determined by the Board of Directors. If the Board of Directors believes that the price of a security obtained under the Fund's valuation procedures does not represent the amount that the Fund reasonably expects to receive on a current sale of the security, the Fund will value the security based on a method that the Board believes accurately reflects fair value.

Security transactions and investment income -- Security transactions are recorded on the date which the transactions are entered into (the trade date). Dividend income is recorded on the ex-dividend date and interest income is recorded as it is earned.

Foreign Currency -- The market value of Mexican securities, currency holdings and other assets and liabilities denominated in Pesos ("Ps.") was recorded in the financial statements after translation into U.S. dollars based on the open market exchange rate prevailing in Mexico City at the end of the period. The open market exchange rate at April 30, 2001 was Ps. 9.252 to $1.00.

The identified cost of portfolio holdings is translated at approximate rates prevailing when acquired. Income and expense amounts are translated at approximate rates prevailing when earned or incurred.

Since the net assets of the Fund are determined based on the currency exchange rate and market values at the close of each business day, it is not practicable to isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of securities during the year. Accordingly, the net realized and unrealized gain on investments presented in the accompanying financial statements include the effects of both such changes.

Reported net realized foreign exchange gains or losses arise from sales of short-term securities in exchange of property, payment of services or functional currency denominated assets, currency gains or losses realized between the trade and settlement dates on securities transactions, the difference between the amounts of dividends, interest, and foreign withholding taxes recorded by the Fund, and the U.S. dollar equivalent of the amount actually received or paid.

Net unrealized foreign exchange gains and losses arise from changes in the value of assets and liabilities other than investments in common stocks, resulting from changes in the exchange rate.

Repurchase Agreements -- The Fund enters into repurchase agreements with approved institutions. The Fund's repurchase agreements are fully collateralized by Mexican or U.S. Government securities. The Fund takes possession of the collateral and the Fund's investment advisor monitors the credit standing of repurchase agreement counterparties. The fair value of the collateral is at least equal to the principal amount of the repurchase transaction, including accrued interest, at all

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times. If the counterparty defaults, and the fair value of the collateral declines, realization of the collateral by the Fund may be delayed or limited.

As of April 30, 2001, the Company has received collateral of $ 31,339,344 related to these repurchase agreements.

Realized gains and losses on investments -- Realized gains and losses on investments are determined on the identified cost basis.

Taxes -- No provision has been made for U.S. income taxes for the six months ended April 30, 2001, on net investment company taxable income or net long-term capital gains as defined by the Internal Revenue Code (the "Code"), since the Fund intends to comply with the requirements of the Code applicable to regulated investment companies and to distribute substantially all of such income to its shareholders.

The Fund is subject to Mexican withholding taxes in accordance with the Mexican Income Tax Law and with the provisions included in the treaty to avoid double taxation signed between Mexico and the United States, on specific sources of income. Such taxes will be applied to the shareholders upon payment of dividends by the Fund.

The provision for value-added taxes represents Mexican value-added tax on certain services rendered by Mexican corporations to the Fund.

Dividends to shareholders -- Cash dividends are recorded by the Fund on the ex-dividend date. Dividends paid to shareholders are subject to Mexican withholding taxes.

Lending of portfolio securities -- During fiscal year 1998, the Board of Directors approved a securities lending program for the Fund. Merrill Lynch Portfolio Services, Inc. served as the lending agent for the Fund from August 1998 through August 1999.

In March 2000, the Board appointed Cantor Fitzgerald & Co. ("Cantor"), as the lending agent for the Fund. Since March 7, 2000, the Fund has been lending part of its portfolio securities to approved financial institutions, provided that the market value of securities loaned will not at any time exceed one-third of the Fund's total assets. The Fund continues to receive dividends on the securities loaned. Any gain or loss in the value of the securities loaned that may occur during the term of the loan will be accounted for by the Fund. The Fund earns interest on the investment of the collateral received for the securities loaned. The Fund may rebate a portion of the interest earned on the investment of collateral to the borrower, and may pay a commission to the lending agent. Under the agreement, Cantor may also reimburse to the Fund the custodian fees. In order to protect against the risk of failure by the borrower to return the securities loaned or any delay in the delivery of such securities, each loan is collateralized by U.S. dollars (cash), securities issued or guaranteed by the U.S. government or its agencies or instrumentalities, or irrevocable stand-by letters of credit issued by U.S. banks. Portfolio securities loaned are initially collateralized at 105 percent of its market value. If the collateral value falls below 105 percent, at the close of any business day, Comerica Bank, the Fund's custodian of the collateral received, will obtain additional collateral from the borrower, on the following business day, in an amount sufficient to restore the collateral to 105 percent.

Since September 29, 2000, the Fund has not been actively lending portfolio securities under this Program.

2. Investment Advisory Agreement:

The Fund has a management contract with Impulsora del Fondo Mexico, S.A. de C.V. (the "Adviser"), a Mexican corporation registered under the U.S. Investment Advisers Act of 1940. The Adviser furnishes investment research and portfolio management services consistent with the Fund's stated investment policies. The Fund pays to the Adviser a monthly fee at the annual rate of 0.85% on the first $200 million of average daily net assets, 0.70% on the excess over $200 million up to $400 million and 0.60% on the excess over $400 million.

3. Administrative Services Agreement:

Effective April 1, 1994, the Fund entered into an Administrative Services Agreement with the Adviser, which

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provides for certain services to be performed by the Adviser, including among other administrative activities, the determination and publication of the net asset value of the Fund, the maintenance of the Fund's books and records in accordance with applicable U.S. and Mexican Laws and assistance in the preparation and filing of annual reports and tax returns. The term of this agreement was renewed by the Board of Directors through August 31, 2002. The annual fee payable to the Adviser by the Fund under this agreement was $350,000. Effective July 1, 2001 the Fund will pay to the Adviser a monthly fee at the annual rate of 0.07% of average daily net assets.

4. Trust Agreement and Trustee:

BBVA Bancomer, S.A. ("Bancomer") was the trustee for the Mexican Trust through which the Fund invested. During 1997 and 1998, the Mexican governmental authorities gave approval to the Trustee for the transfer of the total assets and liabilities of the Trust to the Fund. On February 27, 1998, the Fund's shareholders approved matters in connection with the termination of the Trust Agreement with Bancomer. The termination was effective on March 31, 1998.

5. Mandate Agreement and Mandatory Party:

In connection with the termination of the Trust Agreement discussed in the preceding note, on March 31, 1998, the Fund signed a Mandate Agreement with Bancomer. Under this Agreement, Bancomer acts as the Mandatory Party, performing certain activities related to the custody of the Fund's securities, that were previously performed under the trust agreement.

The annual fee payable to Bancomer under this Agreement is denominated in Mexican pesos, which currently translates to approximately $50,625. Due to the nature of this Agreement, the fees paid to Bancomer are consolidated with the Fund's custodian fees.

6. Purchases and Sales of Investments:

Purchases and sales of investments, excluding short-term securities, for the six months ended April 30, 2001 were as follows:

Purchases	
Common Stock	$ 67,405,172
Total Purchases	$ 67,405,172

Proceeds from Investments Sold	
Common Stock	$138,959,060
Total Sales	$138,959,060

As of April 30, 2001, net unrealized gains on investments in common stocks for Federal income tax purposes aggregated to approximately $288 million, of which approximately $370 million related to appreciated securities and approximately $82 million related to depreciated securities. The aggregate cost of investments in common stocks at April 30, 2001 for Federal income tax purposes was approximately $593 million.

7. Capital Stock:

At April 30, 2001, there were 150,000,000 shares of $1.00 par value common stock authorized, of which 46,079,925 shares were outstanding.

The Fund offers a Dividend Reinvestment Plan ("Plan") to its shareholders. Fund shareholders are automatically enrolled as participants in the Plan unless they notify the Fund's transfer agent otherwise.

On December 10, 1997, the Board of Directors declared a stock dividend of $29,625,602. This dividend was paid in shares of common stock of the Fund, and in cash by specific election. Some shareholders selected the stock dividend, therefore, on January 31, 1998 the Company issued 791,018 shares, which amounted to $15,078,787.

As of April 30, 2001, net assets were comprised of the following:

Common stock	$ 40,079,925
Additional paid-in capital	511,680,465
Accumulated net investment loss	(5,045,636)
Undistributed net realized gain on investments	96,469,674(A)
Unrealized appreciation of investments and translation of assets and liabilities in foreign currency	289,095,196
	$938,279,624

(A) $86,757,932 for Federal Income Taxes

Dividends to shareholders from net investment income are determined based on Federal income tax regulations, whereas the corresponding net investment income as reflected in the accompanying financial statements, is presented in accordance with accounting principles generally accepted in the United States.

Accumulated net realized losses from foreign currency transactions have been netted against undistributed net investment income to be consistent with the tax treatment for distributions from net investment income per the tax code.

8. Capital Gains:

Net realized gains from security transactions, are distributed annually to shareholders. Capital loss carryforwards, if any will be used to offset future capital gains available for distribution.

9. Stock Repurchase Program:

On July 31, 2000, the Board of Directors announced a Stock Repurchase Program pursuant to which the Fund may purchase in the open market up to 5,050,693 shares of its stock at prevailing market prices. The Program started on August 7, 2000. As of April 30, 2001, the Fund has repurchased 4,427,000 of its shares at a cost of $69,212,836.

10. Investments:

As a result of significant losses incurred by Grupo Financiero Scotiabank Inverlat, S.A. de C.V. ("Inverlat"), certain significant shareholders, together with the financial authorities, developed a recapitalization program. On July 23, 1996, after the absorption of accumulated losses through the total reduction of capital stock, shareholders of Inverlat approved a cash contribution by FOBAPROA (Banking Fund for Savings Protection) to cover such losses. As a consequence, all shares outstanding prior to July 23, 1996, were cancelled. The Fund has received an interest in a Recovery Trust set up to manage the recovery assets of Inverlat. Through the trust agreement, the Company may receive shares equal to 9% and up to 36% of their ownership interest. Management has assigned the market value of the Fund's holdings in the Recovery Trust at $0 as of April 30, 2001, due to the uncertainty regarding its ultimate realization.

According to the Bank Savings Protection Law, which was enacted on January 20, 1999, all assets of FOBAPROA have been transfered to a new entity called IPAB (Bank Savings Protection Institute). This transfer will not modify the market value assigned to the Recovery Trust.