

The larger state enterprises are also potential customers. Both *Petróleos Mexicanos (PEMEX)* the national oil company, and the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, are investing in water treatment plants. In July 1994, *PEMEX* awarded build-operate-transfer (BOT) contracts, worth up to US \$50 million each, to four private companies.

Canadian companies that have participated in BOT water projects in Mexico say that competition is stiff, especially from Mexican companies. Municipal BOT projects often attract 20 to 25 proposals. The Monterrey conglomerate *Cydsa* is one of the top companies in the industry. According to a company spokesperson, the firm is designing, constructing and operating two municipal BOT water-treatment plants in Chihuahua, as well as two more located at refineries owned by *PEMEX*. The predominance of local companies stems from the fact that the civil engineering component of most water projects is much larger than the advanced technology element. Several Canadian companies with innovative environmental technologies have found Mexican partners who can handle the lower-technology elements.

#### **MEXICAN GOVERNMENT PROCUREMENT**

One of the major achievements of the North American Free Trade Agreement (NAFTA) negotiations is a chapter on government procurement. The Government of Mexico is a major user of both goods and services. The most promising sectors are for advanced technology equipment and related consulting services.

Canadian companies achieved some successes in these areas, even before the NAFTA. But purchasing by the Mexican government has traditionally been an arcane process, dominated by insiders. The new rules provide access to the bidding process for Canadian companies for most types of procurement. But learning about upcoming bids can still be a time-consuming process. In Canada, the federal government provides information about its own procurements through the Open Bidding System (OBS), an electronic bulletin board service. In addition, the NAFTA working group on procurement is striving to ensure access to the government bidding system and improve its transparency.

To help Canadian companies take advantage of Mexican government procurements, the Department of Foreign Affairs and International Trade (DFAIT) has arranged to provide similar information pertaining to the Government of Mexico. Under a subsidiary agreement, procurement notices from the federal government of Mexico are now included in the Open Bidding System (OBS). The Mexican notices are translated in both official languages and posted on OBS within two days of their publication in Mexico. More than 27,000 Canadian suppliers from all industrial sectors are now using this system. For more information on how to access this service, contact: ISM Information Systems Management in Ottawa, by telephone 1-800-361-4637 or fax (613) 737-9479.