Three categories account for approximately 88% of expenditures in pollution control equipment and instruments: industrial wastewater, municipal wastewater and potable water treatment and air pollution control. These areas, together with noise pollution control, are the ones with the greatest market potential for imported products. At the same time, it is expected that these areas will grow at a proportionally faster pace in the coming years.

U.S. products dominate the market for both instrumentation and equipment, with an import market share of 72%. It is followed by West Germany (9%), Switzerland (3%), Japan (3%), France (2%) and Canada (1.6%). U.S. products are identified in the Mexican market as incorporating the latest technological advances and being of the highest quality. In addition, due to the geographical proximity of both countries, delivery and service are quick and trustworthy. Several U.S. companies have also established joint ventures with Mexican companies to penetrate the market. These factors have allowed U.S. products to enjoy a high preference among Mexican users. Nevertheless, third country competitors are forcefully trying to gain a greater part of the market by offering lower prices, more liberal credit terms, more flexible licensing and joint venture agreements and increased servicing facilities. In order to keep or increase their market share, Canadian suppliers need to be more aggressive in the market and promote their products, particularly now that the market is expanding as a result of the increased awareness of pollution hazards and more stringent environmental regulations.

TABLE 2
CANADIAN IMPORTS AND EXPORTS OF POLLUTION CONTROL EQUIPMENT AND INSTRUMENTS WITH MEXICO
(000 Can $)

	1986 IMPORTS FROM MEX	1986 EXPORTS TO MEX	1989 IMPORTS FROM MEX	1989 EXPORTS TO MEX
boilers over 45tons			973	
centrifugal pumps				18
compressors	6	48	32	40
heat exchange units	37	385	19	161
heat treatment un.	22	2	195	222
water filters	8			32
oil filters engines	72	4	105	4
liquid purifiers		17		5
air filters engines		4		
gas purifiers	26,285	427	35,827	2,349
parts purifiers	2,147	157	21	100
catalytic converters		1,322	176	1,298
control valves	806	75	899	260
TOTAL EQUIPMENT	29,175	2,450	37,074	4,459