



unions tend to concentrate on economic benefits: they have not been as aggressive as their Canadian counterparts in pressing for health and safety improvements. In fact, health and safety clauses in collective agreements are most often proposed by management. The main impetus for improved standards is coming from government. This is partly a result of NAFTA, which included a "side agreement" on labour. The North American Agreement on Labor Cooperation (NAALC) calls upon all three governments to guarantee safer and cleaner working environments. Rising premiums for workers' compensation are another force motivating safer work practices.

Fire safety is difficult to evaluate because of the lack of reliable statistics. Many fires are not reported. The United States Department of Commerce has estimated that an average 1,300 Mexicans lose their lives and another 5,200 are injured in fires annually. The economic crisis has reduced public spending on fire safety, placing greater onus on owners of homes and businesses to provide their own fire abatement systems.

Canadian companies, especially those with niche technologies, usually find that partnering with a Mexican firm is the most effective market entry strategy. Mexican suppliers understand the market and do not face the cultural barriers that foreign suppliers do. But they lack technical sophistication and are strapped for capital. Canadian companies that can fill these gaps will find attractive long-term opportunities in the Mexican market.

THE SAFETY AND SECURITY SECTOR

The safety and security sector includes companies that supply equipment and services for the prevention of

personal injury and property damage from occupational hazards, crime hazards and fire hazards. The sector includes manufacturers of protective products and technologies as well as distributors of imported products who also advise on system design, maintenance and operation. There are few professional safety and security consultants. Mexican companies dominate the low-technology end of this sector, but they are mostly dependent on imports for advanced technologies.

OCCUPATIONAL HEALTH AND SAFETY

According to official government statistics, there were more than 437,000 occupational accidents and illnesses in Mexican private-sector workplaces during 1995. Total lost time was 11 million days. These include only incidents within the jurisdiction of the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, which covers private-sector workers. Public-sector employees are covered by the *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, Institute for Security and Social Services for Public Sector Employees. It reported only 1,335 accidents during the first eight months of 1995.

Although notoriously lax, enforcement of occupational health and safety standards has been stepped up in recent years. Nonetheless, government officials say that only 5 percent of 670,000 registered companies were visited by inspectors in 1995. The insured workers employed by those companies make up less than 10 percent of Mexico's population.

Engineering controls for health and safety hazards are a relatively new concept in Mexico, and the emphasis is still on personal protective equipment for workers. The regulations include detailed requirements for a

wide variety of protective clothing and equipment. As the restructuring of the Mexican economy proceeds and regulation efforts get tougher, more companies can be expected to deal with health and safety hazards at their source.

PROTECTION AGAINST CRIME

Mexico's larger cities have always been relatively dangerous and the economic crisis, precipitated by the peso devaluation of December 1994, has made the situation worse. Criminals tend to be heavily armed and in the absence of adequate police protection, they have become very bold. Armed robbery is the most threatening problem. Every day, almost 60 occupied cars are seized from their owners in Mexico City, typically at gunpoint. A total of 30,000 automobiles were stolen during 1995, and the number of violent robberies of homes rose by 36 percent to reach 923. Crime against business has increased by similar proportions, and organized crime has become a growing threat.

These events have led to a rapid growth in the market for security products. According to United States Department of Commerce estimates, the market for personal security equipment was expected to grow by 15 percent to reach US \$54 million in 1996. About 80 percent of this equipment is imported.

A Programa Nacional de Seguridad Pública 1995-2000, National Public Safety Program, was unveiled in July 1996. Twelve thousand new police officers will be hired, and there have already been a number of publicly-sponsored crime-fighting campaigns. Government demand for security equipment during 1996 is estimated at double the 1995 levels.

FIRE SAFETY

Government purchases of fire-fighting equipment and fire-prevention sys-