## CANADA AND THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

## **EXPORT OPPORTUNITIES IN MEXICO**

Canadian exports to Mexico were up by 100% during the first five months of this year compared to the same period in 1991.

- ♦ The trade deal should open up a total North American <u>auto parts</u> market of more than \$12.8 billion by 1994.
- ♦ Mexico is updating and improving its <u>telecommunications</u> system to the tune of \$30 billion over the next 10 years.
- Mexico's commitment to addressing its pollution problem creates increased demand for more sophisticated and specialized <u>pollution control equipment</u> and technology -- a market worth more than \$280 million.
- ♦ <u>Computer and computer parts</u> exports to Mexico are growing fast. The <u>computer software</u> market alone -- estimated at \$1.4 billion this year -- could be one of the most lucrative for Canadian exporters under a NAFTA.
- ♦ The <u>consumer and leisure products</u> market in Mexico is rapidly expanding -- Canada is already Mexico's sixth largest supplier.
- Recent reductions in duties on <u>electric components</u> entering Mexico make foreign producers even more competitive than before.
- ♦ The Mexican forestry industry is highly dependent on imports of machinery, with a market estimated at \$55 million by 1994.
- Recent privatization in the <u>steel industry</u> and plans to modernize facilities will open a <u>steel technology and equipment market</u> worth some \$100 million by 1994.
- ♦ Mexico is the thirteenth largest consumer of <u>machine tools</u>, importing 90% of its needs.
- ♦ The Mexican mining industry equipment and services, estimated at \$164 million by 1994, relies on imports for over 80% of its needs.
- ♦ The oil and gas equipment market in Mexico is worth more than \$2 billion.
- ♦ Mexican <u>agricultural machinery</u> purchases are expected to exceed \$273 million by 1994.
- ♦ There is a large market for expertise in <u>irrigation and drainage</u>.
- ♦ With a NAFTA, Canada should surpass its 1990 level of \$116 million worth of agricultural products exports to Mexico.
- ♦ Mexico will buy \$610 million of plastics and resins this year.
- A growing \$2.5-billion-a-year <u>tourism</u> industry -- Mexico's second-largest industry after oil -- offers opportunities in <u>restaurant equipment and supplies</u>.

For more information on trade opportunities in Mexico please contact the Latin America and Caribbean Trade Division of External Affairs and International Trade Canada at (613) 996-5547 or (613) 995-8804. Our fax number is (613) 943-8806.