

ELECTRIC POWER

Mexico's electric power system is both inefficient and inadequate to meet the nation's needs. Substantial amounts of energy are lost due to transmission losses and to an antiquated system of household metering. By one estimate, Mexico will need 14,639 megawatts of new generating capacity to meet projected electricity demand in the year 2003. In a reversal of past policies, the government has announced that it will rely on the private sector for about 60 percent of these needs. Canadian capabilities in the electric power sector are well-matched to these needs.

ADVANCED MANUFACTURING EQUIPMENT

Mexico's exports surged by 30 percent in 1995 as a result of the devaluation of the peso. But many manufacturers are hard pressed to take advantage of export opportunities because they cannot meet international standards of quality, consistency and reliability. Canada's established expertise in developing automated flexible manufacturing systems to serve its relatively small market are particularly adaptable to Mexican needs.

EMERGING SECTORS OF INTEREST

In addition to the priority sectors listed above, there are several other sectors where significant trade already exists between Canada and Mexico. They are considered to be sectors of emerging Mexican demand.

AUTOMOTIVE PRODUCTS AND SERVICES

Canada and Mexico have similar automotive sectors, dominated by branch plants of multinational manufacturers, in particular the American "Big Three" automotive manufacturers. For the most part, their purchases are determined by continental and even global policies. Canadian producers participate in this trade through their affiliations with the major producers. In addition, the propensity of Mexican consumers to keep their cars for a long time has created a large market for aftermarket parts, accessories and service.