TABLE OF CONTENTS

THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of 360 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandisc trade with Mexico exceeded \$5.5 billion in 1994 and is expected to exceed \$7 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from \$452 million in 1992 to over \$1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However, it is not exhaustive. The differing circumstances, interests and needs of individual companies will influence their strategies for the Mexican market.

Further assistance can be obtained by addressing requests to:

the provincial International Trade Centres (see Where To Gct Help) or contact the InfoCentre at:

Tel.: 1-800-267-8376 or (613) 944-4000 Fax: (613) 996-9709 FaxLink: (613) 944-4500

InfoCentre Bulletin Board (IBB): 1-800-628-1581 or (613) 944-1581

THE NEW REALITY FOR MEXICAN MANUFACTURERS	. 7
THE MACHINE TOOL SECTOR	8
Machine Tools for Metalworking	10
Plastics Manufacturing Machinery Production Techniques	11 12
Robotics	13
THE ROLE OF IMPORTS	15
Customers	19
Automotive Industry	19
Autoparts	22
Hand tools	23
Railways	24
Metalworking Industry	25
Steel Industry	26
Packaging and Bottling Industry	26
Adhesives, Sealers and Plastics for the Painting Industry	27
The Home Appliance and Household Products Industries	27
Other End-user Industries	28
Universities National Autonomous University of Mexico Monterrey's Technological Institute National Polytechnic Institute	28 29 29 29
The Role of the Research Institutes	30
Competition	31
Domestic competitors	33
TRENDS AND OPPORTUNITIES	34
Product Opportunities	35
Used Equipment	36
Consulting Services	36

