

# TABLE OF CONTENTS

## THE NAFTA

A North American Free Trade Agreement (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 12 countries of the European Community and one with a total North American output of \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico exceeded \$3.5 billion in 1992 and is expected to increase to over \$5 billion by the end of the decade.

Cumulative Canadian investment in Mexico is growing rapidly, increasing from \$350 million in 1989 to over \$580 million in 1992.

This guide booklet has been prepared with the problems inherent to the initiating exporter in mind. However it is not exhaustive; individual circumstances, interests and needs will dictate how companies should tailor their approach and strategy to the Mexican market. While every attempt has been made to ensure accuracy in this study, no responsibility can be accepted for errors or omissions.

Further assistance can be obtained by addressing requests directly to:

Industry Canada (IC) through the provincial International Trade Centres (Key Contacts Section) or to InfoEx at 1-800-267-8376 or (613) 944-4000. Fax: (613) 996-9709

INTRODUCTION	5
<b>1. THE CONSTRUCTION INDUSTRY IN MEXICO</b>	<b>5</b>
Infrastructure Development Priorities	6
Industry Structure	7
Regional Activity	10
<b>2. PROFILE OF MEXICAN CONSTRUCTION COMPANIES</b>	<b>11</b>
Industry Specialization	11
Globalization of the Industry	12
Opportunities for Canadian Companies	12
Key Success Factors	13
<b>3. SECTORAL OPPORTUNITIES — ROADS AND HIGHWAYS</b>	<b>14</b>
The Highway Concession Program	14
Opportunities for Canadian Companies	16
<b>4. SECTORAL OPPORTUNITIES — WATER INFRASTRUCTURE</b>	<b>17</b>
Comisión Nacional del Agua (CNA)	17
Water Projects	17
Selling to the CNA	19
Opportunities for Canadian Companies	19
<b>5. SECTORAL OPPORTUNITIES — THE ENERGY SECTOR</b>	<b>20</b>
Petróleos Mexicanos (Pemex)	20
Comisión Federal de Electricidad (CFE)	21
Opportunities for Canadian Companies	22
<b>6. SECTORAL OPPORTUNITIES — HOUSING</b>	<b>23</b>
Housing Market Demand	23
Opportunities for Canadian Companies	26
<b>7. SECTORAL OPPORTUNITIES — TOURISM</b>	<b>26</b>
FONATUR	27
Mega-Projects	28
Investment in Tourism — The Trust Mechanism	28
Opportunities for Canadian Companies	28

