

## THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of close to 361 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of more than \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico was just under \$6.5 billion in 1995 and is expected to exceed \$8 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 International Trade Centres (see Where To Get 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

Internet: <http://www.dfait-maeci.gc.ca>

\*FaxLink is a faxback system which provides summaries on a range of Mexican markets. It must be contacted through your fax machine. Dial from your fax phone and follow the voice prompt instructions.

## TABLE OF CONTENTS

<b>GUADALAJARA: THE ECONOMIC CENTRE OF WESTERN MEXICO</b>	<b>5</b>
On the Road to Recovery	5
A Strategic Location	5
Silicon Valley South	6
Sectors of Opportunity	6
<b>THE REGIONAL ECONOMY</b>	<b>7</b>
Jalisco	8
Nayarit	8
Colima	9
Aguascalientes	9
Sinaloa	9
Employment	10
Key Industrial Sectors	11
Foreign Investment	11
<b>INFRASTRUCTURE</b>	<b>12</b>
Transportation	12
Telecommunications	13
Industrial Parks	14
Energy	16
Housing	16
Water and Sewage	16
Health Care	17
Education	17
<b>INDUSTRIAL AND COMMERCIAL MARKETS</b>	<b>18</b>
Agricultural Technologies	18
Drought and Devaluation	19
Agricultural Equipment	20
Food Processing Technologies	21
Alcoholic Beverages	23
The Electronics Industry	24
IBM	25
Motorola	26
Lucent Technologies	26
Eastman Kodak	26
Hewlett-Packard	26
Trends and Opportunities	27
Manufacturing Technologies and Equipment	28
Footwear	28
Textiles and Apparel	30
Furniture	30
Metalworking	31
Pharmaceuticals	32
Tourism	32