

## **FIVE PRIORITY SECTORS**

Within this general environment of opportunity, there are at least five sectors that are particularly promising, because Mexican needs mesh particularly well with established Canadian capabilities. These are also sectors for which many Canadian suppliers have those global product-mandates that are needed in order to move directly into Mexico. Significantly, the five sectors also represent areas where Canada's competitors have not yet established dominant positions.

Mexican buyers have generally recognized the nature and magnitude of their problems, but they have not yet selected the most appropriate technologies or suppliers that will help to create solutions. The five sectors of particular opportunity are:

### **AGRICULTURE**

Mexico's agriculture sector suffers from very poor productivity and it has been unable to meet the needs of the nation's rapidly growing population. The average farm size is only about 5 hectares, which has made it difficult for producers to adopt the latest genetic and processing technologies, or to take advantage of economies of scale. Recent agrarian reforms are changing this situation, by allowing landholders to form cooperatives. Canada has the technology to help Mexico bring about the agricultural revolution that it desperately needs.

### **ENVIRONMENT AND GEOMATICS**

Mexico faces environmental problems of crisis proportions. The problems are equally severe in the areas of solid waste, sewage and water treatment, air pollution, and toxic/biological refuse. Canada's proven track record in pollution control and environmental redemption systems create a natural fit between needs and capabilities.

### **OIL AND GAS**

Canada and Mexico have much in common in the way they have managed their petroleum resources. Both have pursued policies of aggressive government intervention to protect their resource endowments. But decades of government ownership and price supports have left Mexico's oil industry in an extremely unproductive state. Large amounts of energy are wasted, and much more remains unexploited. This is one of Canada's strongest areas of expertise.