

Canadian exporters have strengthened their presence in the U.S. market through the Free Trade Agreement (FTA). Privileged access to the Mexican market of over 85 million is an added benefit, particularly as Mexico's modernization and industrialization programs offer exciting new prospects for suppliers of capital equipment, technologically advanced components and parts, and high quality semi-manufactured industrial materials.

Successful Canadian Exporters

Many Canadian exporters already enjoy success in the Mexican market, and two-way trade should reach \$5 billion by the end of the decade. Canadian technology is welcome, relevant and competitive. For example, Northern Telecom Ltd. recently received a contract for cellular telephone central switching equipment to meet the needs of five of the eight concessionaires selected by the Mexican Department of Communications and Transport (SCT).

Canadian consultants last year completed a \$3.5-million contract to supply technology for spectrum management to the SCT. This contract includes the transfer of applied systems technology and will be followed by further sales expected to exceed \$15 million. ABB/Combustion Engineering has been awarded a \$40 million contract from the Comisión Federal de Electricidad to rebuild its boilers. In 1991, the Canadian Wheat Board sealed a transaction for \$23 million with Conasupo for the purchase of 167,000 tonnes of wheat. On January 24, Conasupo announced it would buy a further 248,000 tonnes of Canadian Western Red Spring wheat worth an estimated \$50 million. Most recently, Systemhouse signed a US\$500 million contract over 10 years to install and manage computer systems for the Mexican Department of Finance.

Canadian automotive component manufacturers are already shipping significant quantities of these products to assembly facilities in Northern Mexico. This trade could grow very rapidly as Mexican manufacturing capacity increases.

Canada supplies basic foodstuffs to Mexican consumers including wheat, oil seeds, beans and milk powder. There has been an important relationship established in recent years by Canada's producers of breeding stock. As the Mexican economy strengthens, there will be increased requirements for quality food products, in line with improved standards of living.

The Canadian steel industry supplies tinplate for the Mexican food industry and steel rail against World Bank tenders for the Mexican railway system. Canadian suppliers