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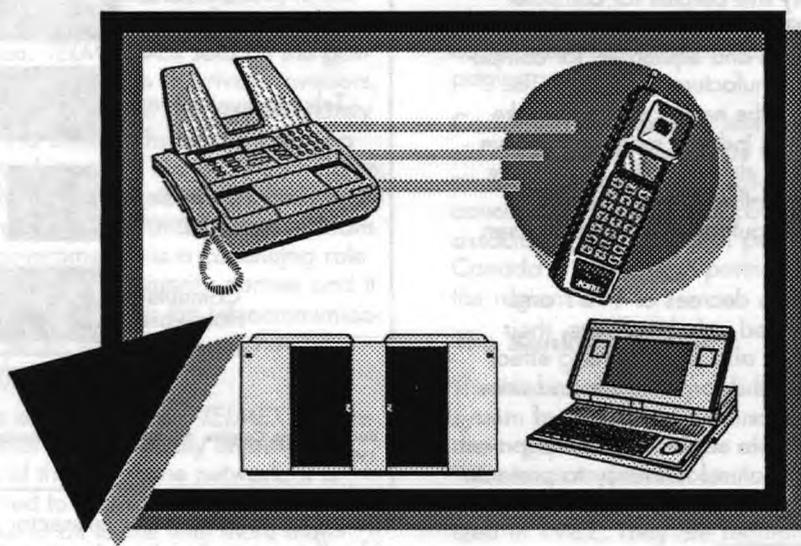
# Advanced Electronic Equipment and Services

## THE OPPORTUNITY

Beginning in the mid-1980s, the Mexican government abandoned its policy of protectionism and opened Mexican industry to world markets. To foster competitiveness in the new global environment, the government is now encouraging the importation of advanced electronic equipment and services.

The demand for advanced electronic equipment and services has been further stimulated by the privatization of *Teléfonos de México*, TELMEX, the government telephone company, and more recently, several of the nation's banks. These newly-privatized companies are under strong pressure to become more efficient and to extend their services.

The opportunities are all the greater because Mexico has little investment in old technology to inhibit modernization. For example, in 1992, Mexico was estimated to have only about 15 computers for every 1,000 inhabitants. This compares with 150 in Canada and 250 in the United States. The opportunities are just as great in telecommunications and broadcasting, where outdated technology is being rapidly replaced.



This expansion has created a parallel market for the professional services needed to design, implement and maintain advanced electronic systems.

to be affected. At the time, no computers were manufactured in Mexico.

In 1981, the first of two decrees governing the computer industry was issued. This decree specified that all computer suppliers had to set up local manufacturing facilities. The second decree in 1987, increased the local content required and imposed import permits for computer equipment. Although this policy did lead to the domestic production and export of computers, mainly by IBM, it failed to establish broad access to advanced electronic equipment by Mexican industry.

## THE EFFORT TO DEVELOP DOMESTIC TECHNOLOGY

Beginning in the mid 1960s, Mexico pursued industrial development through a series of sector-specific programs designed to foster import displacement. In the early 1980s, this program was re-focused on certain key sectors which had not developed sufficiently. The computer industry was one of the first

### MARKET SUMMARY

The Department of Foreign Affairs and International Trade has prepared this market summary on the **Advanced Electronic Equipment and Services** sector. It has been published by Prospectus Inc. under the Access North America Program, along with other sector profiles and summaries on business opportunities in Mexico. It is available from:

**InfoCentre**  
Tel.: 1-800-267-8376 or  
(613) 944-4000  
Fax: (613) 996-9709  
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### HIGHLIGHTS

**The advanced electronic equipment and services sector offers substantial opportunities for Canadian firms:**

- the Mexican government has removed import restrictions on computer equipment;
- trade liberalization policies are forcing Mexican business to rapidly modernize their operations to be globally competitive;
- an ambitious upgrading program by the newly-privatized telephone system is creating a large demand for telecommunications equipment; and
- the ongoing privatization of the financial sector is creating pressure for modernization using both computer and telecommunications equipment.

