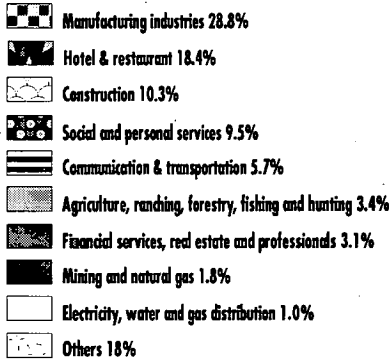
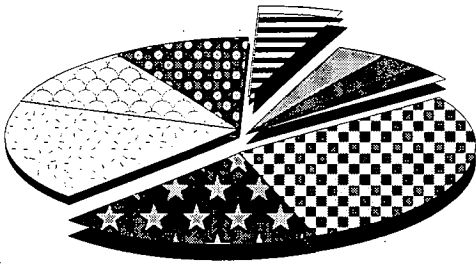


ACCIDENTS AND INJURIES BY SECTOR, 1995



Source: *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security; *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, Institute of Social Security and Services for Public Employees; *Petróleos Mexicanos (Pemex)*, the national oil company; and the *Secretaría del Trabajo y Previsión Social (STPS)*, Secretariat of Labour and Social Welfare.

The demand for engineering solutions to health and safety hazards is concentrated mainly in the larger multinational companies. Many of them apply corporate-wide standards based on practices in their home companies. They generally exceed the requirements of Mexican law. But industry experts say that these companies are the most likely to be held liable for observing industry-specific and safety-related standards. Some accuse the government of biasing the safety statistics by focusing on "clean" multinational operations that are not representative of industry as a whole.

But multinational enterprises are not necessarily good customers for Canadian safety technologies, since they tend to have established sources in their home countries. Mexican companies are generally open to new cost-effective solutions, but so far have not been subjected to the same level of regulatory scrutiny. They are also more likely than multinationals to engage in corrupt practices. Even when they manufacture under licence to foreign companies, Mexican firms do not necessarily follow foreign safety standards. The recent economic crisis has made labour cheaper and more available, further reducing the incentives for improvement.

Although this market so far has been slow to develop, it is expected to expand over the medium term. In particular, the use of accident-prevention training and systems for monitoring the work environment are likely to increase as enforcement becomes more aggressive, partly as a result of the North American Free Trade Agreement (NAFTA).

Industry experts note that despite the recent crime wave, industrial losses related to theft and organized crime have remained stable at between \$7 and \$12 billion Mexican pesos per year. Most of these losses involve fraud and theft by employees. Other thefts and robberies occur during product distribution, and this is usually the responsibility of the commercial sector. For this reason, vertically integrated groups are the best customers within the industrial sector for security mechanisms and equipment.

CONSTRUCTION

The construction industry has the highest accident rate in Mexican industry with an annual accident rate of 38 per 100 workers, or about 10 percent of all workplace accidents. The figure would be much higher if the "informal" sector were included. The most common accidents are falls or injuries from falling objects.