

These trends have multiplied the demand for skills and overtaxed Mexico's underdeveloped education and training institutions. The needs of employers are becoming a more important force driving the public education system. Most employers are also expanding their own training efforts, often using outside assistance. At the same time, individuals are advancing their own career prospects through privately-delivered adult education programs as well as enrollment in foreign universities.

The growing demand for education and training has led to increased allocation of government resources to education. The *Solidaridad* program, for example, has built thousands of new school facilities. This program also provides scholarships, food rations and medical care as a means of reducing the school drop-out rate. Under the *Acuerdo Nacional para la Modernización de la Educación Básica*, National Agreement to Modernize Basic Education, funding is expected to increase by 70 percent over four years.

These trends have created substantial opportunities for Canadian suppliers of education and training services. Mexico's needs encompass the full range of education services, from pre-school programs to advanced degrees and continuing adult education. The system has become so badly over-burdened that a quality education is often available only to those who can afford to attend private Mexican schools or to travel abroad. Canadian education and training institutions are well-qualified to help Mexico provide this badly needed education. The opportunities are considerable, given that close to 250,000 students study in private Mexican universities, which are similar in cost to Canadian universities. So far, Canada has captured only about 1 percent of this potential market.

The benefits of educational exchanges with Mexico go beyond the obvious exports of services involved. Studying in Canada or in a Canadian program in Mexico gives Mexican students exposure to Canadian technology and expertise. It also builds contacts and knowledge of Canadian suppliers. Mexicans who pursue advanced degrees or technical training are especially likely to end up as key decision makers. The benefits of their familiarity with Canada and its capabilities are an intangible — but substantial — outcome of increased exports of educational services.