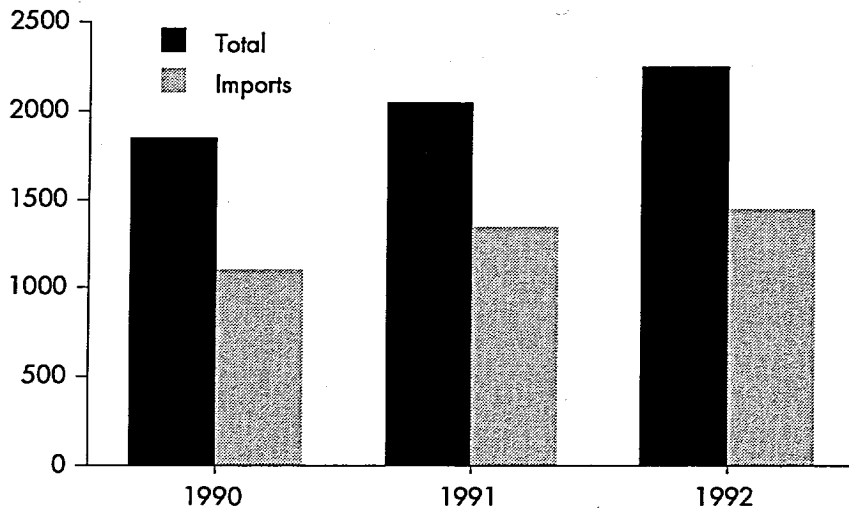


**THE MEXICAN MARKET FOR TELECOMMUNICATIONS EQUIPMENT**  
US\$ millions



Source: U.S. Department of Commerce.

There is a growing demand for equipment needed for the private networks operated by large corporations. In addition, the *Secretaría de Comunicaciones y Transportes (SCT)*, Secretariat of Communications and Transportation, has allocated 250 new television broadcast licences and 150 radio licences. These licences will be issued exclusively to Mexican citizens, creating an important new market for manufacturers of broadcasting equipment.

**CUSTOMERS**

Government agencies have historically been the major purchasers of telecommunications equipment and services. This pattern is beginning to change, however, as the government's privatization policies have moved some major users, such as *Teléfonos de México (TELMEX)*, the recently-privatized national telephone company and the banks, into the private sector. Foreign companies located in the *maquiladora* zones are also important users of telecommunications. Presently, about 60 percent of total sales are to private companies, with the rest accounted for by government.

Major users of telecommunications equipment and services include the following:

**PETROLÉOS MEXICANOS (PEMEX)** is the state-owned oil company. It has offices and plants throughout Mexico and maintains contact between them, as well as with customers throughout the world, using voice and data telecommunications.

**COMISIÓN FEDERAL DE ELECTRICIDAD (CFE)**, the Federal Electricity Commission, has responsibility for generating and distributing electricity to Mexico. The CFE used the Morelos Satellite System to monitor, control and synchronize its generating and distribution networks.

**THE BANKING SYSTEM** is now in the process of privatization. There are about 20 banks in Mexico, in addition to the government-owned development banks. The banks use telecommunications for inter-branch communications, transactions with other banks, credit authorization and for security and confidentiality systems.

**INSTITUTO MEXICANO DEL SEGURO SOCIAL (IMSS)**, the Mexican Institute for Social Security, operates more than 2,200 rural clinics. The IMSS is beginning to use the Solidaridad

Satellite System to keep track of patients, order medicines, consult specialists and to manage its facilities.

**COMPAÑÍA NACIONAL DE SUBSISTENCIAS POPULARES**

(**CONASUPO**) is a large purchaser and distributor of agricultural and food products which operates an extensive chain of retail stores. This organization uses mainframe computers to manage inventories and control distribution, and requires telecommunications to transfer this information between locations throughout Mexico.

**EDUCATION INSTITUTIONS** and many large corporations have been using the Morelos Satellite System to distribute educational video programs on private networks. There are more than 3,000 corporations in Mexico which operate their own training programs. Delivery systems for distance education are seen as a good prospect for the future.

**COMPETITION**

The Mexican telecommunications industry is highly competitive. Local production, which supplied 80 percent of apparent consumption for several years, dropped to less than 40 percent in 1992 and is expected to fall further as foreign companies take advantage of the government's trade liberalization policies.

There are about 70 manufacturers

**SOME INTERNATIONAL TELECOMMUNICATIONS COMPANIES OPERATING IN MEXICO**

AT&T	MCI
Bull	NEC
General Electric	Northern Telecom
Ericsson	Philips
Fujitsu	Siemens
Hitachi	U.S. Sprint
IBM	

Source: Cardine Verut. *Market Study on the Mexican Market for Computers and Software*, Mexico City: Canadian Embassy, 1994.

