

advantage, given that most companies indicated that quality was the most important factor in the purchase decision.

Additionally, potential buyers emphasized that they are looking for a "total solution" to wastewater problems. Many companies don't have the knowledge to solve their own problems, and are looking to "buy their way out." In effect, the buyer is not purchasing equipment, technology, or services, but instead a guaranteed solution. This implies that equipment and technology vendors must take responsibility for equipment that doesn't perform to specifications.

Although Mexican companies perceive foreign technology as superior, they are wary of buying goods and services from companies without a presence in the local market. It is critical that Canadian companies make a firm commitment, both to business activity in the Mexican market, as well as to the Mexican client. Potential strategies include local representatives, partnerships with Mexican wastewater equipment vendors, or joint-venture agreements with local construction and engineering companies.

Survey results differed by sector. For example:

- Autoparts companies are more likely to require stand alone or portable wastewater equipment. Water usage is generally low, and wastewater problems tend to be less complicated;
- In general, chemical and petrochemical firms showed the greatest interest in wastewater management. 41 of the 125 firms that participated in the research process are classified in the chemical sector;
- Pulp and paper companies are under extreme pressure to solve wastewater problems. Given government pressure and a small target market, Canadian companies looking to focus on these firms will find that speed is critical;
- Food and beverage companies will come under increased pressure to find solutions to high BOD and suspended solid levels. New municipal norms expected in 1994 provide significantly more stringent control of these factors; and

Interesting Notes:

The leather industry presents an interesting opportunity for Canadian wastewater firms. While the industry was not included in this analysis, several companies were interviewed after expressing a strong interest in treatment equipment (see "Other Industries" section of report). Canadian companies may wish to examine this market in further detail.

In many cases, toxic substances are removed from wastewater and then stored in mud form for later disposal. However, in Mexico, removal of such muds may be expensive and time-consuming. Only one toxic waste disposal site currently exists to serve the entire country. Many Mexican companies are storing toxic materials until alternative solutions are found. Canadian waste management companies may be interested in exploring opportunities in this area.

- The mining sector provides fewer opportunities for Canadian wastewater companies. New discharge regulations focus on the design of engineered drainage ditches, as opposed to water treatment equipment.

One final point is critical: Mexican companies have no knowledge of Canadian capabilities in this field. Canadian companies wishing to take advantage of Mexican demand for wastewater goods and services will need to undertake significant promotion strategies.

Mexican companies have shown a strong interest in wastewater goods and services. Market potential is significant. Nevertheless, Canadian companies interested in pursuing opportunities will need to carefully tailor their services to market factors: quality wastewater solutions offered with a local market presence.