

into Mexico. Strategic partnerships intended to improve local technological capabilities through a long-term presence by Canadian experts or transference of necessary technologies with commensurate training of Mexican staff are increasingly the modus operandi for commercial relationships between the private sector in both countries.

CIDA has also played an important role in the support for project preparation work by Canadian consulting engineers in Mexico, in particular environmental protection and control projects related to air and water pollution, hazardous waste disposal and rehabilitation of wetlands in proximity to industrial and residential areas. It is hoped that studies supported by CIDA will become the object of project implementation financed by international financial institutions such as the World Bank and InterAmerican Development Bank, or through bilateral sources such as the EDC.

New Initiatives

An important measure in the expansion of Canada-Mexico economic relations is the anticipated increase in Canadian direct investment which will expand exports and commercial linkages between respective private sectors. Canadian direct investment in Mexico has continued to grow in 1991, and now totals approximately \$ 500 million. New opportunities resulting from the privatization program of the Salinas administration are expected to attract increased Canadian capital to Mexico, with mining, agro-industry and food, the environment and tourism development likely sectors of concentration for Canadian entrepreneurs. A program to encourage Mexican investment in Canada is also being developed.

The improving economic climate in Mexico, coupled with continued market reforms and the streamlining of regulations covering trade and investment anticipated under NAFTA, make this a key market of opportunity for Canadians "in our own backyard." EAITC has organized a trade promotion program in Mexico directed at specific sectoral opportunities, to introduce as wide a cross-section as possible of potential exporters to the marketplace. The CANADA EXPO 92 - Monterrey in January, helped to increase private sector linkages with important potential customers in the north of Mexico, with other events directed at private sector clients in Mexico City, Guadalajara, the Gulf Coast (oil and gas) and other key industrial centres. A total of eighteen (18) sectoral promotional initiatives are planned in 1992/93.

Conclusion

If we are to capitalize on existing opportunities in Mexico, and give depth to heightened economic relations as