

In spite of these constraints, substantial increases in the demand for environmental equipment and services have resulted from a combination of public projects and increased enforcement in the private sector. Mexico's public spending on the environment rose from US \$95 million in 1988 to US \$2.5 billion in 1993. And, the devalued peso has now begun to increase the cash flow of Mexican manufacturers.

In the first stages of the national effort to gain control over the environment, the emphasis has been on consulting and training services. Thousands of environmental assessments and risk analyses have been completed, and there have been continuing efforts to train regulatory staff. The *Universidad Nacional Autónoma de México (UNAM)*, National Autonomous University of Mexico and the *Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM)*, Monterrey's Technological Institute, have established degree programs in environmental sciences and they are forming ties with foreign universities to upgrade their programs.

As the process has matured, a market for measurement and analytical equipment has developed. In the long term, the market for pollution control systems is expected to dominate spending. Eventually, Mexican environmental expenditures are expected to rise from the current 1 percent of gross domestic product (GDP) to about 2 percent, which is the same proportion as in the United States.

## THE MEXICAN ENVIRONMENTAL SECTOR

*The environmental sector makes up 1 percent of Mexico's gross domestic product (GDP). That is about the same proportion as in Canada, but with three times the population, Mexico's needs are much greater.*

The Mexican environmental sector is relatively small, about half the size of Canada's, but it is growing rapidly. Public expenditures on the environment totalled US \$2.5 billion in 1993. The market for environmental technologies is of particular interest because a large proportion of it is imported. This market is forecast to grow from about US \$1.9 billion in 1994 to an estimated US \$3.3 billion in 1996. This forecast, by the United States Agency for International Development (USAID), was published in March 1995, and includes the effects of the 1994 devaluation.

As a proportion of gross national product (GNP), Mexico's environmental sector is about the same size as Canada's: around 1 percent. But since it has more than three times Canada's population, Mexico's environmental needs are considerably greater.