

These and other reforms have created significant opportunities for Canadian exporters and investors, and have set the stage for expanded Canada-Mexico trade as we approach the 21st century.

The Investment Canada study which I will table in a few moments summed up the enormous potential of the Mexican market in the following terms:

*Mexico has the potential to become an important export market for Canada. By the end of the century its population will be close to 100 million. Sweeping economic reforms, notably liberalization of its trade and investment regulations, are propelling Mexico towards the remarkable achievements already experienced by several countries in Southeast Asia ...*

*The growth of Mexico is an opportunity for Canada, not a threat.*

Mexico is already Canada's most important trading partner in Latin America. Trade between our two countries exceeded 2 billion dollars last year, a 25% increase over 1988. We expect that two-way trade will reach five billion dollars in the 1990s.

In the past, Canada's opportunities in Mexico were often limited by protectionist trade barriers. Recently, things have changed, especially since 1986 when Mexico joined the GATT.

We believe the growing Mexican economy offers Canadian exporters exciting new prospects, particularly in the areas of telecommunications, transportation, and environmental equipment.

Take, for example, telecommunications. Up until recently, Canadian telecommunication companies could not sell their products in Mexico due to restrictive government procurement practices. However, recent reforms have rapidly created new opportunities for Canadian exporters.

Mexico has less than 6 million telephone lines serving its population of over 80 million people. To develop their economy, the Mexican government recognizes that they must upgrade their communications system.

In the next five years, Mexico will attempt to double the number of telephone lines with a modernization program that could cost over