



The expected lull in equipment purchases creates an opportunity for selling knowledge-based services. Many of the larger buyers have already bought hardware, and education and training are now a top priority. The provision of training services provides both an immediate market and an opportunity to raise awareness of Canadian technologies.

### **PARTNERSHIP OPPORTUNITIES**

Mexican suppliers of geographical information systems (GIS) rely almost entirely on technology alliances with foreign producers. Mexican suppliers must keep up with technological developments in order to stay competitive. The best way for them to do this is to develop strong relationships with capable foreign suppliers. This will be especially true as the market moves toward more advanced and specialized products.

Canadian capabilities are generally respected, although the perception is that they are no better than those of other foreign suppliers such as those from the United States, Switzerland and Austria. GIS software is an area where Canadian products are especially well-regarded. Canada is also noted to be very experienced in production technologies and expertise, particularly map production.

### **THE REGULATORY ENVIRONMENT**

Government regulation is only a minor factor in the Mexican geographical information systems (GIS) sector. Although the North American Free Trade Agreement (NAFTA) allows the restriction of aerial-mapping services to Mexican companies until the year 2000, there are no actual restrictions in effect, except for areas around certain military bases. According to officials of the *Banco Nacional de Obras y Servicios Públicos (BANOBRAS)*,

National Bank for Construction and Public Works, any company can obtain a permit from the *Secretaría de la Defensa Nacional (SDN)*, Secretariat of National Defence. Moreover, according to the *Instituto de Geografía, Universidad Nacional Autónoma de México (UNAM)*, Geography Institute of the Autonomous University of Mexico, there are no ownership restrictions, import restrictions, or product standards that affect this sector.

There are a number of exclusionary policies in the tendering process for government contracts. Many procurements involve national tenders, meaning that they are restricted to Mexican companies. Generally, bids are open for foreign firms only when the underlying technology and skills are unavailable in Mexico. Some recent procurements of satellite imagery have been classified as international.

A presence in Mexico is essential to bid on these national tenders. Many of these projects have a relatively small advanced technology component. The participation of Canadian companies will normally be limited to the more sophisticated components.

### **MARKET ENTRY STRATEGIES**

Although governments account for some 80 percent of Mexican geomatics sales, the private sector tends to drive the market through its own needs-identification initiatives. Identifying a need, developing a solution and submitting a proposal is a good way to introduce new technologies. This definitely requires a persistent approach, especially for Canadian companies that are not well-known in Mexico. Needs are identified primarily through ongoing client contact. An established market presence is, therefore, more important than participation in individual

projects. Most Canadian companies find that a partnership with an established Mexican firm is the most effective way to build this presence.

Industry observers often point out that many proposals for efficient and cost-effective projects have been rejected because of a lack of understanding of the technology on the part of decision makers. Thus, it is useful to explain the technology involved before specific applications are proposed.

Attending trade shows is a traditional method of introducing products to Mexico and establishing contacts with both potential customers and partners. There are few Mexican geographical information systems (GIS) trade shows. Decision makers generally attend shows in the U.S. or Canada. One show was held in Mexico City in July, 1995, sponsored by the *Asociación Mexicana en Sistemas de Información Geográfica y Estadística (AMESIEG)*, Mexican Association of Geographic Information Systems and Statistics.

Entering the Mexican market has always been a medium- to long-term proposition. The recent economic crisis has made this strategy essential. Product sales will be slow, but the next year or two will be an excellent time to sell new concepts.

### **KEY CONTACTS**

#### **CANADA**

#### *Canadian Government*

#### *Department of Foreign Affairs and International Trade (DFAIT)*

DFAIT is the Canadian federal government department most directly responsible for trade development. The **InfoCentre** should be the first contact point for advice on how to start exporting. It provides information on export-related programs and services, acts as an entry point to DFAIT's trade information network, and can