

SECTOR OPPORTUNITIES

Culture and Education

The culture and education sectors are rich in commercial potential as well as in forging links of understanding between the people of Canada and Mexico. In 1994, an estimated 14,000 Mexican students were registered in foreign universities and colleges, of which almost 1,600 came to Canada.

Canada's universities could capitalize on this growing market by building on its reputation in Mexico of providing quality education at relatively low costs in safe and clean urban communities.

In Mexico, the need to adopt foreign technologies and business methods is driving a strong demand for technical, business and language training. Education itself is to receive badly

needed attention during President Zedillo's six-year term, with a strong effort to reduce the primary school drop-out rate.

The book publishing sector is a particularly promising market. There are opportunities for Canadian publishers to obtain Mexican rights to Spanish-language manuscripts and publish them in Mexico. There is also strong potential for increased sales of literature for children and teenagers, as well as for "how-to" handbooks.

In December, Canada will be the focus country at the **Guanajuato International Book Fair**, the largest of its kind in the world. The publishing sector is invited to take part in this unique event at which Canada will establish a National

Pavilion.

Opportunities also exist in Mexico's fast-developing distance education field.

Public and private schools are looking to distance learning, via satellite and the Internet, to make education more accessible at lower cost. Universities, hospitals and corporate enterprises are also putting this tool to work.

Oil and Gas

Energy is the most important sector of the Mexican economy. The country holds about 5 per cent of the world's oil reserves, about 1 per cent of natural gas reserves, and accounts for 4.5 per cent of world petroleum production.

PEMEX, under a constitution-granted monopoly, is the only producer of oil and gas in Mexico. Until recently, regulated prices and protectionist procurement policies have worked against achieving world levels of efficiency.

This has begun to change as a more liberal commercial environment has evolved, and as PEMEX proceeds with its massive modernization program, much of it based on imported technology.

Mexico is trying to modernize, expand and clean-up the oil and gas sector, creating substantial demands for imported equipment, supplies and services.

The Zedillo government announced plans to sell to the private sector 61 petrochemical plants, and that transmission, distribution and storage of natural gas will also be opened up to foreign investment.

At the same time, the energy sector is under increasing pressure to reduce its impact on the environment. One means of achieving this is a shift towards cleaner fuels, especially natural gas.

Mexico has substantial natural gas reserves which have not been fully exploited.

Electric Power

Mexico's Federal Electric Commission (CFE) has dramatically reversed past policies and will rely on private-sector turn-key projects for about 60 per cent of its expansion program.

It is estimated that Mexico will need close to 15,000 megawatts of new generating capacity to meet projected electricity demand in the year 2003.

Moreover, PEMEX, the national oil company, operates some 2,000 megawatts of its own electricity generating capacity, and it has continuing needs for expansion and modernization.

Early in 1995, a consortium of U.S. and Mexican utility and engineering companies was chosen to build a \$650-million thermoelectric plant in northern Chihuahua state. Six additional generating station projects are in the planning stages.

The CFE will also require 13 new generation plants, worth an estimated US\$8.5 billion.