Environment Commitment

Mexico City's Day Without a Car Program, initiated in 1989, has taken 400,000 of the metropolitan area's estimated 2.5 million registered automobiles out of circulation every day. All cars are issued a coloured sticker which is posted on the rear window. Every weekday is coded and owners of vehicles bearing that colour code are prohibited from using their vehicle that day. The program is a response to the city's notorious air pollution which reached critical proportions in March 1992. At that time, two colours a day were ordered off the roads as a temporary emergency measure.

Three sectors account for approximately 85 percent of purchases in pollution control equipment and instruments: industrial waste-water, municipal waste-water and air pollution control. These and noise pollution control have the greatest market potential for imported products.

"Mexico is really only just beginning to develop on the tourism front and there is an overall shortage of capacity.... This is a frontier country just beginning to enter a capitalist world. It is tremendously exciting...everything has yet to be done."

Kenneth Pryor, Director General, Grupo Situr

Northern Telecom, the Industry Cooperative on Ozone Protection and the US Environmental Protection Agency. The parties have agreed to exchange information on strategies and technologies to reduce CFCs and solvents used by the electronics industry in Mexico.

Instrumentation and Equipment: The total pollution control market can be divided into two categories. The instrumentation market, valued at $US5.3 million in 1989, accounts for approximately 2 percent of the total market, all spent on imported instruments. The equipment market amounted to $US220 million in 1989, of which $US198 million is manufactured domestically, with the remainder imported. Demand for pollution control equipment and instruments is expected to grow to an annual total of $US280 million in 1992. Imports represented approximately 12 percent or $US26 million of the total market in 1989. In the longer term, they are estimated to grow at an annual rate of 15 percent, reaching 14 percent or $US40 million of the total market in 1992. U.S. products dominate the market (72 percent) for both instruments and equipment, followed by Germany (9 percent), Switzerland (3 percent), Japan (3 percent), France (2 percent) and Canada (1.6 percent).

Waste Management: About three million tons of industrial waste are produced in Mexico every year, half of it in the metropolitan area surrounding Mexico City. Many of its large industrial garbage dumps are near saturation. Industries and hospitals are dumping waste into the city's sanitary fills, which are reserved for commercial and domestic use. Protocol de México, a division of Waste Management International, has been contracted to build Mexico's first plant to process and dispose of industrial waste. More waste-management companies are being invited to undertake similar projects in Guadalajara and Monterrey where comparable problems exist.

Financial Services: As Mexico enters the international economy, there will be a strong and growing demand for sophisticated financial services. This is reflected in the rapid capitalization of the Mexican stock market which grew from $US41 billion to $US102 billion during 1991 and then to $US140 billion by April of 1992.

Telecommunications: Canadian firms are already major players in the development of a cellular telephone network in Mexico with 1991 sales at about $US100 million. Excellent prospects also exist in the development of rural telephone networks, data transmission, local area networks, packet switching, and similar product areas in which Canada is a recognized world leader.

Transportation Services and Equipment: Mexico's domestic land transport regulations were dramatically liberalized in January 1990. Foreign transportation providers are now increasingly able to offer their services inside Mexico which currently imports transportation equipment worth $US130 million annually. It is estimated that the market for imported urban transit and rail equipment will grow by as much as 10-18 percent over the next five years. The rehabilitation of Mexico's aging railway system could present an opportunity to Canadian suppliers of locomotive repair services, railway communications systems, and specialized managerial services. The bus and trolley systems in Mexico City are similar to those in Canada and offer additional opportunities for the supply of parts and service.