

Although hardware purchases have been curtailed by the devaluation, there is a continuing demand for software and services as computer users try to get the most out of existing equipment. The lack of a computer culture is a serious disadvantage for Mexico and this has created a market for all kinds of training products and services.

To raise the profile of Canadian suppliers of computer-related technologies, Canadian information booths will be included at *COMDEX Mexico*, the computer show held annually in Mexico City. An incoming trade mission will visit the Ottawa Geomatics Trade Show in May, 1996. The following week, the mission will visit Western Canadian geomatics suppliers.

Mining Equipment and Services

Mexico's mining sector has arguably been the biggest beneficiary of the nation's broad economic reforms. Deregulation has opened up tens of thousands of hectares of mineral reserves to development. Privatization policies have transferred responsibility for mineral exploitation to the private sector. New ownership laws have opened the doors to foreign investors.

The biggest change came in September 1992 when a new mining law re-interpreted Article 27 of the Mexican constitution, which requires state ownership of all mineral reserves. The new law created a much larger role for the private sector. It set the stage for wholesale privatization of state-owned mining companies. It further decontrolled mining reserves and encouraged both domestic and foreign investment in the mining industry.

The mining industry also benefitted from the December 1994 devaluation of the peso. For the most part, sales are in dollars, while a substantial portion of operating costs are in pesos. Some industry observers have projected that US \$6 billion will be invested in the mining sector over the next six years.

Canadian companies were quick to take advantage of these emerging opportunities and are now working to develop partnerships with Mexican firms. More than 60 Canadian firms are presently active in Mexico. Many small- to medium-sized companies are starved for capital and eager to set up technological partnerships with foreign firms. Strong opportunities are expected to continue in this sector for the foreseeable future.

These opportunities are limited mainly by the lack of a long-run presence in Mexico by Canadian firms. While mining firms have recently established a relatively high profile, equipment and services suppliers are not as well known. Mexican firms are eager to acquire foreign technology to boost their productivity in an increasingly competitive market. But personal relationships are a prerequisite for the development of both sales and partnership prospects. Establishing contacts within government, especially at the state and local level are also considered an essential step in entering this market. This is especially true given Canada's expertise in niche technologies, as opposed to integrated mining systems.