

wealth to create jobs for its own people and to effect a transfer of technology to its own industry; the importance that Mexico gives to government purchases and government-to-government relations in doing business in Mexico; Mexico's highly bureaucratized decision-making structures; the complexity of regulations governing foreign investment and technology transfer; the barriers to imports created by Mexico's import licensing system and fluctuating but generally high tariffs; and the competitive nature of the import market characterized by American predominance. Marketing plans flowing from an analysis of the opportunities in each of the sectors and the impediments and competition described above are to be found in Section F of the paper and the highlights are set out as an action plan expressed in terms of Categories of Instruments and including responsibility centres and proposed scheduling in an Annex to this summary.

4. Canada-Mexico Trade and the Canadian Trade Development Effort

Following Mexico's discovery of oil in 1977 and the renewed Canadian emphasis on doing business with Mexico, exporting efforts have been characterized by an increase in the use of Canada's traditional export development instruments. Trade Fairs and missions and PEMD usage have more than doubled. Independent private sector initiatives are also clearly on the rise as attested to by the more than two-fold increase in the number of business visitors requiring assistance from the Canadian Embassy in Mexico City. Canadian banks (five of whom now have offices in Mexico) and mining companies continue to invest heavily in Mexico, while a small number of Canadian manufacturers are establishing Mexican manufacturing facilities or technology transfer agreements with Mexican partners. The staff of the Commercial Section of the Embassy has been enlarged and EDC lending (emphasizing \$545 million in new lines of credit signed in 1980) has dramatically increased. In addition CIDA's Industrial Cooperation Program has funded a number of studies potentially leading to the establishment of Canadian manufacturing activity in Mexico. The Young Technicians Program of the Department of External Affairs has seen 91 young Mexican technicians come to Canada to spend training periods of several months with Canadian companies and public institutions.

Mexico's selection of Canada as one of five countries with which special efforts would be made to increase cooperation culminated in the signings of the Industrial Cooperation Agreement during the visit to Canada of President Lopez Portillo in May 1980. This Agreement and the large number of ministerial and other high level visits that both preceded and followed it have created a tremendous reservoir of political goodwill that augurs well for expanded Canadian