

Since the privatization of its telecommunications system, Mexico has maintained an annual growth rate of 12 percent in its network. At the end of 1993, the network accounted for over 7.8 million lines. The telephone monopoly, Teléfonos Mexicanos (Telmex), has pledged to extend this network to 9.6 million lines by the end of 1995. Demand for telephone services has increased dramatically. There has been an overall national growth rate of 12 percent from 1988 to 1994 in local phone calls, with an international growth rate of 18 percent for the same period. Conference calls have increased at an annual rate of 29 percent.

Until 1996, Telmex will continue to be the only public service long-distance carrier. However, applications are now being accepted for new licences. The licensees will be able to compete with Telmex beginning in August 1996. In 1989, the government opened up the cellular phone market to competition. The cellular industry has grown steadily with a total of 435 000 users in a few short years. In addition to Telmex, private investors are now allowed to provide other telecommunications services: paging services, value-added services, cable TV, and VSAT technology satellite networks.

### ***The Environment***

One of Mexico's greatest challenges is to ensure that development is consistent with sound and sustainable environmental practices. Increased public pressure coupled with a strict new federal law on environmental protection has created a growing demand for anti-pollution equipment and related services. Imports are providing much of the required expertise, especially for industrial and municipal wastewater treatment, potable water treatment, forestry conservation and management, and air pollution control. Several Canadian firms are already co-operating with the Mexican government in a variety of projects and in standards enforcement.