

Market in Mexico for Agri-food Products

With a population of 85 million people, Mexico represents an important and expanding market for Canadian exporters. Canada's entry into three-way free trade with Mexico and the United States should secure improved access for its goods, services and investment to the Mexican market.

Mexico is Canada's largest market in Latin America and its 15th largest market globally (\$167.4 million in 1989). With the possibility of a North America Free Trade Agreement and increased liberalization of the trade regime in the country, Mexican producers will have greater opportunities to acquire products, technologies and training from Canadian sources.

Mexico remains one of the most important markets (\$63.1 million in 1990) for the export of Canadian skim milk powder (SMP). While imports of SMP are expected to drop by 1994 because of the government's self-sufficiency policy in favor of the domestic industry, the market will remain large.

This policy, however is likely to lead to expanding market opportunities: the Mexican government, for instance, plans to import 150,000 head of dairy cattle over the next four years.

Mexican demand for pork and the country's proximity to Canada point to opportunities. But to protect domestic swine production, Mexico has introduced a 20 per cent tariff on pork. This measure, coupled with a zero tariff on breeding swine, prompted significant expansion of the Mexican hog industry. It is a promising market for purebred and hybrid animals.

Imports of beef, pork and edible offal have more than doubled. Beef imports have increased in the economic upturn. American-cuts

of beef are perceived to be luxury items and are in increasing demand.

Mexican imports of seed potatoes are expected to rise considerably. Canadian share of the market could reach \$4 million in the next few years. The greatest potential for sales exists in the yellow-fleshed Alpha variety.

Corn and soybeans are two of Mexico's leading agricultural imports. But Canada does not compete with increased competition from European countries whose highly subsidized rapeseed, and similar commodities, can affect the market.

Edible dry beans exports from Canada to Mexico reached \$10.7 million in 1990. The Mexican government is not expecting to import dry beans in 1992.

Processed food and beverages are in greater demand in Mexico due

to reduced tariffs and per-capita income increases. Excellent opportunities exist in Mexico for Canadian specialty bakery products, alcoholic beverages and bottled water, frozen fish and potato by-products. An expanding market also exists for various luxury products in the Mexican hotel and restaurant industry.

Agriculture Canada, External Affairs and International Trade Canada, and Industry, Science and Technology Canada can help Canadian agri-food exporters in developing a market strategy toward Mexico.

A copy of *The Assessment on the Agri-food Market in Mexico* is available through Agriculture Canada, C.D Howe Building, 240 Sparks Street, Ottawa K1A 0C5. Tel.: (613) 993-6671; Fax: (613) 995-0949.

Cuba's Medical Sector Open to Imports from Canada

The medical sector, particularly the development of the local biotechnology industry, is considered one of the three leading priorities in Cuba's development programs, says a memo from the Canadian Embassy in Havana, based on its December 1991 revised study *Medical Sector Profile in Cuba*.

Traditionally, imports for this sector amounted to an average of Cdn\$700 million annually. Western European suppliers, together with former COMECON countries, accounted for Cuba's main supplies of health care products, diagnostic reagents, fine chemicals, medical supplies and hospital equipment.

As a result of the dismantling of trade relations with Eastern Eu-

ropean countries and the former Soviet Union, coupled with the difficult local economic situation, the overall size of these import programs has been cut. This measure also applies to foreign procurement of medical supplies/equipment destined for the health care sector.

However, this sector stands out as one of the most noteworthy social and political achievements of the Cuban government. Hence, its high degree of priority in Cuba's import programs — even in times of severe economic difficulties.

This special status permits the sector's access to special hard currency fund allocations to import badly needed requirements on

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