Online Services

The Internet has only recently become available to non-academic users in Mexico, but the number of servers increases every month. Despite the devaluation, subscriptions to online services have increased at an estimated ten per month throughout 1995. At first, installations were limited mainly to universities and research organizations. For example, the *Universidad Nacional Autónoma de México (UNAM)*, National Autonomous University of Mexico, has been online for four years. Corporate and government users are now being connected in rapidly growing numbers.

Since 1994, CompuServe has offered its services in Mexico at roughly the same price as in the United States. It is popular with business users, since it uses a fibre-optic link to the U.S., circumventing the difficulties of using the lines of *Teléfonos de México (Telmex)*, the national telephone company.

Product Opportunities

In today's economic environment, Mexican computer firms are concerned about survival rather than growth. For most of them, survival means making the most of established client bases and dealing in known products which have already earned consumer confidence. This is not considered a good time for innovation. More than ever, customer support is the key to software sales.

The business of customizing or adapting foreign software for Mexican use has good potential. There is also a demand for specialized software designed for particular industries. Examples include packages for tourism, point-of-sale and professional billing.

In the future, government purchases are expected to shift towards packaged software rather than custom-aged software rather than custom-

developed systems. The rising use of personal computers will make this increasingly possible.

Industry experts believe the market will gradually shift towards integrated services. Companies that can provide systems integration, including hardware, software and services, are expected to prosper.

Training Opportunities

Mexican educators have recognized a problem in the area of computer education. While there is tremendous demand for computer education, there is also a lack of skilled trainers. The result is that training is narrowly focussed. This is particularly true in smaller cities where computer hardware is inadequate to meet the demand. This creates opportunities for commercial training services, which have not been the usual source of computer training in the past.

THE REGULATORY ENVIRONMENT

There is virtually no regulation of computer software and services in Mexico. The new telecommunications law apparently includes some coverage of online services, but regulations have not yet been issued. Improved anti-piracy measures are the most important action the government has taken so far. The administration of President Ernesto Zedillo has strongly supported initiatives by the *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics, to promote the computer sector as a means of furthering the new administration's economic and social objectives.

The lack of a well-developed computer sector has severely limited Mexico's economic and industrial development. This fact has been widely recognized in Mexico and the

government has acted to develop new policies to replace the self-sufficiency regulations which were rescinded in 1990.

In May 1995, President Zedillo announced the *Plan Nacional de Desarrollo, 1995-2000,* National Development Plan, 1995-2000. For the first time, the Zedillo development plan includes strategies for developing the use of computer technology. "Computer science" is recognized as a tool that can support the other objectives of the program, including economic growth, social and democratic development, and sovereignty.

INEGI has overall responsibility for computer policy in Mexico. It has sponsored a series of progressively broader forums to seek input from the industry and the public. In April 1995, for example, *INEGI* set up the *Foro de Consulta Popular sobre Informática* to advise on implementation of the new policies.

Public consultation is a normal part of the Mexican legislative process, and so far experts are mixed in their views about whether this process will result in practical action. For the most part, they see the formal incorporation of computer science in the National Development Plan as a strong first step.

MARKET ENTRY STRATEGIES

Mexican software distributors are always looking for new products. One distributor interviewed for this profile said that he travels regularly to the United States to see new products. He believes that Canadian products are beginning to gain some recognition in Mexico, especially in the communications sector. In his view, this is largely a result of Canadian government efforts to promote the industry.