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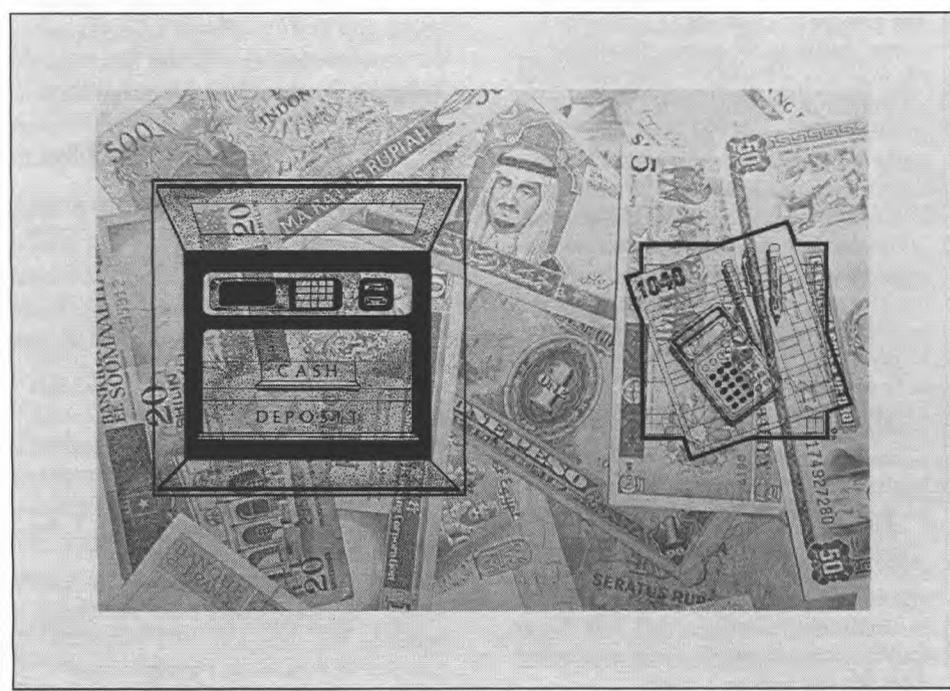
# Services to the Financial Industry

## THE OPPORTUNITY

The Mexican financial system is struggling to modernize and improve customer services. Although the banks were privatized in 1988, they have not yet fully adapted to the competitive environment in which they operate.

The market for all types of financial services is expected to grow rapidly as Mexico adapts to foreign competition and rising consumer expectations. Canadian companies that provide technical services to the financial industry will find special opportunities, because the need for new technology and improved efficiency will dominate Mexico's financial sector for many years to come.

The banks are only just beginning to introduce modern technology for Automated Teller Machines (ATMs), credit card validation, electronic funds transfer and other inter-branch communications. They are hampered to some extent by Mexico's poor



quality communications systems, but the largest banks now have national ATM systems.

The banks will have to expand their operations as more and more Mexicans open bank accounts and apply for credit cards and loans.

Only about 15 percent of Mexicans presently have a bank account and only 10 million credit cards are in use. Elaborate credit information systems will be needed, creating a niche market for Canadian companies with expertise in this area.

### SUMMARY REPORT

The Department of Foreign Affairs and International Trade has prepared this summary report on the **Services to the Financial Industry**. It has been published by Prospectus Inc. under the Access North America Program, along with other sector profiles and summaries on business opportunities in Mexico. It is available from:

**InfoCentre**  
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### HIGHLIGHTS

**The Mexican financial services market is underdeveloped and will expand rapidly creating many opportunities for Canadian financial services companies:**

- the banks were recently privatized, but they have not yet fully adapted to the newly-competitive environment;
- automated systems, including automatic teller machines and credit information systems, are in demand by Mexican banks;
- to remain competitive and offer expanding services, some Mexican banks will be forced to merge, creating a demand for systems integration services;
- credit card use is expanding rapidly and will continue to grow as incomes rise;
- most Mexicans do not hold property insurance, but this will change as the wider availability of credit makes automobile and home ownership more feasible; and
- rising incomes and demographic factors will lead to rising demand for life and health insurance.

