

The market is segmented mainly by the level of product integration. No more than eight Mexican companies have the ability to provide a total package. For this reason, the market is characterized by a large amount of subcontracting. The largest companies also offer software packages to clients. In most cases, they are exclusive suppliers of particular packages, which are mostly imported.

The state and municipal markets constitute the largest market component by far. They are oriented towards cadastral surveys and have traditionally required relatively low levels of technology and service integration. Nonetheless, sophisticated methods and materials are beginning to find applications in this field. Federal government agencies are also important customers. Their needs are mainly for large databases.

Relatively complex offerings are normally required by state enterprises such as *Petróleos Mexicanos (PEMEX)*, the national oil company, and the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission. They need finely tuned information systems to support strategic and logistic planning.

The most popular software package is ARC-INFO. Standard Queries Language (SQL) is also widely used to develop applications. A Spanish-made package, distributed by *Estudios Topográficos de México (ESTOMSA)*, has also been successful. *Digitalización y Cartografía Urbana (DICARTU)* is the only Mexican company that markets its own GIS package, under the name of AUDOS. Another company, *Sistemas Ortofotogramétricos Ingeniería Aplicada (SOFIA)*, is reportedly developing another Mexican software package.

The sharp devaluation of the peso in December 1994 caused a large decrease in purchasing power for all buyers of imported products. Government purchases will be cut back even further as a result of budget reductions associated with the recovery plan.

Nonetheless, officials of *BANOBRAS* said in mid-1995 that the bank still has funds for cadastral update projects. Ten new projects were approved by *BANOBRAS* in the first quarter of 1995 alone. But other geographical information systems (GIS) projects are expected to be put on hold until the economic situation stabilizes. Most observers believe that a settling period of several months will be needed.

There are, however, some positive effects from the economic crisis. First, governments will be forced to spend more carefully. Increased use of GIS is one likely outcome. Second, GIS will be used increasingly in the private sector as a planning and management tool. Imports will continue to dominate this market, because the economic crisis will make it even more difficult for Mexican companies to develop advanced capabilities on their own.

The first year of the new administration has been devoted mainly to defining priorities and positioning for the future. For Canadian companies with a medium-term perspective, there are still excellent prospects in the Mexican GIS market. But success will depend on their ability to evaluate emerging needs and develop marketing and delivery systems.

A separate market profile is available describing the Mexican geomatics market in detail.