

ADVANCED MANUFACTURING TECHNOLOGIES (AMT)

For the past seven years, Mexico has imported \$23 billion in capital equipment each year, testament to the fact that AMT is a driving force behind the Mexican economy. Approximately 16% of Mexican GDP is produced by the manufacturing sector, which is turning to technology to meet growing international competition. However, very few Mexican companies produce AMT, so 80% must be imported.

The automotive and plastics industries are drivers of Mexico's manufacturing sector, but other opportunities lie in appliances, packaging, electronics and the emerging aerospace sector. A large window of opportunity exists in the Maquiladora industry (2,400 manufacturing companies, mostly foreign, located in the border region with the U.S.), where highly technological manufacturing processes, not available in Mexico, are in demand.

Opportunities for SMEs exist in vertical software and ERP solutions. Other technologies in demand include prototyping, test equipment, peripherals (brushers, washers), probes, etc. Also, sales in the AMT high-end segment look promising, particularly for CAD/CAM software, moulds, tools and dies, computerized numerically controlled machines, automation and robotics machinery.



Upcoming Events:

ISA ExpoControl (Mexico City) June 13-15, 2006
www.isaexpocontrol.com

Expo Manufactura (Monterrey, Mexico) March 2007
www.expomanufactura.com.mx

TECMA (Monterrey, Mexico) March 6-9, 2007
www.tecma.org.mx

UPCOMING EVENTS

Second Annual North American Summit Hemispheria
Winnipeg, May 31-June 2, 2006
www.hemispheria2006.com

The International Economic Forum of the Americas
Conference de Montreal
June 5-8, 2006
www.conferencedemontreal.com

VII International Mining Congress
Hermosillo, Mexico
October 17-20, 2006
Contact:
mexico.commerce@international.gc.ca

Canada-Mexico Partnership

The Canada-Mexico Partnership (CMP) was launched on October 24, 2004, within the context of the 60th anniversary of our diplomatic relations and the 10th anniversary of NAFTA. It complements the strong advances already made under NAFTA and the trilateral Security and Prosperity Partnership (SPP).

In September 2005, the Prime Minister of Canada hosted Mexican President Vicente Fox in Vancouver, where they received a report of accomplishments from representatives of the CMP's five working groups: competitiveness, sustainable cities, housing, human capital, and agribusiness. During this event, a new working group on energy was established. Furthermore, the competitiveness working group announced its goal of increasing bilateral trade by 50 percent and doubling investment by 2010. The first CMP Report to Leaders highlights a year's worth of collaboration and accomplishments. For a full account of the working groups' results and objectives, please visit www.itcan-cican.gc.ca/cmp-en.asp.



The CMP unites business leaders, key economic actors and senior policy makers from the private and public sectors of both Canada and Mexico to foster the creation of strategic networks and partnerships and to promote dialogue at senior levels. This relationship has permitted further cooperation on everything from bilateral trade, investment and business-to-business links to housing, water infrastructure, student mobility and citizen-focused government.

On March 7 and 8, 2006 all six CMP working groups met in Mexico City to discuss progress and accomplishments and set priorities for the coming months. The meetings culminated with a CMP luncheon hosted by the Mexican government as well as a reception at the residence of Canada's Ambassador to Mexico, Gaetan Lavertu. In a parallel event, Canadian and Mexican CEOs as well as senior government officials, met with the President of Mexico, Vicente Fox, to discuss bilateral commerce and the challenges of competitiveness.

NEW INITIATIVES

THE HALTON REGION EXPORT PROGRAM FOR MEXICO

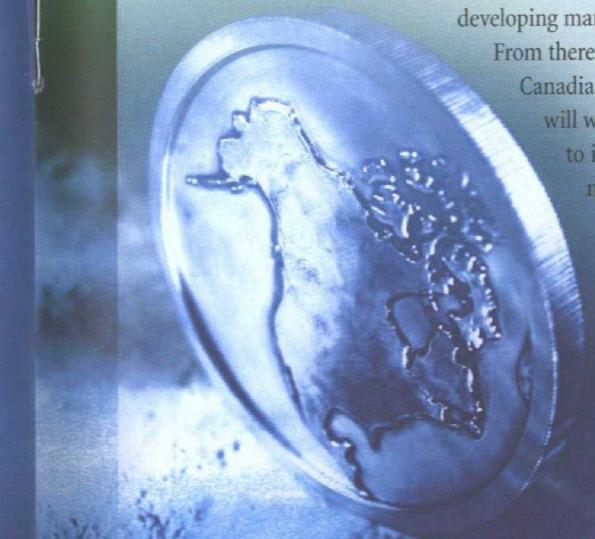
The Export Alliance, to be launched in April 2006, will offer a unique approach to export market diversification. Begun as a core partnership between Halton region, ITC, Ontario region, Export Development Canada (EDC), Sheraton College and the Trade Commissioner Service (TCS) abroad, the Export Alliance will welcome other regional trade and investment stakeholders to participate as partners in international business development initiatives. The objective of the *Export Program for Mexico* pilot project is to identify a select number of Halton region companies that are active exporters to the U.S. and assist them with their efforts to further diversify their exports.

"The majority of Halton region's 1,100 exporters sell to the U.S. market. It is our objective to help companies acquire the knowledge and experience to expand their export activities beyond the U.S. marketplace," said John Ayling, Director of the Halton Business Development Centre. Since Canada enjoys a natural link to Mexico through NAFTA and because of Mexico's advantageous position as a gateway to the broader Latin American marketplace, it was chosen as the target market for this initiative. The long-term objective is to build on the success of this initiative and replicate the formula for other international markets.

Halton region and ITC will work with the selected companies to develop product and service profiles, identify specific opportunities and develop market entry strategies. These efforts will be supported by EDC and by business students from Sheraton College who

will work on gathering market intelligence and developing market entry strategies.

From there, the TCS in the three Canadian missions in Mexico will work with the companies to identify potential partners and to facilitate their introduction.



IT/SOFTWARE VIRTUAL TRADE MISSION QUEBEC-MONTERREY

Late in 2005, a virtual trade mission (VTM) was organized by ITCan's Quebec Regional Office and the Canadian Consulate General of Monterrey, Mexico. This marked the first time these two bodies worked in cooperation with two key economic development agencies, Laval Technopole and Economic Development of the Longueuil region (DEL). The VTM showcased four Quebec companies to 15 IT distributors/representatives from Monterrey. Maude Martin, Director of Laval Technopole, says, "The VTM gives companies the strategic information they need to go further in this market. It helps start serious discussions with potential representatives. These discussions are ongoing. We find this stimulating because it lets our companies test markets first-hand without spending considerable time and money."



This VTM proved that collaboration between organizers benefits everyone involved. Alonso Restrepo, International Trade Commissioner at DEL Export, commented that "the synergy this partnership created is impressive. Cooperating seamlessly together brings out the best value from each partner. For example, Monterrey gave us feedback we required to match our companies with the best potential partners. Their intimate knowledge of the sector helped us do our part."

Claude Coté, Director of Sales and Marketing from participating company INFO-KIT Technologies, can attest to the value of this VTM. "The VTM gave INFO-KIT the opportunity to lay the groundwork in this region, which it sought to do for quite some time. In fact, a local representative was recruited and is presently part of the company's team of business development in Mexico."

Positive follow-up surveys were received by all participants, and more VTMs are being planned for 2006.