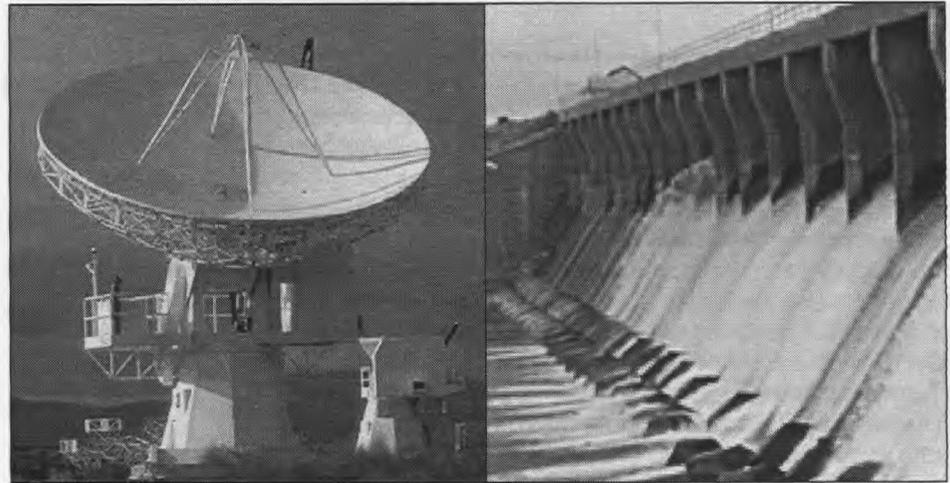


doc CA1 EA612 A R K E T S U M M A R Y — M E X I C O 94E67 ENG **Equipment and Services for the Telecommunications Sector**

**THE PROGRAM FOR THE MODERNIZATION OF TELECOMMUNICATIONS**

The development of a modern telecommunications infrastructure is one of the highest priorities of the Mexican government. In the late 1980s, the government embarked on a series of sweeping economic reforms, including new policies of trade liberalization, privatization and deregulation. It recognized that telecommunications would be a critical element in promoting sustained economic growth. At that time, there were less than six telephones for every 100 persons, and the average waiting time for a new line was three years. Fax service was severely limited by import restrictions, and other "value-added" services such as paging and voice mail, were virtually non-existent.

The program for the modernization of telecommunications was published at the end of 1989 by the *Secretaría de Comunicaciones y Transportes (SCT)*, Secretariat of Communications and Transportation. This program was designed to promote the modernization and expansion of the



telecommunications network. It also liberalized the regulatory framework in order to encourage private investment and foster competition.

The modernization program included a budget of US \$1 billion over the 1989 to 1994 period. The state-

owned telecommunications company, called *Telecomunicaciones de México (TELECOM)*, was created to provide the basic communications infrastructure. *TELECOM* is a state-owned monopoly under the constitution. *Teléfonos de México (TELMEX)*, the state-owned telephone company,

**HIGHLIGHTS**

**Mexico's telecommunications sector offers major opportunities for Canadian manufacturers of all types of telecommunications equipment:**

- the development of a modern communications infrastructure is a major government priority, supported by important public programs;
- the national telephone company, *Teléfonos de México (TELMEX)*, has been privatized and has been given a mandate to dramatically expand and modernize the telephone system;
- the operation of satellite and microwave systems, as well as other basic communications infrastructure has been split off from the *Secretaría de Comunicaciones y Transportes (SCT)*, Secretariat of Communications and Transportation into *Telecomunicaciones de México (TELECOM)*, the state-owned telecommunications company;
- the telecommunications system is being upgraded to incorporate digital and fibre optics components;
- hundreds of new radio and television licences are being issued to private sector operators;
- eight cellular telephone concessions have been granted to Mexican companies operating in partnership with foreign companies, of which two deals include Bell Canada; and
- foreign firms can now hold up to 49 percent of Mexican companies licensed to provide private telecommunications services to corporations.

**SUMMARY REPORT**

The Department of Foreign Affairs and International Trade has prepared this summary report on the **Equipment and Services for the Telecommunications Sector**. 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:

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