

Expanding Canadian manufactured exports to Mexico have benefited from strong support from External Affairs and International Trade Canada (EAITC). Government-initiated trade promotion activities have been organized across sectoral lines, with mining equipment, telecom, computer software, agriculture and food products, plastics, metalworking and machine tooling, and advanced technologies, which include geographic information systems, featured prominently in the activities and events implemented annually in Mexico by the Department. This program has been a key element in introducing small- and medium-sized Canadian firms to the Mexican market, where most future export growth will occur.

The highly successful Canada Expo '92, held in Monterrey in January 1992, proved that Canadian companies can compete effectively in the Mexican market. Many of the over 206 participating companies forged important linkages with potential private-sector customers in Mexico's industrial north. A total of 25 sectoral promotional initiatives directed at similar clients in Mexico City, Guadalajara, the Gulf Coast (oil and gas) and other key industrial centres are planned in 1993 and 1994. In addition, the Canadian Embassy will host numerous business missions organized by provinces, industry associations and Chambers of Commerce. Canada Expo '94 which will be held in Mexico City next Spring, is expected to have over 500 Canadian exhibitors.

The Export Development Corporation (EDC) also plays a key role in supporting Canadian marketing efforts. EDC currently has available over US\$750 million in commercial lines of credit with Mexican commercial banks, development banks and state corporations, such as PEMEX and CFE, the state oil and electrical companies respectively, to facilitate the procurement of Canadian products and services. These financing mechanisms have proved particularly crucial in supporting market entry by new exporters, who have been able to direct their customers to Mexican banks in order to access EDC credit facilities.

The Business Co-operation Program of the Canadian International Development Agency (CIDA/Inc) has also assisted a growing number of Canadian firms in Mexican market efforts. The usefulness of engaging in joint venture and technology transfer agreements with Mexican partners has, in particular, emerged as a key consideration for Canadian firms seeking to expand into Mexico. Strategic partnerships intended to improve local technological capabilities through a long-term presence by Canadian experts or the transfer of necessary technology with commensurate training of Mexican staff are increasingly the modus operandi for commercial relationships between the private sectors in both countries.

CIDA/Inc has also played an important role in support of project preparation work by Canadian consulting engineers in Mexico. Of particular note have been several environmental protection and control projects related to air and water pollution, hazardous waste disposal and rehabilitation of wetlands in proximity to industrial and residential areas. It is hoped that studies assisted by CIDA/Inc will become projects implemented with financing from international financial institutions, such as the World Bank and the Inter-American Development Bank, or other sources, such as private Canadian and Mexican banks and the EDC.