



# CANADIAN OPPORTUNITIES IN THE MEXICAN MARKET

Many Canadians may not realize that Mexico has become Canada's largest market in Latin America. Trade between our two countries exceeded \$2 billion last year, and annual two-way trade is expected to more than double during the 1990s.

Until recently, Canada's opportunities in Mexico were limited by protectionist trade barriers. But now most of the obstacles that kept Canada's goods out of the Mexican market have been removed. The Mexican government has seized upon open markets and two-way trade as the best means to strengthen Mexico's economy.

In 1986, Mexico joined the world trading order, the General Agreement on Tariffs and Trade (GATT). In the past five years, the average Mexican customs tariff has decreased from over 25 per cent to around 10 per cent. Import licences and border restrictions have also been radically reduced, and Mexico has started to deal with its debt more seriously.

The President of the World Bank described Mexico's reforms as:

*...one of the most ambitious, courageous and determined programs of economic reform and institutional change recently undertaken in any country.*

Canadian exporters have been quick to seize the growing opportunities in Mexico. In 1989, our exports to Mexico increased by over 20 per cent. Some recent success stories include:

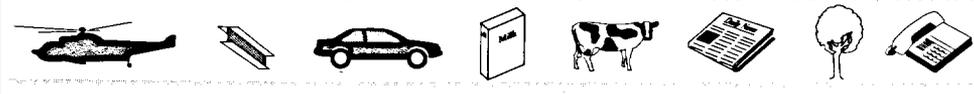
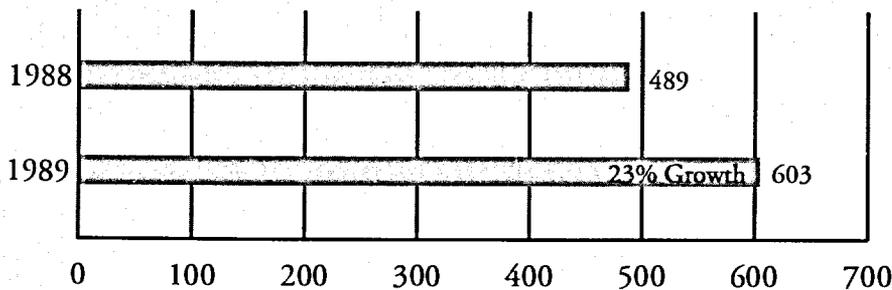
- In 1988, Northern Telecom's telephone equipment sales to Mexico were worth \$4 million. In 1989, sales were \$27 million. Sales for 1990 were estimated at over \$60 million and anticipated 1991 sales are over \$100 million.

- Mexico has only six million telephone lines to serve a population of 85 million. In the next five years, over \$10 billion will be spent on telephone equipment.
- A Mexican company has awarded Spar Aerospace a \$16 million contract for communications systems used in earth stations and satellite dishes.
- Air transport equipment sales are expanding rapidly. We have already sold Challenger jet aircraft and additional sales are anticipated in 1991.
- Mexico City plans to spend about \$100 million on public transit equipment. Canadian companies stand a good chance of participating in this equipment purchase and other contracts.
- Mexico must feed more than 85 million people. Canadian exports of dairy breeding cattle are rising and Canadian farmers anticipate further sales of other dairy and grain products.
- *Canadian Business* magazine recently reported:

*For Canadian firms with engineering strengths, the opportunities in Mexico appear boundless. Beyond telecommunications and transportation, there is water irrigation, agriculture, the environment and utilities.*

### Canadian Exports to Mexico

(millions of \$ CDN)



Source: Statistics Canada.

**NON - CIRCULATING 1  
CONSULTEUR SUR PLACE**

Dept. of External Affairs  
Min. des Affaires extérieures

**APR 10 1991**

RETURN TO DEPARTMENTAL LIBRARY  
RETOURNER A LA BIBLIOTHEQUE DU MINISTERE