

MINING

Mexico has substantial untapped reserves of many important minerals. The development of the mining industry has been held back by government restrictions, but these have now been largely removed. Canadian mining companies have moved into Mexico and are major players in new mining developments. The recognition of Canada's mining capabilities can be extended to sales of mining equipment and services.

TRANSPORTATION SYSTEMS

Canada gained an early entry into the Mexican market for transportation systems and equipment when Montreal-based Bombardier took over *Concarril*, the major Mexican producer of rapid transit equipment and rail cars. This market is getting bigger as Mexico's rapid transit systems expand to meet the needs of the nation's rapidly growing and increasingly urbanized population.

CULTURAL AND EDUCATIONAL PRODUCTS

Mexico is spending increasingly large amounts of money on social development programs. The proportion of gross domestic product (GDP) spent on education is expected to rise to 8 percent by 2000, compared with just over 5 percent in 1993. In spite of the obvious cultural differences, Canada's success in the educational and cultural areas is recognized in Mexico and is likely to lead to new opportunities.

ADVANCED TECHNOLOGIES

Mexico, like Canada, has used technology to tie together a diverse and geographically disparate population. But its capabilities are much less advanced. In particular, there is a serious lack of geographic information. Among other problems, some 90 percent of Mexico's property taxes go uncollected due to the lack of adequate cadastral data. Canada has a proven track record in this area along with proven systems available for sale.

Despite the tremendous progress it has made over the past decade, Mexico continues to display many of the characteristics of a developing economy. The peso crisis of 1994 demonstrated just how fragile its economic foundations were and showed that doing business in Mexico carries more risk and demands more caution than selling to the United States. This, however, should be taken as an argument in favour of prudence rather than as a reason to abandon doing business in Mexico. For those who are willing to take the time and make the effort, Mexico continues to offer striking opportunities. Finding appropriate financing is key to taking advantage of those prospects.