

The application of these rules, their enforcement and the corresponding administrative and federal sanctions for their violation are contained in the law. Sanctions are potentially harsh: fines of up to 20,000 times the daily minimum wage may be imposed, plants may be shut down and involved individuals may be subject to imprisonment. Federal, state and municipal authorities may inspect and monitor activities to verify compliance. These inspections follow fairly specific procedures. The procedural requisites have also been formalized. All existing and planned operations exceeding the parameters specified in the technical norms require an authorization from SEDUE. An applicant for SEDUE authorization must provide the agency with an environmental impact statement of the project. After evaluating the application, SEDUE may grant or deny the authorization or condition it upon changes in operation or pollution controls.

Seven industrial categories are particularly scrutinized for their environmental impact:

- federal public works;
- water works, oil, gas, carbon and general transportation networks;
- chemical and petrochemical plants, iron and steel mills, paper factories, sugar refineries, manufacturers of beverages, cement, automotive parts, and electricity generating and transmission plants;
- mineral and non-mineral exploration, extraction, treatment and refining;
- federal tourism developments;
- hazardous (including nuclear) waste treatment, storage and disposal plants;
- exploitation of slowly regenerating vegetation in forests and tropical jungles.

To supplement the law and assist in its interpretation and application, various regulations and technical norms have been issued. The regulations outline the procedures required by the law, while the norms provide quantitative parameters for the evaluation of hazardous waste.

8. MARKET ACCESS

Sales in Mexico are usually made through local agents and distributors, normally operating on a commission basis. Decisions should be taken on whether to use an agent, joint venturing or licensing with a Mexican company. Mexico's market is highly competitive and companies which maintain an active presence in the market and establish a good track record by virtue of product performance, competitive price and service will do well.

All suppliers of equipment or services, whether local or foreign, to a Mexican Government entity must be registered with the Secretariat of Programming and Budget (SPP) and with the Purchasing Department of the agency itself. All purchases over a specified minimum are subject to bidding.

As a result of Mexico's accession to GATT, the Mexican Government has gradually opened the economy to international suppliers. Import duties have been lowered from a maximum 100% in 1983, to 20% since December, 1988. The official import price system has been totally eliminated and import permits are required on only 325 of the total 11,950 items in the Mexican Tariff Act, none of which correspond to this industry. Mexico adopted the Harmonized System of Tariff Nomenclature on July 1, 1988.

Imports of pollution control equipment and instruments are subject to a 0% to 20% ad valorem duty assessed on the F.O.B. invoice value. In addition, a 0.8% customs