

THE CANADIAN EXPERIENCE

A significant number of the Canadian exhibitors of construction products at the Canada Expo '94 trade show in Mexico City have found that good distributors often have a background in architecture. These representatives have good contacts within the architectural community. This group is very instrumental in introducing new products and designs. The majority of Mexican architects are also engaged in contracting. Therefore they form an important customer base in terms of product purchases as well as design influence.

SEMINARS

Technical seminars are an excellent method of promoting materials and equipment for the housing and construction markets. Seminars can be held during trade shows or can be organized through an industry association. Some companies arrange for their local representative to hold a private seminar for a select group of potential customers.

Mexico's civil engineering and architectural communities have a strong influence over the selection of construction products. There is no clear distinction between the roles of architects and engineers in Mexico. Both can be involved in design, specification or contracting. Canadian companies may consider organizing seminars at the Architecture and Engineering Colleges as a means of introducing new products and technologies. The *Colegio de Arquitectos de México*, the School of Architects, also produces a monthly publication, *Enlace*, which offers an important opportunity for publishing technical articles on new materials or technologies.

SETTING PRICES

Mexico's protectionist trade policies and the rampant inflation of the early 1980s combined to sustain high prices for many products. Canadian exporters of construction products often find that prices in Mexico are higher than in Canada. In recent years, however, pricing has become more competitive and inflation has subsided. As a result, one building products catalog publisher recently reduced its frequency from monthly to quarterly. It is expected that the NAFTA will also contribute to more stable and competitive prices.

For generic products, pricing information can be found in published data. A number of organizations monitor the prices of construction materials in Mexico and publish catalogues or electronic data for the use of builders, architects and engineers. For example, *PRISMA*, a Mexican building cost analysis firm, publishes typical list pricing and lowest prices offered for 600 common building products. It also provides information on regional pricing and discounting practices. Finally, the catalogue provides current transportation costs within Mexico for various classes of building materials.

For specialty products, exporters may have to do their own price surveys. A survey can be made by visiting retail and wholesale outlets for construction products in various regions of Mexico. Canadian exporters should also examine product pricing in the southern United States, where many competing suppliers are located.

Exporters should give careful consideration to the payment terms offered to various customers. Small and medium-sized construction companies are known to go out of business frequently in Mexico. Credit and collection policies should be established with local distributors at the outset.

FURTHER READING

The following publications provide additional information on the market for construction products and guidance on various aspects of doing business in Mexico. These are available from the InfoCentre:

- ☐ *Opportunities in Mexico: The Construction Services Market*
- ☐ *NAFTA and the Construction Materials Sector*
- ☐ *Canada-Mexico: Partnering for Success*
- ☐ *A Report on the Construction Industry in Mexico*
- ☐ *Documents and Regulations for Exporting to Mexico*
- ☐ *Successfully Bidding for Mexican Government Industrial Procurements (in production)*
- ☐ *Lumber and Wood Products, Mexico Market Profile*
- ☐ *Mexico: Basic Legal Aspects of Doing International Business*

