

Distributors catering to the middle and lower ends of the market are expected to drastically reduce their lines of imported upholstery fabrics. A 50 percent decline in imports is expected this year. Companies dedicated to selling solely or mostly imported fabrics prior to the devaluation of the peso, feel confident that their market niche (the wealthy) is secure enough so as to maintain their position in the market.

There are a number of opportunities for Canadian firms in this market. *Morel's* in particular, is interested in buying Canadian fabrics. Canadian-made *tergal* is considered of excellent quality and a good substitute for the French product.

The prevailing opinion in the industry is that the upholstery and drapery textile market will shrink. One of the principal customers has been the construction industry. Many buildings are being built but few are being sold, and the devaluation has only made this worse. As a result, sellers in the textile industry expect to sell less to the construction sector this year.

THE REGULATORY ENVIRONMENT

STANDARDS AND TESTING

Mexican official standards, known as *Normas Oficiales Mexicanas (NOMs)*, are imposed on a wide variety of consumer products sold in Mexico, including textiles. These standards can be issued by any Mexican government agency, but those for textile products are administered by the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development.

All products for which *NOMs* have been issued must be tested in Mexico to obtain a certificate of compliance. The certificate is issued by *SECOFI's Dirección General de Normas (DGN)*, Bureau of Standards, or from an agency accredited by them.

Textiles, apparel and accessories are covered by NOM-004-SCFI-1993. Technically, the burden of compliance with these standards falls on the importer, but in most cases Canadian exporters will have to provide the documentation. Under the *NOM*, the certification number must be included on textile labels, along with the *NOM* logo. This is in addition to the general requirements for textile labelling discussed below. Textiles are exempt from the requirement that a certificate of compliance accompany the goods when they cross the border, presumably because of this additional labelling requirement. These regulations are subject to frequent change and exporters should ask the importer to provide details of the latest regulations well in advance of shipment.