

THE REGULATORY ENVIRONMENT

Companies that conform to Canadian quality and environmental standards will encounter no obstacles to entering the Mexican market, even once new regulations are enacted.

There are currently no official standards that affect the plastics industry. The larger Mexican producers are attempting to develop voluntary quality standards within the guidelines of federal law. There is also the likelihood of future government regulation in the areas of recycling and hazardous wastes.

QUALITY STANDARDS

Under the *Ley Federal de Normalización*, Federal Law of Standardization, of 1992, government secretariats may enact *Normas Oficiales Mexicanas (NOMS)*, official standards, to regulate the technical standards or quality of goods sold in Mexico. Products subject to *NOMs* must be accompanied by a certificate of compliance when they enter the country.

There are currently no mandatory standards in effect for plastics, but the law puts the onus on designated industries, including plastics, for the development and enforcement of their own quality and operating standards. The plastics industry is now attempting to develop appropriate policies. Some of the larger companies, such as *Duroplast*, already comply with ISO 9000 and 9002 standards. But the industry has its own unique problems. For one thing, raw materials, especially those manufactured by *Petróleos Mexicanos (PEMEX)*, the national oil company, tend to fluctuate in quality from lot to lot and machinery must be able to cope with these changes. The lack of regular machinery maintenance also leads to unacceptable quality variations.

Some large buyers, including those in the automotive and food packaging industry, regularly audit their suppliers' operations to ensure consistent quality. Volkswagen, for example, is reportedly very aggressive in this regard.

To implement the legal requirements for voluntary industry standards, the *Comisión Nacional para la Calidad del Plástico (CNCP)*, National Commission for Plastics Quality, was created in early 1995. Its objectives are to develop certification, verification and technical training programs throughout the industry. It conducts workshops for participating companies and it is seeking to develop uniform standards within the North American Free Trade Agreement (NAFTA).