

THE ROLE OF DISTRIBUTORS

The choice of a professional distributor is an important task especially since Mexican distribution channels are less well defined than those in Canada. When choosing a distributor, keep in mind the same factors as when choosing an agent, in addition to the following:

- relationship with local governments;
- conditions of facilities;
- willingness/ability to keep an inventory; and,
- relationship with banks.

Larger retail chains and discount stores are playing an increasing role in the distribution of products to consumers in Mexico. Mexico's largest retail chain is CIFRA with approximately U.S. \$2 billion in annual sales. Other major retail chains include Comercial Mexicana, Grupo Gigante and Soriana.

2. TRANSPORTATION

Mexican transportation services have improved markedly over the past several years. Greater competition has shortened transit times and improved services for international traffic. If it is ratified, NAFTA promises to further increase opportunities for Canadian exporters and carriers alike.

There are four ways to get your product to the Mexican market: road, rail, marine and air. Of these, road transport is the most popular. In 1992, about 45 percent of Canada's exports to Mexico went by road, 32 percent by water and 14 percent by rail. The decision on the mode of transportation depends primarily upon the rate, the transit time, the nature of the product transported and the package of services offered. Exporters can choose to purchase transportation services either directly through a trucking company, railway sales office, airline cargo office or marine shipping agent, or indirectly through a freight forwarder.

TABLE 1
CANADIAN EXPORTS TO MEXICO BY MODE OF TRANSPORTATION

