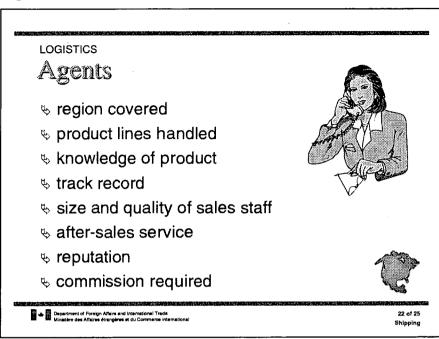
Agents



An effective approach to selling in Mexico is to develop a relationship with an agent. Agents solicit business and enter into agreements on behalf of their principals but do not take title to the goods. Factors that should be considered when choosing an agent are:

- · region covered
- product lines handled
- knowledge of product
- track record
- size and quality of sales staff
- after-sales service
- reputation
- commission required

The use of an agent is a good way to get a product into the Mexican marketplace, especially for capital goods, machinery, equipment or components for assembly. Care should be taken, however, that the exporter-agent arrangement is not construed as an employer-employee relationship, because this could have consequences under Mexican tax and labour regulations.

To supply goods or services to a government agency or to a *paraestatal*, state-owned company, the exporter must first register as a supplier with the agency involved. This is effectively done through an agent. Government entities often require that the agent have the power to make commitments on behalf of the exporter.