

transshipment from the border to destination, etc.

Mexican customers should be fully informed, and agreeable to, the terms and conditions of payment required by Canadian exporters. The Irrevocable Letter of Credit is one of the accepted means of payment, although some importers prefer to effect payment by other instruments such as bank transfer, sight draft, cashier's cheque, international money order, etc. which are less expensive to obtain. In any case, for their own protection, Canadian exporters should ensure that monies are in their banks and available for collection on presentation of shipping documents, invoices, etc. Foreign exchange is readily available through the Mexican banking system for international transactions.

Transportation

Goods moving from Canada to Mexico travel primarily by truck or railcar. Several Canadian trucking firms have established contracts with Mexican counterparts to transport freight overland through the U.S. into Mexico. By law, a Mexican cab and driver must be used to haul loads over local highways to destinations inland. U.S. rail systems connect with Mexican road and railways systems at major border crossings. Direct air cargo services to Mexico City are available from Toronto with Canadian International, and Vancouver via Japan Airlines. Other important Mexican cities including Chihuahua, Hermosillo, Guadalajara, Monterrey and others have direct air connections from major cities in the U.S.

Retail Market

With the relaxation and elimination of certain import restrictions and barriers to trade since Mexico became a member of the General Agreement on Tariffs and Trade, there has been a significant increase in the variety of imported goods, including bottled drinking water. A considerable number of brands previously unknown in Mexico can be found today on supermarket shelves. The Mexican food and beverage market is in expansion, and for a product to find a niche in this highly competitive marketplace, it must be well presented and competitive in price and quality. It takes a lot of dedicated effort and promotion to introduce a foreign product, and the competition in the drinking water market (as will be seen from the number of brands currently available to the consumer) is strong. A survey taken in several commercial outlets gives the variety in bottle sizes and retail prices currently in effect. The Mexican peso slips 0.20 centavos each day, and at this writing the exchange rate is \$3,105 pesos per U.S. dollar.