

of telecommunications equipment in Mexico employing some 11,000 people. They concentrate in relatively few product areas, including transmission equipment, cable and radio systems.

THE REGULATORY ENVIRONMENT

The *Secretaría de Comunicaciones y Transportes (SCT)*, Secretariat of Communications and Transportation, regulates all telecommunications activity. Through its agency, *Telecomunicaciones de México (TELECOM)*, the national telecommunications company, the SCT operates the basic telecommunications infrastructure, including trunk lines, microwave and satellite systems. *Teléfonos de México (TELMEX)*, the recently-privatized national telephone company, operates under a concession from the SCT that gives it the exclusive right to operate the public telephone system. Majority-owned Mexican companies are licensed by the SCT to offer private telecommunications services to corporations.

The branch of the *Secretaría de Comunicaciones y Transportes (SCT)* responsible for telecommunications is the Deputy Secretariat for Communications and Technological Development. It includes the General Directorate of Standards and Communications Policies and the General Directorate for Promotion of Telecommunications and Teleinformatics. The SCT is also responsible for the *Instituto Mexicano de Comunicaciones*, Mexican Institute of Communications, which provides advice on communications policy.

Imported telecommunications equipment must conform to international standards and in some cases special homologation permits are required from the SCT. Mexico's telecommunications standards are primarily European, including CCITT.

Import permits are no longer required for any type of telecommunications equipment. Tariff rates under the NAFTA range from 10 to 20 percent and are being phased out under that

agreement.

MARKET ENTRY STRATEGIES

Establishing a local presence in Mexico is a key part of any strategy to enter the market. Mexican buyers want to do business with companies that have demonstrated a long-term commitment, including a capability for after-sale's service. Canadian companies can accomplish this by entering into an agreement with a Mexican agent or by establishing joint ventures with Mexican partners. Some larger companies, such as Northern Telecom have set up their own sales and manufacturing operations in Mexico.

Mexican manufacturers of telecommunications equipment tend to specialize in relatively limited product lines and many of them are interested in technological partnerships with foreign companies that can fill gaps in their offerings. Such partnerships can combine Canadian technological expertise with the market knowledge and local contacts of the Mexican partner.

The Canadian Embassy in Mexico City and Mexican trade associations can help in locating potential agents or partners. Attending trade shows in Mexico is another good way to make contacts and learn about the market.

WHERE TO GO FOR ASSISTANCE

KEY CONTACTS IN CANADA

The **Department of Foreign Affairs and International Trade (DFAIT)** is the Canadian federal government department most directly responsible for trade development. The **InfoCentre** is the first contact point for advice on how to start exporting; it provides information on export-related programs and services; helps find fast answers to export problems; acts as the entry point to DFAIT's trade information network; and can provide companies with copies of specialized export publications.

InfoCentre

Tel.: 1-800-267-8376 or
(613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500

The **Commercial Division of the Embassy of Canada** in Mexico City promotes trade with Mexico. There are several trade commissioners at the Embassy, and there is a satellite office in Monterrey. Trade Commissioners can provide a range of services including introducing Canadian companies to potential customers in Mexico, advising on marketing channels, assisting those wishing to participate in trade fairs, helping identify suitable Mexican firms to act as agents, and compiling credit and business information on potential foreign customers.

Note: to telephone Mexico City, dial: 011-52-5 before the number shown below. For contacts in other cities in Mexico, consult the international code listing at the front of your local telephone directory for the appropriate regional codes or contact the international operator.

Commercial Division
The Embassy of Canada in Mexico
Schiller No. 529
Col. Polanco
Apartado Postal 105-05
11560 México, D.F.
México
Tel.: 724-7900
Fax: 724-7982

Canadian Business Centre
Centro Canadiense de Negocios
Av. Ejército Nacional No. 926
Col. Polanco
11540 México, D.F.
México
Tel.: 580-1176
Fax: 580-4494

Canadian Consulate
Edificio Kalos, Piso C-1
Local 108A
Zaragoza y Constitución
64000 Monterrey, Nuevo León
México
Tel.: 344-3200
Fax: 344-3048

