

- factoring companies, which assume the risk of buyer default by purchasing receivables at a discount;
- Mexican partners, who sometimes have better access to financing than the Canadian exporter has;
- private investors, who may be flexible and available but who often seek a very high rate of return; and/or
- commercial banks, known for their breadth and depth of service but also for their caution.

COMMERCIAL BANKS

All major Canadian banks have established a presence in Mexico. The National Bank of Canada is the most recent Canadian bank to set up operations there. It joins a list that also includes the Bank of Montreal, Royal Bank of Canada, Bank of Nova Scotia, Toronto-Dominion and Canadian Imperial Bank of Commerce. Their presence facilitates such transactions as cashing letters of credit, making bank transfers, negotiating local trade financing, and obtaining credit references on Mexican buyers. Any small business with an established relationship to one of these institutions should probably consult it first to explore what trade financing services are available.

Another commercial financing avenue worth exploring is the Mexican banking community. Two of the largest Mexican banks, *Banamex* and *Banca Serfin*, are testing the Canadian market by establishing representative offices in Toronto. The Canadian offices of these Mexican banks can help selected Canadian firms by sharing their knowledge of the Mexican business environment as well as specific Mexican companies. The Canadian firm can also take advantage of the banks' bold approach to finding Canadian investors for their Mexican clients.

CANADIAN GOVERNMENT AGENCIES

Several federal departments and agencies have a mandate to foster Canadian exports by providing firms with financing. Since this mandate is focussed on Canada, these agencies will tend to focus on the Canadian content of any project and the extent to which it creates jobs and wealth in this country. A similar role is played by provincial governments, which provide some financing assistance to exporters from their own provinces.