

UNITED NATIONS REGULATIONS

Since 1978, limits to territorial claims over the ocean have been recognized by all United Nations member countries under the United Nations Convention on the Law of the Sea (UNCLOS III). Part V of this agreement defines an exclusive economic zone (EEZ) as extending up to 200 nautical miles from the base lines of a coastal state's territorial sea. In Mexico's case, this increased its ocean resources to about 3 million square kilometres, which includes all of the continental shelf.

The rights to an EEZ are balanced by a number of duties set out in the agreement. The coastal state must take steps to preserve living species and manage harvesting for "maximum sustainable yield" based on scientific evidence. The agreement assigns "jurisdiction" over the protection and preservation of the marine environment, to the coastal state. The state must also maintain charts and geographic data adequate to identify the limits of its EEZ.

MARKET ENTRY STRATEGIES

Although Canada enjoys a general reputation for technical excellence, individual companies are not well-known. This can make new products and services difficult to sell. Canadian companies that have succeeded in Mexico frequently say that partnering is usually the most effective way of achieving market exposure. Partnerships with Mexican companies or research institutions are also a powerful way of overcoming cultural and language barriers.

Many companies locate prospective partners by attending industry trade shows. The Canadian Embassy in Mexico City and the Consulates in

Monterrey and Guadalajara can also assist with referrals and introductions.

Pemex Procurements

Exploración y Producción, the exploration and production subsidiary of *Petróleos Mexicanos (Pemex)*, the national oil company, maintains its Marine Region headquarters at Ciudad del Carmen which is located on Campeche Sound. Marine region officials have expressed interest in learning more about the international marine technology market. This interest is being fueled by the planned decentralization of *Pemex* purchasing procedures. Unofficially, it is estimated that regional buyers will be allowed to buy directly from suppliers beginning in 1997. Currently, a large proportion of purchases are made by the *Pemex* purchasing office in Houston following a complex hierarchy of acquisition recommendations.

UNAM Procurements

Universidad Nacional Autónoma de México (UNAM), National Autonomous University of Mexico, prefers to deal directly with foreign companies rather than local agents and distributors. Most of its suppliers are located in the United States, and US sales are facilitated by a university purchasing office in Houston, Texas. *UNAM* purchases mainly through public tender. Specifications are published in the *Diario Oficial*.

Ocean Port Tenders

The *Coordinación General de Puertos y Marina Mercante (CGPyMM)*, General Coordinator for the Ports and the Merchant Navy, is the government agency responsible for ocean port privatizations. Separate public companies called *Administraciones de Puertos Integrales (APIs)*, integrated port authorities, have already been created for each port. Each *API* will concession the operation of indi-

vidual terminals, subject to federal government approval. These are comprehensive concessions for the expansion, modernization and operation of all terminal facilities. In most cases, foreign participation is limited to 49 percent.

KEY CONTACTS

CANADA

Canadian Government

Department of Foreign Affairs and International Trade (DFAIT)

DFAIT is the Canadian federal government department most directly responsible for trade development. The **InfoCentre** should be the first contact point for advice on how to start exporting. It provides information on export-related programs and services, acts as an entry point to DFAIT's trade information network, and can provide copies of specialized export publications and market information to interested companies.

InfoCentre

Tel.: 1-800-267-8376 or
(613) 944-4000
Fax: (613) 996-9709
FaxLink:* (613) 944-4500
InfoCentre Bulletin Board (IBB):
Tel.: 1-800-628-1581 or
(613) 944-1581
Internet: <http://www.dfait-maeci.gc.ca>

*FaxLink is a faxback system which provides summaries on a range of Mexican markets. It must be contacted through your fax machine. Dial from your fax phone and follow the voice prompt instructions.

The Trade and Economic Division of the Embassy of Canada in Mexico can provide vital assistance to Canadians venturing into the Mexican market. The trade commissioners are well-informed about the market and will respond in whatever measures possible to support a Canadian firm's presence in Mexico.