

THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of close to 361 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of more than \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico was just under \$6.5 billion in 1995 and is expected to exceed \$8 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from \$452 million in 1992 to over \$1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However, it is not exhaustive. The differing circumstances, interests and needs of individual companies will influence their strategies for the Mexican market.

Further assistance can be obtained by addressing requests to the International Trade Centres (see Where To Get Help) or contact the InfoCentre at:

Tel.: 1-800-267-8376 or (613) 944-4000

Fax: (613) 996-9709

FaxLink: (613) 944-4500

InfoCentre Bulletin Board (IBB):

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.

TABLE OF CONTENTS

MEXICO'S AGRICULTURAL REVOLUTION	5
THE AGRICULTURAL SECTOR	7
THE AGRICULTURAL TECHNOLOGY, MACHINERY AND EQUIPMENT MARKET	11
Tractors	12
FOREIGN TRADE	13
CUSTOMERS	15
COMPETITORS	17
Domestic Competitors	17
Foreign Competitors	18
TRENDS AND OPPORTUNITIES	19
The Economic Crisis	19
Drought	20
Product and Service Opportunities	20
Equipment for Raising Livestock	20
Equipment for Raising Crops	23
THE REGULATORY ENVIRONMENT	24
Procampo and the Rural Alliance	24
Banrural	26
Tariffs	26
Labelling, Standards, Certificate of Origin	26
Anti-Dumping Measures	27
MARKET ENTRY STRATEGIES	28