

Most Mexican apparel manufacturers have exclusive sales agents who usually work as employees. In some cases, the manufacturer may fill out its product line by representing lines from other companies, including foreign manufacturers.

Mexican apparel manufacturers are struggling to keep up with market trends towards greater fashion orientation, increasingly sophisticated distribution systems, and growing demands for customer service. They are open to joint ventures with foreign manufacturers who can contribute technical and marketing expertise, in exchange for access to the Mexican market.

Participation in trade shows is an effective way for Canadian apparel suppliers to introduce their products and meet potential customers, agents and partners. A list of apparel shows is provided in the Key Contacts in Mexico section of this summary.

THE REGULATORY ENVIRONMENT

NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

To qualify for favourable tariff treatment under the NAFTA, goods must comply with the rules of origin specified in that agreement. The rules for apparel are somewhat more complex than for most other products. In general, the rules of origin are "yarn forward".

All products imported into Mexico must be supported by a certificate of origin. The exporter must consult the detailed rules of origin for the product involved.

Under the NAFTA, there is a provision for certain goods made with imported fabrics to be exported duty-free up to each country's Tariff Preference Level (TPL). This is an expansion of the Tariff Rate Quotas (TRQ) program included in the former Canada-U.S. Free Trade Agreement (FTA). TPLs must be

listed on a Certificate of Eligibility issued by the country of export.

LABELLING

Mexico has regulations governing the labelling of all consumer goods. The label must be in Spanish, affixed "at the source", and must contain specific information set out in the regulations. Textiles, clothing and accessories must also meet additional labelling requirements which are enforced at the border. Apparel labels must also meet the requirements of the official Mexican standard NOM-004-SCFI-1993.

Draft amendments that are expected to become effective in mid-1995 will include several important requirements for apparel labels, including more extensive instructions for product care.

STANDARDS

A wide number of products are covered by mandatory product standards known as *Normas Oficiales Mexicanas (NOMs)*, Mexican official standards. Textiles, apparel and accessories are covered by NOM-004-SCFI-1993. Products subject to *NOMs* must be tested in Mexico and a certificate of compliance obtained from the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development. The certification number must be included on apparel labels, along with the *NOM* logo.

KEY CONTACTS

CANADA

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
InfoCentre Bulletin Board (IBB)
Tel.: 1-800-628-1581 or
(613) 944-1581

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