

renewable resource. There are no changes expected to the *Ley Forestal*, as a result of this reorganization, although SEMARNAP is expected to implement its land reform provisions more aggressively.

Under the regulations, SEMARNAP is responsible for coordinating agreements between state and municipal governments, government enterprises, *ejidos*, community properties, and private corporations.

Virtually every aspect of forestry exploitation is subject to permits, technical studies and a variety of other requirements. Most observers believe that compliance with these requirements will become less onerous under SEMARNAP.

Mexico has a system of mandatory standards known as *Normas Oficiales (NOMs)*, official standards. These standards may be issued by any government secretariat. Products that are subject to these mandatory requirements must be tested and issued a certificate of compliance prior to importation. Some wood products are subject to regulation, but there are presently no mandatory standards that affect paper products. The *NOMs* are subject to frequent change and exporters should check the requirements with the importer before shipments leave Canada.

MARKET ENTRY STRATEGIES

Most paper producers sell only to large end-user clients, distributors, or major retailers. The small retailers generally buy from the distributors.

Paper producers rely heavily on advertising to promote their industrial and business products. Advertising in specialty magazines and trade journals is common. Samples are usually provided to important retail clients and distributors. Industrial

clients are often approached directly by the producers' sales force.

Producers occasionally take custom orders for paper products. These come mostly from printing houses that require specialty papers for certain editions. Because of higher costs, however, clients who previously placed custom orders are now buying stock American products not available in Mexico.

A few importers and distributors have traditionally catered to the demand for specialty papers for the arts, and certain types of business papers. These Mexican companies dealt almost entirely in imports. The devaluation has swept most of them aside. According to industry sources, Georgia Pacific is now the only independent importer and distributor of any significance. It has important foreign connections and it handles a range of "universal types". The company is limited by the time required to import and deliver specialty products, because it maintains only small inventories.

As in other sectors, partnerships or joint ventures with Mexican manufacturers or distributors are a good way to enter the market. Typically, the Canadian partner contributes technology, management know-how and capital. In return, the Mexican partner can offer local market knowledge and contacts, as well as low-cost value-added.

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

Commercial 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.

Note: to telephone Mexico City, dial: 011-52-5 before the number shown. 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.

Commercial Division

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