

Many Canadian exporters have found that getting products through the border can be the most complex and frustrating aspect of doing business in Mexico. To avoid customs problems, product labelling, marking and documentation regulations must be strictly adhered to.

ENVIRONMENTAL LEGISLATION

All new industrial construction projects in Mexico require an environmental impact statement and risk analysis. Construction permits are contingent upon receipt of the necessary approvals from the *Secretaría de Desarrollo Social (SEDESOL)*, the Secretariat for Social Development. The environmental impact statement must contain an outline of the measures employed, including materials and equipment, to mitigate or prevent pollution.

7. MARKET ENTRY STRATEGIES

SELECTING A MARKET NICHE

There is considerable competition in the construction products market in Mexico, especially from suppliers located in the southern United States. Canadian companies have succeeded in this market mainly by finding a market niche where they have a competitive advantage. Mexican construction companies and distributors of construction materials suggest that Canadian suppliers consider the following points:

- the greatest opportunities are for high value-added, unique products for which transportation costs represent a low portion of landed cost. Canadian suppliers have to overcome a cost disadvantage;
- unique technologies that reduce construction time and lower costs are well accepted. Such products are in particularly high demand in the road and housing sectors. Canadian exporters must transfer the necessary building skills along with new construction technologies; and
- Mexican construction companies perceive Canada to be a producer of superior quality wood and steel products, two markets which are currently underserved by domestic suppliers.

New environmental legislation has an impact on all areas of construction. Pollution control systems and environmentally safe building technologies are in high demand.

