

The exporters usually ship their products to a distributor or a representative in Mexico, which they have contacted before. Certain products have exclusive representatives in Mexico, who are the only ones that can distribute a particular product in the country. This practice is difficult to supervise and is less and less common, but it also gives the product a special image in the market, in particular if it is distributed by a well known company. In some cases, the supermarket or department store chain or the specialized chain store directly imports the product, often through a major representative or broker in the United States, Taiwan, Panama or some other country. Sometimes, the product is first shipped to a warehouse or broker in the United States, who then further sells the product to distributors or stores in Mexico. Import stores, generically called "American supermarkets", are mostly supplied through distributors that buy a big variety of products at large discount stores along the Mexico-U.S. border and ship them to the approximately 20 stores in Mexico, which are usually located in high income areas, mostly in Mexico City and other large cities, and which feature mostly food items and toiletries, small kitchen articles and gadgets. Imported products are sold mostly in Mexico City and other large urban areas through supermarkets, department stores and chain stores, which account for some 80% of sales of imported products. Small retail stores in Mexico only carry small inventories, if any, of imported products. Street vendors sell a wide array of small imported consumer products, mostly very low priced and low quality items, in particular to the low income population. These vendors are supplied by a closed network of wholesale warehouses, probably dominated by small groups of very powerful traders, on which no information can be gathered. Often, the products sold have been illegally brought into Mexico without the payment of import duties.

The private sector distribution channel, which accounts for 90% of sales (the remainder is through government or union stores), is strong and adequate, but is very centralized in the Mexico City area. To get their products to national markets, many companies maintain regional warehouses and some have plants in different areas of the country. Most national chain stores have their main purchasing offices in Mexico City, where the initial sale and contact is made, but regional purchasing offices are responsible for re-supplying. Others operate their own fleet of trucks to deliver to major market areas where products then move into wholesale/distribution channels. Some companies even ship directly to their clients through the normal transportation network.

The national confederation of chambers of commerce throughout the country (CONCANACO) recently published a comparative study of commerce in several cities and areas. Following are the most important findings for Mexico City, which was chosen for being the largest consumer market, although it may not be representative for other parts of the country. The survey was