

industries, including plastics, for the development and enforcement of their own quality and operating standards. The plastics industry is now attempting to develop appropriate policies. Some of the larger companies, such as *Duroplast*, already comply with ISO 9000 and 9002 standards. But the industry has its own unique problems. For one thing, raw materials, especially those manufactured by *Petróleos Mexicanos (PEMEX)*, the national oil company, tend to fluctuate in quality from lot to lot and machinery must be able to cope with these changes.

To implement the legal requirements for voluntary industry standards, the *Comisión Nacional para la Calidad del Plástico (CNCP)*, National Commission for Plastics Quality, was created in early 1995. Its objectives are to develop certification, verification and technical training programs throughout the industry.

Waste Products

According to government sources, a new regulation will be established during 1995 to govern the discharge of effluents created in the manufacture of synthetic resins. The water subcommittee of the *Comité Consultivo Nacional de Normalización para la Protección Ambiental*, National Advisory Committee on Standardization of the Environment, has been working with *Petróleos Mexicanos (PEMEX)*, the national oil company; the *Secretaría de Energía (SE)*, Secretariat of Energy; as well as the *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP)*, Secretariat of Environment, Natural Resources and Fisheries on this project. The new standard will establish limits for pollutants to be discharged into water by the synthetic resin industry.

Recycling

In Mexico, recycling is supposed to be encouraged and promoted through the use of government

procurement policies. Observers are skeptical, however, that these policies are actually followed to any extent. One recycling industry executive complained that instead of providing support, several government institutions actually discourage recycling by imposing regulations oriented towards hygiene and disposal.

Recycling in the private sector has been impeded by a lack of consumer awareness. And mid- to upper-class stores have been reluctant to carry recycled products because their customers object to the variations in colour that are sometimes produced.

MARKET ENTRY STRATEGIES

Canadian companies that have succeeded in Mexico almost always stress the need for personal contact. Mexicans like to do business with people they know, and a long-term local presence is usually essential. Partnering is an effective way to achieve this. This may be accomplished through an agent, a distributor, a joint venture or some other form of strategic alliance.

Distribution

Distribution patterns tend to follow those used by *Petróleos Mexicanos (PEMEX)*, the national oil company, which will usually deliver to the clients' plant via rail. Private producers are usually close to *PEMEX* plants and tend to use the same rail systems for delivery. Trucks are rarely used. Imports from or via the United States tend to be shipped by rail through Laredo or by sea to Veracruz.

New distribution networks will soon be developed now that *PEMEX* no longer has a monopoly on the distribution of secondary petrochemicals. Many of those interviewed commented that this was a very positive development, because *PEMEX* is notorious for unreliable service.

Trade Shows

Many Canadian companies have first approached the Mexican market by participating in trade shows to exhibit their products and make contact with potential partners. Annual trade shows of interest to Canadian plastics producers include *Mexiplast*, in the fall and *Plastimagen* in the spring. The last *Plastimagen* was held March 12 to 15, 1996.

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
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(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