

subcontracting out to independent forwarders, to maintain control and authority.

Davila and his brokerage colleagues are actively lobbying the Mexican government to liberalize the country's stringent regulations.

SHRINKING THE BORDERS

One of the greatest opportunities for service companies in the new North American market is, naturally, transport. Two years ago, Richard Gerth, President of Gerth Transport of Kitchener, Ontario, decided to investigate the Mexican market. He saw how manufactured products, such as those from Ontario and Quebec, could benefit the expanding consumer market in Mexico.

By approaching the Department of Foreign Affairs and International Trade (DFAIT), the Mexican Consulate and organizations like the

Canadian Council for the Americas, Gerth was able to seek out and identify potential leads.

"Our relationship with Transport Nuevo Laredo, our Mexican trucking partner, began via the telephone," states Gerth. Soon after, face-to-face contact was established. Then, as is normal in doing business in Mexico, a friendship was developed with the company's owners, brothers Oscar, Carlos and Eduardo Hinojosa.

"The details of our business relationship didn't evolve until a trust relationship was cemented after a week-long marathon of both business and social events," says Gerth.

"Networking continues to play a major role in developing the Mexican market. The Canada Expo '94 trade show in Mexico City last March [organized by DFAIT] gave us access to other Canadian companies that want to supply the Mexican market."

Gerth's original interest in Mexico is paying off. "Today, 40 percent of our business is bound for Mexico and other points in South America. These figures continue to grow monthly."

Smith, Lyons and the NAFTA

Two years ago David McFadden, a partner with the law firm of Smith, Lyons, Torrance, Stevenson & Mayer, shared with a friend his vision about establishing affiliation with a Mexican law firm.

McFadden's interest in international linkages reflects a lengthy firm tradition. The firm has offices in Kiev and Hong Kong, as well as in Toronto, Ottawa and Vancouver, and it has strategic connections with firms in Washington, New York City, Chicago, Detroit and Buffalo.

"Our association with Bryan, Gonzales, Vargas and Gonzales Baz, S.C., the largest full-service law firm in Mexico, provides both our firms' clients with legal assistance in each other's market," says McFadden. "Our Canadian clients," he adds, "can have representation not only in Mexico City but in five other cities in Mexico."

McFadden continues to play a leadership role in encouraging Canadian companies to take advantage of this market. In January 1994, he arranged and conducted an intensive three-day private trade mission to Mexico City. This event had a significant impact on many of the Canadian firms that attended, such as Briggs

Environmental Canada Ltd. McFadden believes that Canadians and Mexicans share a common bond that will only be strengthened over time.

"It is up to us to learn about their country, their people and their key social, political and economic concerns," adds McFadden.



Dr. Enrique Vilatela of the Banco Nacional De Comercio Exterior is flanked by Nick Dietrich (left) and David McFadden (right), partners in the law firm of Smith, Lyons, Torrance, Stevenson & Meyer.

Russel Marcoux, President of Saskatoon-based N. Yanke Transfer Ltd., a transportation company providing general freight services across North America, also recognized the potential of the market south of the Rio Grande.

"Our affiliation with the Canadian Trucking Association provided the opportunity to begin networking with Mexican colleagues. We attended meetings from Québec City to Phoenix, San Diego to Mexico City," explains Marcoux.

Marcoux found the Canadian Embassy in Mexico City and the consulate in Monterrey invaluable in N. Yanke's efforts to research the opportunities and search for a potential Mexican partner. "Canadian government representatives suggested strategies, arranged appointments and acted as interpreters at face-to-face meetings." Marcoux and his staff knew that Canadian government officials and their Mexican counterparts were *amigos* when they greeted each other with the traditional hand clasp and embrace.

All seminars and meetings brought home the same message: research, research and research again before you take the risk. This message has now paid off for N. Yanke — beginning July 1, the company will provide regular, full service into Mexico through a partnership with a Mexican trucking firm. Marcoux was able to cement the agreement in Mexico City in March, while attending Canada Expo '94.