

Mexico's Mining Code Modified: New Opportunities for Foreign Firms

On December 10, 1990, the Government of Mexico introduced major modifications to its mining code. These new regulations have altered the provisions of Article 27 of the Mexican Constitution, which deal with limitations to mining activity by foreigners.

The new laws are aimed at stimulating larger capital investments, new exploration activities, and diversification in Mexican mineral production, as well as the modernization of the domestic mining industry through transfer of technologies from abroad, and improving the financial structure of local mining enterprises.

Under the new legislation, foreign interests may, for the first time, own up to 100 per cent of a mining project, for a period of 12 years. The ownership period is counted from the moment ore processing begins at site, thereby including an additional three-to-four years for start-up of operations.

Formation of a joint venture company with Mexican partners prior to the termination of the 12-year ownership period would effectively guarantee concession renewal under current Mexican foreign investment guidelines.

New share issue provisions under Mexican law will allow the establishment of trust contracts to govern all mining transactions. Foreign investors may acquire shares in existing mining projects, as well as new ventures. Stock will also be placed for purchase through Mexican stockmarkets, in an effort to attract potential institutional investors.

The mining code modifications are an important step in the economic reform program being implemented by the Government of President Carlos Salinas de Gortari. It is hoped that, by opening up areas of economic activity (previously reserved for Mexican

firms only), new investment and technology will be attracted from abroad to assist in national development.

Canadian mining expertise is highly regarded in Mexico. Representatives of the Mexican Government are expected to participate in the March 1991 meeting in Toronto of the Prospectors and Developers Association of Canada, to provide additional information on sectoral reforms.

For further information on this new legislation, contact the South America and Mexico Trade Division (LST) of External Affairs and International Trade Canada (EAITC). Tel.: (613) 996-8625. Fax: (613) 996-0677.

Mining companies interested in exploring the Mexican market can participate in an EAITC-sponsored show, the **Mexican Mining Congress Exposition** to be held in Acapulco next October.

For more information on this event, contact Carlos Munante (LCTF), Latin America and Caribbean Trade Development Bureau, EAITC. Tel.: (613) 996-2268. Fax: (613) 996-0677.

Canadian exporters in the mining industry also have a chance to give their products and capabilities worldwide publicity by listing themselves in a catalogue to be distributed throughout the world by EAITC.

The capability catalogue will be produced by the Canadian Association of Mining Equipment and Services for Export (CAMESE). For further details on the free listing, contact John Needham at CAMESE, Suite 903, 605 Consumers Rd., Willowdale, Ont. M2J 4V8. Tel.: (416) 498-0382. Fax: (416) 492-8711.

Czechoslovakia to Host First Sporting Goods Show

Prague — Canadian companies interested in promoting sporting goods in Czechoslovakia will have that opportunity March 31 to April 7, 1991 when this capital city hosts **SPORT-PRAGUE'91**, the country's first international show of sporting goods.

Being show-cased at the Prague Palace of Culture will be equipment relating to water sports (canoe, surfing, fishing) and winter sports (skis, toboggans, skates) and exercising (aerobics, gymnastics, weight lifting).

Other fields to be highlighted and that will require equipment and services include tennis, hockey, baseball, camping, skateboarding and bowling. Sports safety systems and sports equipment for the handicapped will also be on display.

Canadian companies interested in participating are asked to contact the show organizers directly **SPORT-PRAGUE'91**, TERINVEST, Palace of Culture, 5 Kvetna 1640/95, 140 09, Prague 4, Czechoslovakia. Fax: 499 494.

Information may also be obtained from Ilona Boldova, Commercial Officer, Canadian Embassy, Prague. Telex: (Destination code 66) 121061 (DMCN C). Fax: (011-42-2) 312 27 91.

The facsimile number for the Canadian Embassy in Prague, Czechoslovakia is 312 27 91.

The telephone number for the International Trade Centre in Moncton, New Brunswick is (506) 851-6452.

The International Trade Centre in St. John's, Newfoundland now has the following address: 215 Water Street, Suite 504, P.O. Box 8950, St. John's, Newfoundland A1B 3R9. Tel.: (709) 772-5511. Fax: (709) 772-2373. Telex: 016-4749.

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