TABLE OF CONTENTS

THE	North	AMERIC	CAN	FREE
TRA	DE A GRI	EMENT	(NA	\FTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of 360 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico exceeded \$5.5 billion in 1994 and is expected to exceed \$7 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from \$452 million in 1992 to over \$1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However, it is not exhaustive. The differing circumstances, interests and needs of individual companies will influence their strategies for the Mexican market.

Further assistance can be obtained by addressing requests to:

Department of Industry (DI) through the provincial International Trade Centres (see Canadian Government Departments, Programs and Services) or contact the InfoCentre at:

Tel.: 1-800-267-8376 or (613) 944-4000 Fax: (613) 996-9709 FaxLink: (613) 944-4500

InfoCentre Bulletin Board (IBB): 1-800-628-1581 or (613) 944-1581

Executive Summary		
SECT	11	
I	The Emerging Economy The North American Market - 1994 The Mexican Economy: A Snapshot The Framework for Economic Reform The War Against Inflation Public Finances Deregulation and Privatization Foreign Direct Investment Trade Liberalization Maquiladoras The North American Free Trade Agreement Looking Beyond Mexico: Latin America in the 1990's	13 14 15 18 22 24 25 28 30 33 37 43
II	The Mexican Market The Mexican Market: Basic Data Opportunities and Challenges Demographic Profile Employment The Informal Economy Education and Skills Science and Technology Income Levels Main Regional Markets Industrial Decentralization	49 50 51 52 52 53 54 56 57 59
III	Mexico and Canada Trade Investment Sectoral Opportunities Primary Sector Industrial Sectors Services	65 66 68 70 71 73 77
IV	Exporting to Mexico Indirect Exporting Direct Exporting The Role of Agents Transportation Documentation Labelling Regulations Customs Temporary imports and deferred customs Selling Export Financing	81 82 83 84 86 90 97 102 105 108