



will become the third-largest in Latin America. The plant includes freezing, smoking, and ice-making facilities. The company is now looking for partners to start exporting squid.

THE REGULATORY ENVIRONMENT

Article 27 of the Mexican constitution establishes the fishery as a national resource, subject to special regulation. The exploitation of this resource is limited to Mexican citizens, with foreign ownership of fishing companies being limited to 49 percent under the 1992 Foreign Investment Law. Foreign investors may, however, own up to 100 percent of storage, distribution, processing and marketing operations as well as aquaculture operations.

A series of *Normas Oficiales Mexicanas (NOMs)*, official standards, regulate the fishing industry. These are issued under the authority of the *Ley de Pesca y su Reglamento*, Fishery Law and its regulation. There are separate *NOMs* covering the harvest of tuna, sardine, shellfish, abalone, lobster, sea urchin and octopus. Several additional standards are concerned with sanitary standards for fish products, and others govern specific fishing zones.

The Government of Mexico also regulates the safety of food products sold to the public, under the *Ley General de Salud*, General Health Law. All fish and seafood products, whether fresh, frozen or preserved, must meet food safety regulations administered by the *Secretaría de Salud (SS)*, Secretariat of Health. These regulations can be complex, and are subject to frequent revision. In general, it is the importer's responsibility to see that all sanitary requirements are met and permits obtained. But the exporter must assist, to ensure that proper documentation is available.

MARKET ENTRY STRATEGIES

Although imports from Canada have grown, Canadian fish products are not well known in the Mexican market. The general concept of Canada as a clean country helps to create a positive image for fish products, but there is still little brand name recognition. In recent interviews, the only Canadian brand names that distributors and merchants consistently named were Brunswick sardines and Ice Cap salmon. The Mex-Can and Wood Bay brand names were occasionally mentioned. In spite of this, Canada claims around 10 percent of the import market, which is better than for most other food products.

Canadian companies that have succeeded in Mexico frequently say that establishing a visible presence in the market is essential. Some establish relationships with Mexican agents. Others have found that partnerships with Mexican companies are a powerful way of overcoming cultural and language barriers. On the other hand, some companies say that in order to establish a major market presence, a representative office or Mexican subsidiary may be needed.

In a partnership or joint venture, the Canadian partner typically supplies technology, management know-how and capital. The Mexican partner provides market knowledge and access, as well as the labour for local value added. This type of partnership is particularly attractive to local companies because capital is both scarce and expensive in Mexico.

For fresh fish, the best way to approach the market is to contact merchants at *La Nueva Viga* in Mexico City. Some merchants there say they are skeptical of Canadian suppliers, however, because some have been unable to supply adequate quantities of the products listed in their promotional materials.

Prospective exporters should be able to assure buyers that they maintain reliable supplies. Flexible prices are also essential in this highly-competitive market. Although Canadian products tend to appeal to upscale markets, high quality combined with medium price-levels is an effective combination.

Canadian suppliers should contact the principal distributors and importers. Lists of contacts can be obtained from industry associations. The *Cámara Nacional de la Industria Pesquera (Canainpes)*, National Fishing Industry Chamber, mostly represents the large producers. The *Sociedad Nacional de Introdutores y Distribuidores de Pescados y Mariscos*, Fish and Seafood Distributor's Association, represents 420 distributors and wholesalers, most of which are in *La Nueva Viga*. The *Cámara Nacional de la Industria de Conservas Alimenticias*, Food Preservation Industry Chamber, represents the processed food industry association, which includes fish processors.

Many companies locate prospective partners by attending industry trade shows. The Canadian embassy in Mexico City and the consulates in Monterrey and Guadalajara can also assist Canadian companies who have developed an export strategy.

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