

Companies using Mexican agents usually arrange for the agent to visit Canada to become thoroughly familiar with the company's offerings and service capabilities. Especially for the more technical products, providing solid technical support for the agent is essential.

Commissions for Mexican agents and representatives in the mining equipment sector range from 10 to 15 percent. In the current market, Canadian companies that can provide attractive credit terms will have the best chance of success.

## FINANCING

The economic crisis brought on by the devaluation of the peso in December 1994 has had a devastating effect on Mexican capital markets. Nonetheless, mining companies are among those with the best access to credit, because their products are sold in international markets and they usually have hard currency earnings. In addition, the status of mining as an exporting industry makes it eligible for government-backed loans.

For example, the *Banco Nacional de Comercio Exterior (Bancomext)*, Mexican Foreign Trade Commission, provides loans to companies that can demonstrate that the technology they import will promote exports. Also, *Nacional Financiera (NAFIN)*, National Development Bank, backs loans for new technology from commercial banks.

Sales of expensive equipment are usually made using irrevocable letters of credit (IL/C), which can be arranged through Canadian banks. Increasingly, however, small- to medium-sized Mexican companies are looking for extended credit terms.