

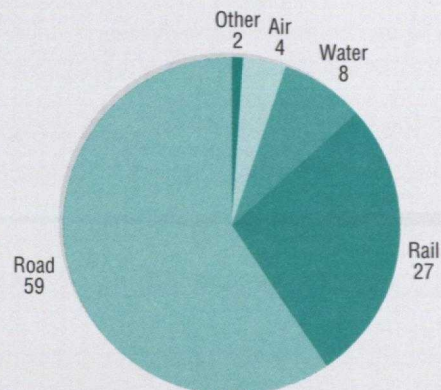
Marine: Sending goods by sea suffers from the lack of any regularly scheduled service between Canada and Mexico. At present, marine transport is generally not competitive with road or rail transport in terms of time, price or service. Such goods as are sent by ship usually consist of bulk and specialized cargoes that cannot easily be sent any other way.

Air: Air services between Canada and Mexico continue to improve as the number of direct scheduled flights increases. Montreal, Toronto and Vancouver are the originating points for direct commercial services to Mexico City. Much of the passenger service, however, is still based on chartered flights that do not have room for much additional cargo. Air transport remains best suited to the movement of people or compact merchandise that requires timely delivery.

Canada's experience in shipping directly to Mexico has been limited and much of the merchandise trade has traditionally been channelled through the United States for transshipment. New awareness of the Mexican market and an increase in exports have caused Canadian companies to search for more direct shipping routes by air, truck and sea. Improved Mexican roads, up-dated port facilities and streamlined customs procedures will eventually make access easier. This will allow for direct shipment of containers and reefers from Canada to Mexican destinations.

Freight Forwarding: Freight forwarders are independent companies that handle export shipments for a fee. Freight forwarders can arrange shipments for Canadian exporters using any mode of transportation. They offer a complete service package and are indispensable for first-time exporters since they can simplify the challenges involved and take care of various details and problems. Because of

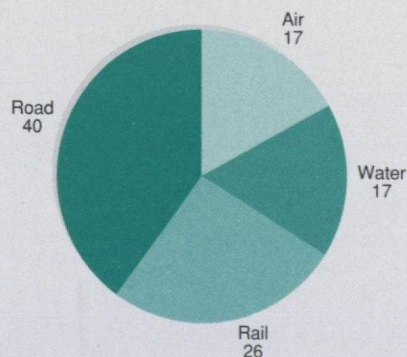
Imports from Mexico, 1990 (in percent)



Source: Statistics Canada, Imports — Merchandise Trade, 1987-1990, #65-203.

their professional experience, they are excellent source of information on regulations, documentation and shipping methods. The freight forwarder can consolidate shipments to save on costs, advise on the mode of transportation that best meets the needs of the exporter, arrange for customs documents, engage the services of a Mexican customs broker, and arrange for transport, warehousing and distribution within Mexico. While individual transport companies can sometimes make similar arrangements, they are geared toward exporters with large frequent shipments and will not always offer the full range of services of a freight forwarder.

Exports to Mexico, 1990 (in percent)



Source: Statistics Canada, Exports — Merchandise Trade, 1987-1990, #65-202.

Freight Forwarding: New Linkages

A few freight forwarding companies in Canada have anticipated an expansion in Canada-Mexico trade, especially as a consequence of NAFTA. They are making improved services available to Canadian exporters. An example of a Canadian freight-forwarding company filling a growing niche in the market is the joint venture created between BLM/Challenger Transportation Group Inc., located in Kitchener, Ontario, and Figuremex S.A. de C.V., located in México D.F. The objective of the partnership is to streamline delivery, provide warehousing and promise effective distribution to a Mexican and Canadian clientele.