probably not be able to match the high-powered business program that DFAIT organizes. They also "save a few visits," he says, because of the level of contact and preparation which GeoFITT/NEWMEX makes possible.

DFAIT's Program for Export Market Development (PEMD) provides up to 50 percent of the costs for a number of activities. These range from visits and participation in foreign trade fairs to the payment of legal fees for marketing agreements and the establishment of permanent sales offices.

Businesses should take the same care in developing proposals for government funding that they do in seeking funding from private banks. However, since these agencies' prime concern is not profit for themselves but success for you, it is safer to approach them earlier in the process and even seek their help in putting a proposal together.

If you don't know where to start, talk to the people at your nearest International Trade Centre or provincial trade office. They'll point you in the right direction.

Tools For The Job

Most, if not all, provinces have agencies that provide either financial help for the ambitious potential exporter, or can put you in contact with federal agencies with such export programs as Access North America.

New Brunswick's Ed Pelger says the Department of Economic Development and Tourism works with banks and other institutions to provide interested businesses in the province with information about Mexico — and, for that matter, about other countries as well.

Other tools available to you include financing trade without resort to any financial institution; in other words, the supply of goods on "open account." But be careful.

Some of the larger Mexican firms also prefer to sell on this basis rather than tying up their funds in letter of credit arrangements. In the words of Neil Rennie, General Manager, Trade Finance Division with CIBC in Toronto: "As Mexico becomes a better credit risk and its larger companies become better known by their suppliers here, they will move away from letters of credit." However, experts warn that Canadian businesses must be very cautious about agreeing to part with their products and services on this basis.

Mexican companies have raised over $8 billion through more than two dozen international offerings since early 1991.

EDC has credit insurance programs to help exporters when selling to buyers on open account terms. The risk of the buyer not paying is mitigated under the insurance and the Canadian bank may discount receivables or provide operating lines of credit with the insurance as collateral. Close to 20 percent of the support provided to exporters by EDC in 1993 was in short-term (up to 180 days) open account transactions.

One way of getting your goods and services sold — and paid for — is to take advantage of funding available through international development agencies. There are really two ways of doing this. One is to find out what projects are being funded and to enter bids under those projects. In the case of Mexico, the World Bank, the Inter-American Development Bank and the International Finance Corporation are three good sources. So, too, is the Canadian International Development Agency's popular Industrial Cooperation Program (CIDA/Inc.).

You can take advantage of CIDA/Inc. for joint ventures or other business linkages between Canadian and Mexican companies. Depending on what you're marketing, this may or may not be a fruitful approach.

Experts point to a seldom-considered means for raising funds. It relates to the growth of the Mexican capital market. Mexican companies have raised over $8 billion through more than two dozen international offerings since early 1991. Canadian financial institutions have not been very active in this area and interested companies might have to work with some of the U.S. securities firms such as Lehman Brothers, Goldman Sachs, and First Boston.

If you're interested in this method, visit a reputable investment house firm. Needless to say, this form of raising capital is more easily available to a large, well-known Canadian firm than to one making its debut in the international arena.

Safety First

Whether your company is new and small or old and large, David McFadden, of the Toronto law firm Smyth, Lyons, Torrance, Stevenson and Meyer, suggests that legal assistance be a high priority. This does not mean, he says, that you "necessarily have to have lawyers with you every moment of the day," but it is wise to be advised of pitfalls before it is too late. "I have heard some horror stories where people had gone out and been entertained by Mexicans, only to have been presented with agreements that weren't what they expected."

Getting the advice of a good tax accountant seems to be a sensible idea, although McFadden describes as "helpful" the fact that Canada has a tax treaty with Mexico. "I've got to tell you the laws there are changing so fast — the investment law, the tax law, the environment law. They're really changing monthly so you have to keep up-to-date to know where you stand."

Good insurance is an important element in your protective equipment, especially when you start shipping