

- ironing: warm, hot or steam, or no ironing, any special conditions;
- bleaching; and
- special recommendations.

The new rules will apply to all textiles, clothing and accessories including linen, towels, curtains and rugs.

MARKET ENTRY STRATEGIES

Mexicans like to do business with people they know, and they value after-sales service. For this reason, a local presence in Mexico is a major competitive advantage. Canadian companies that have succeeded in Mexico have usually entered the market by establishing a relationship with an agent or distributor.

AGENTS AND DISTRIBUTORS

Some large clothing manufacturers and a few major retailers purchase textiles exclusively through New York buying agents, but few of them can handle the minimum quantities of direct imports. Therefore, agents and distributors play a large role in the import market. There are four common distribution channels:

- textile manufacturer to agent to apparel manufacturer or retailer;
- textile manufacturer to grey-goods converter to apparel manufacturer or retailer;
- textile manufacturer to converter to distributor to manufacturer or retailer; and
- textile manufacturer to distributor to apparel manufacturer.

In many cases the agent may be a Mexican textile manufacturer which adds imported products to round out its product lines.

Agents and distributors are generally open to taking on new lines from foreign manufacturers. There are a number of factors that can make a new line more attractive. Exclusivity is a big attraction, especially if the imported product is unusual or has a strong fashion element. Extended financing terms are very important because Mexican credit is very expensive, especially since the devaluation of the peso.

Many Canadian companies have identified potential agents or distributors by attending trade shows either in Mexico or in the U.S. Advertisements in specialty trade publications are effective for many products. If the product involves a new technology, or other innovation, technical seminars for Mexican manufacturers are yet another approach.