

Mexican Government Procurement

One of the major achievements of the NAFTA negotiations is a chapter on government procurement. The Mexican government is a major user of goods and services. The most promising sectors are advanced-technology equipment and related consulting services.

Canadian companies achieved some successes in these areas, even before the NAFTA. But purchasing by the Mexican government has traditionally been an arcane process, dominated by insiders. The new rules provide access to the bidding process for Canadian companies for most types of procurement. But learning about upcoming bids can still be a time-consuming process. The NAFTA working group on

procurement is striving to ensure access to the government bidding system and to improve its transparency.

In Canada, the federal government provides information about its own procurements through the Open Bidding System (OBS), an electronic bulletin board service. To help Canadian companies, the Department of Foreign Affairs and International Trade has arranged to include information on Mexican government procurement in the OBS. Mexican procurement notices are now translated into English and French and posted on the OBS within two days of their publication in Mexico. More than 27 000 Canadian suppliers from all industrial sectors are now using this system. For more information on how to access this service, contact: MERX in Charlottetown, Prince Edward Island, tel.: 1-800-964-6379 or fax: 1-888-235-5800.

Making the Action Plan Work for You



Moving into Mexico requires detailed market research, a clear focus on the target market, and creative use of the resources available from Canada's Trade Commissioner Service.

The Mexican market offers many opportunities for Canadian companies. But taking advantage of them can be difficult and time-consuming. Market information is much more difficult to obtain in Mexico than it is in Canada. Moreover, Mexico has only recently emerged from a long period of protectionism, and many businesses have not yet fully adapted to the new market environment. Communications can be slow and unreliable, but the situation is improving rapidly, with competition for long-distance services now available in all major cities.

There are also many language and cultural obstacles. Potential buyers and partners like to do business with people they know personally. Canadian firms may have to make several trips to Mexico before serious business begins. Mexicans do not like to offend visitors, and it can be difficult to judge whether "yes" means "yes," "maybe" or, perhaps, "no." Government procurement and regulatory practices can seem complex to a company that is new to the market.

Products, services and promotional materials must be adapted to Mexican tastes. To compound these problems, business conditions are changing rapidly as Mexico's economic reforms take hold. Labelling must be in Spanish before products enter the country — unlike the Canadian practice, which requires bilingualism only when products hit the shelf.

In this environment, careful preparation and the ability to adapt to constantly changing circumstances are key success factors. In Mexico, there is no substitute for first-hand market research combined with networking and contact building. To make these efforts as productive as possible, the Action Plan for Mexico provides assistance in Canada and in Mexico.

Export *i* Mexican Knowledge Base

Assistance to potential exporters starts with the Export *i* Mexican Knowledge Base (some 90 publications in all). This is a continuously updated collection of market summaries, market profiles, business guides and business tools. These publications are available through the Department of Foreign Affairs and International Trade's web site (<http://www.dfait-maeci.gc.ca>), Enquiries Service at 1-800-267-8376, International Trade Centres across Canada and the ExportSource internet site (<http://exportsource.gc.ca>). A catalogue of Export *i* Mexican Knowledge Base publications is available from the Enquiries Service or the Mexico and Inter American Division, tel.: (613) 996-5547, fax: (613) 996-6142.

Market Summaries (48 publications)

Market summaries are short overviews, generally less than 10 pages long. They are formatted for transmission by fax but are also available in printed form. In most cases, they are summaries of existing market profiles. In a few sectors, they are based on a review of published research reports that have been gathered to support forthcoming market profiles.