and especially for new exporters, freight forwarders are indispensable as they can simplify the overall business of exporting to Mexico, taking care of details and problems otherwise left up to the exporter.

Further Comments:

- Mexican transportation regulations stipulate that the transport, brokerage, insurance and managing of freight in Mexico must be performed by a Mexican company.

- A 15% V.A.T. (value-added tax) on total freight charges within Mexico must be paid to Mexican authorities at the Mexico-U.S. border.

- In past cases, significant delays were experienced in obtaining Mexican import licenses. However, under recent trade liberalization legislation, the number of items requiring import permits has dropped from 11,950 to 325. In addition, the former Mexican official import price system has been eliminated. While delays can occur, they are becoming less frequent.

- Despite customs inspection delays by Drug Enforcement Agency and United States Department of Agriculture officials, transit times are better moving north from Mexico than south into that country (fewer regulatory, documentary or technical problems are encountered in the United States or Canada).

- Mexican transport regulations were dramatically liberalized in January 1990 leading to increased competition and improving transport services inside Mexico. The details of these changes are discussed in the different transport mode sections.