innovative. Beck's research indicates that the services industry has created more than 304 000 new jobs in Canada over the past seven years, despite the recession. That represents 90 percent of all new employment created during that time.

Services represent almost three quarters of Canada's gross domestic product. According to the Conference Board of Canada, job growth will forge ahead in the services industry, with employment expanding by 1.9 percent in 1994 and 2.4 percent in 1995. At the same time, the face of employment continues to change, shifting from low-skilled to high-skilled jobs.

The companies that make up Canada's services industry are actively exploring trade opportunities in North America. Banks, transportation and engineering companies, and insurance and law firms are investigating and forming new affiliations and partnerships with companies in the United States and Mexico. Some companies have successfully gone solo, setting up their own Canadian operations in either or both countries.

Service companies seizing the partnering opportunities generated by the NAFTA are proving that alliances provide ongoing benefits to customers. Affiliation with a Mexican customs brokerage firm, for example, facilitates the movement of goods into and out of Mexico. Sergio Davila, Manager of TRAFICO INC., one of 700 brokerage firms in Laredo and a partner of Livingston, explains: "The client benefits by having a unified approach to customs, logistics and transportation issues in North America."

One of Davila's greatest challenges is to bring Mexican importers and exporters into the computer age: Canadian and U.S. brokers are already equipped with electronic data interchange (EDI) systems. Davila points out that Mexican brokers still prefer paper transactions. But in time, that must – and will – change.

The NAFTA established some new rules for Mexican customs procedures. By beginning the process of restructuring its procedures, Mexican customs is now coming in line with U.S. and Canadian practices.

One of the major changes was the introduction of a new training program for Mexico's 3100 customs officials. The benefits are already evident: graft is down, goods are moving and drug seizures are up. The Mexican government has also set up several new operating procedures: officials are rotated every 15 days, and independent contractors, hired by Mexico's Ministry of Revenue, monitor shipments 20 kilometres down the road from each border checkpoint.

Even with the new procedures, moving goods into Mexico is more complex than into the U.S. or Canada. Mexican customs law requires that all duties and fees be paid before the shipment is allowed to enter the country. In the U.S. or Canada, taxes and other fees are usually paid to customs after the goods have been cleared.

Mexican customs law also places legal responsibility for paying duties and fees on the broker, unlike the U.S. or Canada, where liability for duties and fees lies with the importer. As a result, Mexican brokerage fees are higher than

Southbound crossings (heavy truck) into Mexico from Laredo, Texas, exceeded 600 000 in 1993. (Photo courtesy the Laredo Chamber of Commerce.)

those in Canada or the United States. The Mexican broker is also just as liable as the importer if errors or omissions are detected on the entries, and fines, penalties and other consequences are much more severe in Mexico.

TRAFICO's Davila stresses: "By law, the Mexican broker is as responsible as the Mexican importer for accuracy of documentation. If documentation, values and tariffs are not perfect, the broker is subject to stiff fines, loss of licence, or – in extreme cases – a jail sentence." According to Davila, there is also a risk of public embarrassment, as the Mexican press has published incidents about brokers who have lost their licences or been suspended or threatened with arrest.

Mexican brokers therefore insist that duties, fees and tariffs be paid, either by the importer or the exporter, before they will clear the shipments through customs.

Because of their increased liability, Mexican brokers usually scrutinize incoming merchandise before allowing it to enter the country, to minimize their risk. Mexican brokers also prefer to operate their own facilities in the U.S. rather than