

HUSKY'S CUSTOMS LESSONS IN MEXICO

Success in Mexico means having management there that understands both the Mexican and American-Canadian cultures, according to Husky Injection Molding Systems of Bolton, Ont.

Husky's Mexican office has about 15 people and all but the general manager are Mexicans according to Jim Wilson, commercial manager for services and sales for the Americas.

Wilson says he understands Latin culture because he originally came from Peru. Several years of work experience in the United States and Canada, which included time with Husky, gave him an insight into the priorities back at head office.

Having a local presence, with local employees, is important in this market because it demonstrates commitment. As well, people with local background are familiar with the culture. Often, knowing what not to say is as important as knowing what to say.

One important lesson Husky learned early was to be sure to choose the right trucking company. Not all companies will allow their trailers to go into Mexico, and this meant that cargo would have to be shifted from one trailer to another. Husky's precision machinery tends to be heavy and is easily damaged if handled improperly. Husky now makes sure its cargo is transported on the same trailer during the entire journey.

In dealing with brokers and customs officials, Husky has found that it helps to deal with the same individuals each time, so they can become accustomed to the company and its shipments.

The company is using this period of economic difficulty as an opportunity to solidify relationships with customers, demonstrating that it has long term commitment to them and their success.

Source: *Plant Magazine*, November 20, 1995.

MARINE

Marine transportation has varied in popularity in recent years. Marine transport declined from 48 percent of total Canadian exports to Mexico in 1988 to a low of 17 percent in 1990, and then increased to 32 percent in 1992. Marine transport rates are currently quite competitive with both truck and rail freight rates. The disadvantage is that marine transport requires at least ten days of transit time with an additional four to five days for customs clearance and warehouse storage. Nonetheless, some cargo is well-suited to shipment by sea, particularly bulk shipments such as grains and oil. In addition, cargoes that are not particularly time sensitive benefit from the lower rates that can be obtained by using marine shipping.

AIR

Air traffic between Mexico and Canada is mainly vacation-oriented and is not well-adapted for cargo transport. Nonetheless, air transportation may be appropriate for products with a high value-to-weight ratio, such as electronics components, or perishables, such as flowers. Some producers of specialty meat products ship by air directly to Mexico City, where they reportedly receive rapid customs clearance. At present, Montreal, Toronto and Vancouver are points of origin for direct commercial services to Mexico.

INTERMODAL TRANSPORT

Increasingly, Canadian exporters are choosing multiple modes of transportation to get their product to the Mexican market. Several carriers have attempted to meet this increasing demand. Highway trailers can be shipped by rail, and marine transporters offer linkages with both rail and truck transporters. Intermodal transport will be facilitated by CN North America's decision to construct a new tunnel under the St. Clair River between Sarnia and Port Huron, and the recent enlargement of the Detroit-Windsor tunnel.

Intermodal operators, which include shippers' agents, offer a complete transportation package on a contract basis. These operations will negotiate freight rates with railway and truck operators on behalf of the exporter. Transit time from Montreal or Toronto to the Mexican border can be as little as four or five days. Intermodal operators providing services between Canada and Mexico include Inter-American, Sunac America and Wheels International.