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## BUSINESS GUIDE:

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# EXPORTING AGRICULTURE AND AGRI-FOOD PRODUCTS TO MEXICO

THIRD EDITION - JULY 1998

**PREPARED ON BEHALF OF:**  
THE DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE

**WRITTEN BY:**  
CANADIAN BUSINESS  
DEVELOPMENT INTERNATIONAL



## **Business Guide - Mexico**

*Exporting Agriculture and Agri-Food Products to Mexico* was developed jointly by the Department of Foreign Affairs and International Trade (DFAIT) and Canadian Business Development International (CBDI). It was researched and written by CBDI staff and edited in collaboration with DFAIT in Ottawa and the Canadian Embassy in Mexico City. This business guide is designed to provide the Canadian exporter with a broad understanding of the factors and issues involved in exporting agriculture and agri-food products to Mexico. As part of a New Export-*i*, this business guide is intended to be an electronic, Web-based document, best viewed over the Internet. There are hot links and hyper-text links throughout the document, providing immediate access to further insights, contacts, and alternative sources of information. Although efforts have been made to avoid errors and inaccuracies in this document, it is not intended to be used as the only source of market information on this sector. We encourage the reader to use this publication as one of several resources for commercial dealings with Mexico.

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# BUSINESS GUIDE:

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## EXPORTING AGRICULTURE AND AGRI-FOOD PRODUCTS TO MEXICO

THIRD EDITION

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# THE MEXICAN AGRI-FOOD MARKET

## MARKET SIZE AND DYNAMICS

### POLITICAL ECONOMY

In 1994, Mexico was struck by a massive currency crisis and a devaluation of the peso. Having recovered from this, Mexico experienced solid economic growth in 1996 and 1997. Current policy trends for the Mexican government include privatisation and deregulation, along with a concern for reducing the country's serious social disparities. This is illustrated by such policies as: easing the restrictions for milk prices, adjusting the subsidies to underprivileged regions, and the privatisation of more than 1,300 companies.

In 1997, Mexico enjoyed 7% growth in the Gross Domestic Product (GDP). Total GDP was estimated at US\$408 billion, or US\$4317.5 per capita, while inflation fell from a high of 51.9% in 1995 to 15.7 in 1997. (Source: INEGI)

Mexico's population is large, steadily growing, and mostly urban. In 1997, the population was estimated at 94.5 million and, at its current growth rate of almost 2% per year, should surpass 100 million before the year 2000. Mexico's population is also very young (65% under 30 years of age in 1995) which means that a large segment of consumers is in its family-forming years. Seven out of ten Mexicans lived in towns and cities in 1990 and this ratio has been growing at about 3% per annum. The country's three main urban centres -- Mexico City, Guadalajara and Monterrey -- account for about one-third of the country's population. Wealth is unevenly distributed in Mexico, generally being concentrated in urban areas. According to ECLAC, in 1997 29% of urban households were below the poverty line, compared to 47% in rural areas.

These factors, and the recent recovery of the economy, help to explain the growing demand for imported consumer-ready foods. There is also demand for canned, packaged and frozen foods.

### TRADE

Mexico's major trading partners are the United States, Canada, Japan, Brazil, France, Spain and Germany. It does have trading pacts with other countries, and is a member of the Organisation for Economic Cooperation and Development (OECD), the Asia-Pacific Economic Cooperation group (APEC), Caribbean Community and Common market (CARICOM), GATT, Latin American Economic System, Latin American Integration System, The Organisation of American States (OAS), and of course NAFTA.

The US is Mexico's largest supplier of agri-food products with a market share of approximately 70%; followed by Canada at 7%.

#### HIGHLIGHTS - HOT LINKS

- Mexico is traditionally a net-importer of food
- The US is Mexico's largest supplier of agri-food. Canada is 2<sup>nd</sup>
- Rising demand for imported food
- Opportunities for Canadians

#### WANT MORE INFO?

##### CLICK BELOW

- Export-4, Business Guide Distribution Channels, pg 22-24
- Export-4 Market Summary Mexico in Brief, pg 2-3
- Economic Overview - Mexico
- OECD, Review of Agricultural Policies in Mexico, pg 25-30
- BANCOMEXT - Mexican Information Centre
- INEGI

### WANT MORE INFO?

#### CLICK BELOW

- Agri-Food Trade with Mexico, pg 2
- Export Market Assessment Report on Mexico (EMAR), pg 5
- Export-i, Market Summary Mexico in Brief, pg 5

From these countries, Mexico's imports of agriculture and agri-food consist mainly of products such as poultry, meat and beef, grains, vegetables and oilseeds as well as a range of processed products including powdered milk, chocolate based products, spirits, vegetable oil and many various prepared foods. The import market is concentrated in the major urban areas: Mexico City, Guadalajara (3.4 million inhabitants) and Monterrey (3.1 million), and in tourist centres such as Cancun and Acapulco.

## AGRICULTURAL CHARACTERISTICS

Agriculture has been a very dynamic sector of the Mexican economy for many years. However, the contribution to GDP fell from around 16% in 1960 to 7.7% in 1990 and 6.2% in 1992. Mexico is the third largest producer of coarse grains in the OECD, behind the US and the EU, and has the fourth largest beef herd. Even so, the output of these products is insufficient to meet the country's growing consumption, and it is becoming an increasingly large net importer of these and other agricultural commodities.

The most important agricultural products within Mexico are beans, wheat, sorghum, sugar, corn, fruits and vegetables, eggs, cotton and coffee. The leading agricultural export products are coffee, cotton, sugar, fresh vegetables and fruit.

Mexico's agriculture can be classified in two different sectors: an import substituting sector producing basic grains and oilseeds; and an export-oriented sector producing products such as fruits, vegetables, sugar and coffee. In 1989 about 23% of total agricultural product was accounted for by corn and other basic grains. The production of corn accounts for the major share of employment in rural areas.

Despite all this, Mexico's agri-food sector cannot produce enough food to feed the country's population of 93 million. It employs 22% of the population, but agricultural production makes up only 5.4 percent of the GDP and is declining as the economy develops and diversifies.

The food production shortfall is attributed to outdated technology, insufficient infrastructure, and lack of access to financing. Over 70% of Mexican farms are subsistence or community farms lacking economies of scale. Mexico has 27 million productive hectares but the average farm area is 5 hectares and fewer than 7 million hectares have access to irrigation. Rough terrain and adherence to traditional labour-intensive cultivation impede mechanization and adoption of improved technologies.

### WANT MORE INFO?

#### CLICK BELOW

- EMAR, Mexico, pg 5-10
- Agri-Food Trade with Mexico
- Agri-Food Trade Service Online
- TradePort



## CONSUMER TASTES

There are a number of factors leading to a rising demand for imported food products, including: a total population forecast by OECD to increase to 100 million by the year 2000; increased urbanisation and a growing number of affluent and middle income consumers; and a rise in Mexican purchasing power.

Food is expensive in relation to income: the average Mexican family spends 35% of its income on food. This percentage drops considerably for upper and upper-middle income consumers, who spend far less of their income on food but easily account for the greatest proportion of food purchasing in Mexico. Lower-income Mexicans in rural areas often grow their own produce and buy other items at the local market or in government stores.

Wealthy consumers frequently shop for food at the country's major supermarkets, import stores and other small establishments. They look for grocery stores with good location, competitive prices, brand names, good reputation and service. The buyer of imported foods is usually the female head of the household.

Many new developments are leading to change in Mexico: education is widely available; more women are pursuing careers; and more and more Mexican kitchens are being modernised with refrigerators, freezers and microwave ovens.

Consumer focus groups in Mexico City reveal an interesting distinction in food purchase behaviour and profiles between the 25-35 and the 35-45 age groups. Female consumers in the 25-35 age group generally represent a good market for variety and high-quality, convenience foods such as prepared entrées, microwavable meals, desserts, cereals, cookies and pasta. These younger women have broken with tradition, most are university-educated, have (or had) careers, and are often married with infants or young children at home. They rarely prepare entire meals from scratch because of time pressures, a lack of training in the kitchen and a perceived lack of recognition for their efforts.

Younger couples enjoy fine dining about once a week. Families with young children sometimes choose the convenience of fast-food chains, a recent development in Mexico.

Most female consumers in the 35-45 age group tend to use imports only occasionally; they look for unique and prestigious food products (appetizers, seafood, drinks) for use at family and social events. These consumers are a good target for in-store promotions and demonstrations as they often seek freshness and personalized service. Typically, they eat at home and dine in restaurants once or twice a month, usually on special occasions.

Both age groups prefer the convenience of one-stop shopping at supermarkets and/or hypermarkets (large supermarkets carrying a variety of goods). Both groups also prefer imported foods to be mixed in with domestic products on the store shelves in order to compare quality, price and appearance.

### WANT MORE INFO?

CLICK BELOW

- Agri-Food Trade with Mexico, pg 2
- EMAR, pg 16

## OPPORTUNITIES FOR CANADIANS

### WANT MORE INFO?

#### CLICK BELOW

For more information on Canadian export opportunities in Mexico, please consult the DFAIT Team Canada Market Research Centre.

For information, please contact the Info Centre at the Department of Foreign Affairs and International Trade by calling 1-800-267-8376 or (613) 944-4000.

An extensive study conducted among Mexican distributors and consumers highlights import opportunities for pork, poultry, deli meat, confectionary products, frozen and refrigerated vegetables, prepared food products, microwave meals, prepared sauces, low-fat products, beverages and juices. This study also identifies the main criteria which define the preferences of affluent Mexican consumers, including those related to product image, quality and originality, packaging, preparation time, and health aspects. This study concludes by noting the curiosity of affluent Mexicans aged 25 to 35 and the adaptation of North American food customs without omitting domestic dishes.

### GENERAL OPPORTUNITIES

Export opportunities for Canadian agri-food products have been identified based on recent Mexican import trends, present growth of the market, and the capacity of Canadian producers and processors to supply the market. Some examples are as follows:

- **OILSEEDS AND WHEAT:** These remain Canada's top two exports to Mexico. Opportunities exist for canola, canola oil, and possible canola meal sales to Mexico.
- **CANARY SEED:** Exports fell from \$14 million in 1996 to \$8 million in 1997, however by March 1998, Canadian exports had already exceeded \$4.5 million.
- **MALT:** Although sales fell from \$10 million in 1996 to just under \$4 million in 1997, industry continues to see Mexico as an important market for Canadian malt.
- **LENTILS:** Increasing 150% over five years, exports totalled \$4.7 million in 1997.
- **YELLOW AND GREEN PEAS:** Opportunities exist for both whole and split peas, mostly used for processed foods.
- **COLOURED BEANS:** (pinto, black and red) Mexico consumes huge amounts of coloured beans. Imports are often controlled by Conosapo, through open tenders.
- **COLD CLIMATE FRESH FRUITS AND VEGETABLES:** Mexico produces no more than 30% of its consumption of apples, peaches, pears, plums, and produces no cherries. Apples exports from Quebec and Ontario are on the increase. Good opportunities exist for off season supply of broccoli, cauliflower, and lettuce.
- **PROCESSED VEGETABLES:** This sector is expected to grow by 20% yearly, largely driven by french fries for the hotel, restaurant and institution sector.
- **SWINE GENETICS:** New swine breeds and technology are in demand as the Mexican hog producing industry continues to develop.
- **DAIRY AND BEEF GENETICS:** Mexico has been a steady market for Canadian dairy pure-bred live animals and semen. Demands are on the increase due to higher milk prices and liberalization of prices for processed milk (long shelf-life). Beef genetics are also in demand, particularly for commercial stock, as cattle populations in Mexico need to be replenished. With improved EDC lines of credit for Canadian breeding livestock for Mexico, opportunities are even better. As well, Canadian breeding cattle and genetics enter the Mexican market duty-free.
- **CHRISTMAS TREES:** One million per year. Key suppliers are Canada and US.

- **JOINT VENTURES:** Livestock breeding, fruits and vegetable processing, fish processing, forest management, seed production (hybrid seeds), and vegetable production for export are some of the areas open for Canadian capital, technology, and management skills. Extreme caution must be taken by Canadians entering into these types of joint ventures, i.e., sound legal agreement, Canadian control over administration, financing, and marketing, and a Canadian presence at all times.

## PROCESSED FOOD AND BEVERAGES

Mexican opinion leaders expect the market for processed foods and beverages to grow by 15% per year for the next five years, and opportunities exist for products which:

- Are higher in quality than locally produced foods;
- Are unique or not commonly produced in Mexico;
- Offer convenience or enhance social status; and
- Have been developed/adapted specifically for the marketplace (or "Mexicanized").

## FROZEN FOODS

Demand for frozen foods has increased several fold. Imports increasing at a significant rate include frozen potatoes, corn, green beans, spinach and mixed vegetables. Frozen prepared meals offer a huge potential. Ready-to-eat products, prepared poultry and beef meals, especially Mexican style foods are becoming very popular. Frozen desserts are a new trend.

## HEALTH FOODS

The health food sector is also experiencing rapid growth. Products catering to body building, dieting, and natural foods are sold in more than 500 health food stores and other retail stores in the country. Products showing potential are fibre supplements, herbal teas, soaps and creams, and packaged nuts. The market for vitamins and minerals is expanding.

### WANT MORE INFO?

CLICK BELOW

- Agri-Food Trade with Mexico, pg 2
- Focus on Mexico
- EMAR, pg 16, 19
- Export-4, Business Guide
- Distribution Channels, pg 22-24
- InfoMex White Paper
- USDA - Foreign Agricultural Service
- InfoExport

## CONSTRAINTS

The major constraints to increased Canadian trade are:

- The United States has traditionally been the major exporter to Mexico due to its larger supply base and transportation advantage;
- Under the administration of the Commodity Credit Corporation (CCC), the United States Department of Agriculture (USDA) operates two export credit guarantee programs that assist in market development and market maintenance. These programs are GOM-102 which provides credit guarantees for up to three years, and GSM-103 which provides guarantees for up to ten years. GSM-102 allocations for US fiscal 1995 were 80 million for wheat flour and 250 million for feed grains. The Market Access Program (MAP) finances promotional activities, usually for high value products. Among other products covered, the MAP covers bovine semen, dry beans, feed grains, frozen potatoes, grains and wheat. The programs compete well with Canada's Agriculture Export Credit Insurance program, available from the EDC.

# MARKETING

## DISTRIBUTION SYSTEMS

### HIGHLIGHTS - HOTLINKS

- Exporter is responsible for compliance with documentation
- Helpful hints on selecting a good agent
- Detailed list of retailers in Mexico
- In-store demonstrations are an important tool for Canadian exporters of processed food and beverages; they tend to be well received by the Mexican consumer and are welcomed, if not expected, by the retailer
- It may be necessary to adapt a product for the Mexican market

### WANT MORE INFO?

#### CLICK BELOW

- [Export-1 Business Guide Distribution Channels, pg 22-24](#)
- [InfoMex White Paper, Sec 3](#)
- [Canadian Embassy in Mexico City](#)

There are a great number of Canadian products which have intrinsic appeal to Mexican consumers, but often these products are unknown on the Mexican market. Therefore, the distribution system must ensure that products reach the store shelf, and that the retailer receives the necessary support to present the products in their best light. Otherwise, poor sales will quickly lead to loss of shelf space in this highly competitive market.

Large supermarkets and department stores often enter into direct purchase agreements, especially where they require private branding. These retailers have a reputation for demanding high levels of service from suppliers, including in-store marketing support and compensation for spoiled or damaged merchandise. Large supermarkets have the capacity to import directly from foreign suppliers, however most of them demand separate deliveries to multiple stores. This requirement makes direct purchases generally very difficult.

Many Canadian exporters have found that using distributors does not give them adequate control over the marketing of the product. Especially if the product is new to Mexico, these distributors may fail to appreciate its innovative characteristics. Some companies find that the large markups demanded by Mexican distributors inflate the final product price, especially if there are multiple layers of distribution. These exporters may be reluctant to enter the market directly, because of language and cultural barriers or because their anticipated volume cannot support the costs.

The following are some helpful ideas to avoid problems mentioned above:

- To provide the level of service required at reasonable cost, a consortium approach is very helpful. A group of companies may consolidate their lines of products through an agent or distributor to offer more products to the clients and reduced cost per item. A single company should be prepared to offer more than one product to the market.
- Select a distributor who deals directly with retail stores or end users.
- At the early stages of entering the market, Canadian exporters should have an expert from their staff on hand to help the distributor/agent appreciate the product characteristics and present it correctly to the market.
- Consult with the Canadian Embassy and Consulates, the Canadian Chamber of Commerce, and other key contacts mentioned at the end of this document.

## AGENTS & DISTRIBUTORS

Responsibilities of Mexican agent or distributor/importers may vary from case to case, as they are always subject to negotiation. Often, responsibilities include obtaining any necessary permits in advance, advising on labelling and documentation requirements, and arranging for the physical clearance of the goods through Mexican customs. Depending on the product, these can be very simple or quite complex. Most of the Mexican regulations affecting imports are binding on the importer of record. However compliance with some of them requires support from the exporter. Seemingly small errors in documentation can cause serious delays at the border. Therefore it is extremely important to remember that as a practical matter, the responsibility for compliance often falls on the Canadian exporter.

### AGENTS

An agent is an exclusive representative of the Canadian exporter who has the right to act on the company's behalf and conclude contracts. The agent is also responsible for the Canadian company's visible presence in Mexico.

Companies that want to import on their own behalf, and maintain control over the importation and physical distribution process, often do so through an agent. This may be an individual who works exclusively for the supplier, or it may be a company that handles complementary lines, which agrees to handle the exporter's product on an exclusive basis. Either way, the agent does not take title to the goods and is usually paid on commission. The agent follows the supplier's instructions regarding promotion activity and is compensated for out-of-pocket expenses.

Under Mexican law, goods may be imported only by a person or company that is listed in the Importers Registry and has a taxation registration number called *Registro Federal de Causantes* (RFC). The importer must have a business address in Mexico.

The following are some helpful hints on how to select a good agent to represent your interests in Mexico. It is critical that this selection not be done in a haphazard manner, but that each candidate be investigated thoroughly.

- Check with Mexican industry associations in the sector to learn who the most reputable agents are.
- Ask the Canadian Embassy in Mexico City and the consulates in Monterrey and Guadalajara for any information available about the agent
- Attend trade shows and interview a selection of prospects.
- Verify key details of the agent's résumé or corporate profile, to make sure that all the experience claimed is genuine.
- Ask the agent to name existing clients and call on them to learn about their experience.
- Question candidates carefully to assess their knowledge of the product and the market.
- Review the other products represented by the agent and look for potential conflicts.
- Obtain credit references through a financial intermediary. (See Link to the left)

#### WANT MORE INFO?

CLICK BELOW

- [Export-1, Business Guide Distribution Channels, pg 19, 25](#)

#### WANT MORE INFO?

CLICK BELOW

- [There are companies that provide credit reference services. Click Here to go to Annex A for a list of these firms.](#)

- Tour the agent's premises, including warehouse facilities and transportation equipment if these are relevant to the deal.
- Get to know the agent to make sure that business philosophies, long-term objectives and methods of doing business are compatible.
- Ensure availability of competent translation/interpretation services.

## DISTRIBUTORS

Unlike agents, distributors act on their own account. They cannot bind the Canadian supplier, but they have a decisive say over how the goods will be resold. They may take title to the goods, or handle them on consignment. Distribution agreements may set out limits on prices, geographic areas covered and how competing products are to be handled. Agreements may also cover customer support and warranties.

Distributors usually carry many competing product lines. These product lines are most often from different manufacturers, but they are generally complementary products. It is also common for the distributor to provide for specific promotion and service activities, and the supplier may pay a portion of the cost. Distributors usually work on a percentage markup set out in the distribution agreement. This gives the supplier some control over prices.

The Canadian exporter must be aware that there are several important limitations when using a local distributor:

- It is essential to ensure that the company has sufficient resources to give proper exposure to the product and to carry adequate inventories. The most common reason cited by retailers for the failure of imported product lines is the inability to provide supply continuity and on-time delivery;
- Companies selling to Mexican businesses have found that distributors are sometimes unable to provide adequate after-sales service;
- The distributor should have warehouse space in the market areas where the product will be marketed and it should have enough staff to handle customer service;
- Marketing is done in the name of the distributor and the Canadian company takes a lower profile than with more direct methods;
- Any errors or delays by the distributor may reflect badly on the exporter. For this reason, some Canadian companies supplement their distributor's efforts with their own promotional efforts;

## SUMMARY

Agents and distributors are the two most common means of distributing retail goods. If the product is unique or requires special promotion efforts, an agent is likely more effective than a distributor. An agent can work with more than one distributor to ensure coverage of targeted regions. Multiple distributors may also be needed for products which target both retail and intermediate markets. Alternatively, the Canadian supplier may deal with a distributor, but independently promote the product with retailers (this requires a substantial Mexican presence).

### WANT MORE INFO?

#### CLICK BELOW

Additional information on Mexican agents and distributors can be obtained from the Canadian Embassy in Mexico City and the Chamber of Commerce in Mexico City (for example, you can obtain a directory of 950 importers categorised by product) and from the National Association of Importers and Exporters of Mexico.

- Canadian Embassy in Mexico City
- Canadian Chamber of Commerce
- National Association of Importers and Exporters of Mexico

Companies are permitted to have an agent representing a product at a national level, but it is highly recommended not to give national exclusivity to distributors.

Finally, when dealing with either variety of distributor, it is very important to clearly specify contract cancellation clauses.

## FOOD PROCESSORS

The Mexican food processing sector is concentrated around the main population centres. Almost one-quarter of the value of all food processing occurs in Mexico City. This concentration is even higher for consumer products such as beer, soft drinks and flour. Intermediate processing and the processing of export products is geographically distributed according to regions of production. While there is some vegetable, milk and meat processing in the central, densely populated regions, such facilities do also exist in the outlying regions.

The food processing sector grew at an annual rate of about 2% through the 1980s. However, it was unable to keep up with the rate of population growth. Meat and dairy processing together represent the largest portion of the food processing industry's output. Next comes wheat milling for the production of bread, cookies and pasta, followed by corn milling for tortillas, which are the base of Mexican food consumption. Sugar refining is also a major industry and 50% of its output is utilized in the beverage industry.

### WANT MORE INFO?

CLICK BELOW

- InfoMex White Paper, Sec 4
- EMAR, pg 19
- USDA Foreign Agricultural Service, Food Market Report - Mexico

Most of the technology in the processing industry is obsolete. Vacuum packing and electric soldering were commonly adopted only five years ago. Packaging and shelf-life technology are also lacking. Nonetheless, Mexico meets its own needs for basic equipment, but advanced technology is import dependent. Most of the sophisticated technology is supplied by foreign firms that cater to the needs of the major food processors through local representatives or direct exports. The smaller processors are a ripe market for semi-automated machinery or reconditioned automated equipment.

## WHOLESALEERS

Wholesalers take title to the goods at a pre-agreed point, usually when they cross the border or when they are delivered to a warehouse in Mexico. They re-sell the product on their own account, mainly to retailers. They are generally free to set prices and determine their own promotion policies. Wholesalers do not generally expect service, other than honouring warranties. They also take all of the responsibility for marketing within Mexico. This is an advantage considering the relatively large amount of service that Mexican retailers require. Their disadvantage is that they carry competing lines, and they may not aggressively, or correctly, promote the product.



## WANT MORE INFO?

CLICK BELOW

- Export-1, Business Guide Distribution Channels, pg 16
- Agri-Food Trade with Mexico, pg 10

## WANT MORE INFO?

CLICK BELOW

- InfoMex White Paper, Sec 3
- OECD, Review of Agriculture Policies in Mexico

There are about 22,000 small wholesalers focussed on supplying about 400,000 *abarroteros*, corner convenience stores. Some of them also sell to retail customers. While manufacturers can sell directly to these wholesalers, it is more common to use distributors.

Club stores, which are relatively new to Mexico, have become an important form of wholesale distribution. The two largest are Sam's Club with 28 units and Price Club with 13 units. They target mainly the grocery, food service and business supplies markets. Sam's has become a major player in the restaurant industry, serving more than 31,000 restaurants.

## CENTRAL DE ABASTOS

The traditional retail distribution channel begins with the *Central De Abastos* (terminal market) just as the traditional wholesale market ends with it. In every major urban centre in Mexico there is a "*Central De Abastos*". These are wholesale markets, operated by private companies on a site owned and administered by the government. Mostly, they sell fresh Mexican produce along with some imported produce and fish products. Also found are some Mexican value-added food products and a lesser amount of imported value-added food items, such as wines and canned deli products.

The *Central De Abastos* serve as a source of supply for all types of food related businesses: supermarkets, wholesalers, corner grocers and restaurants. The largest of these wholesale markets, reportedly the largest in the world, is located in Mexico city. Nearly 40% of all fruits and vegetables produced by Mexico and 80% of all those consumed in Mexico City pass through this one market.

## RETAILERS

### INFORMAL SECTOR

Mexico's retail sector differs from Canada's in a number of respects. At one end of the market, there is a large 'informal sector', dominated by street vendors and operators of small market stalls. These businesses provide intense competition for stores in the formal sector, because they are untaxed and often sell pirated merchandise. The least formal retail element is known as the *tianguis*, the word for market in one of the native languages. These are open-air markets that set up once a week on an established day and street. Although traditionally known for fresh produce, the *tianguis* are also large marketers of inexpensive clothes, cosmetics, snack foods and many other curios. Established borough markets are only slightly more formal. They handle mostly domestic products and imported contraband. Both types often buy from la *Central de Abastos* or small importers.



## FORMAL SECTOR

At the other end of the spectrum are the mega-markets (more than 10,000 square metres), hypermarkets (more than 4,500 square metres), and supermarkets (more than 500 square metres). Warehouse stores of up to 2,500 square metres often feature no-frills volume sales. Department stores, super pharmacies, membership clubs and specialty stores round out the formal sector. Convenience stores are relatively new in Mexico, but have grown rapidly. These stores cater to relatively affluent Mexicans, and many of them are operated in partnership with US-based retailers.

There is a total of nearly 300,000 retailers, and the population served by each is approximately 300, whereas in Canada the figure is 900. Nevertheless, this market tends to be dominated by very large supermarket chains, with the leading chains accounting for only about 5% of the stores, but 60% of sales. Sector experts predict that the supermarkets share will increase even more, up to about 70%, in the coming years.

### WANT MORE INFO?

#### CLICK BELOW

- Agri-Food Trade with Mexico, pg 10
- Export-It, Business Guide Distribution Channels, pg 12
- USDA Foreign Agricultural Service, Food Market Report - Mexico

Three of the largest Mexican chains, *Grupo Cifra*, *Gigante* and *Comercial Mexicana*, which have stores nationwide, are the main sales outlets for imported foods. Mexican supermarkets usually devote less than one third of their space to food products. Health and personal hygiene take up approximately 30% while the other 40% goes to other non-food products, including clothing.

Some of these retailers purchase directly from foreign suppliers. This is most common for the larger supermarket and department store chains. Increasingly, retailers are trying to simplify their purchasing procedures by dealing with a smaller number of distributors. Privately-branded merchandise is a notable exception to this trend. When they do buy direct, most retailers expect to take title to the goods at their premises, and they commonly expect separate deliveries to each store.

For a detailed list of Retailers in Mexico, please follow this link to [Annex 2](#)

## FOOD SERVICE ESTABLISHMENTS

The food service marketplace includes more than 150,000 outlets. There is a wide range of marketing styles catering to different socioeconomic groups:

- **FONDAS:** are traditional Mexican restaurants, which cover a wide price range;
- **CANTINAS:** are bars, where traditional food is served free as long as the customer drinks;
- **COMIDAS:** are restaurants that have a limited selection of food at a fixed price;
- **TAQUERÍAS:** are taco restaurants.

## WANT MORE INFO?

CLICK BELOW

- Export-*i*, Business Guide Distribution Channels, pg 16

These traditional operations are being challenged by a number of modern outlets. They include cafeteria restaurants, chain restaurants and fast-food outlets.

- **CAFETERIAS:** include Sanborn's, Lyni's, Vips, Wings and Toks;
- **CHAIN RESTAURANTS:** include Grupo Polinesio, Grupo Anderson, and Angus/Yuppies;
- **FAST FOOD OUTLETS:** include KFC, McDonald's, Burger King, What a Burger, Dominoes and Pizza Hut.

By law, all restaurants are supposed to be registered with the *Cámara Nacional de la Industria de Restaurantes y Alimentos Condimentados* (CANIRAC), National Association of the Food and Restaurant Industry. Other associations cater to specific sections of the industry.

## WANT MORE INFO?

CLICK BELOW

Mexico has a well-developed advertising infrastructure that focuses on the print and broadcast publicity.

About 320 newspapers and 200 major magazines are published in Mexico. Total newspaper circulation is close to ten million copies a day.

Approximately ten million households have television sets. Seven television networks operate throughout Mexico. Some areas of the country receive transmissions from the United States via cable or satellite dish.

Over 900 radio stations operate throughout the country and most are commercial. Estimates put the number of radios in Mexico at 22 million.

- Export-*i*, Business Guide Moving into Mexico, pg 58
- Export-*i*, Business Guide Distribution Channels, pg 23
- Agri-Food Trade Action Plan for Mexico, pg 18
- OECD, Review of Agricultural Policies in Mexico, pg 98

## CONSUMER ADVERTISING

In order to have any success selling retail goods, Canadian exporters must understand the important role that advertising plays in the Mexican market. Except for private brands, retailers generally expect this advertising to be done by the supplier. In many cases, new products are introduced through point-of-sale demonstrations. In-store demonstrations are an important tool for Canadian exporters of processed food and beverages; they tend to be well received by the Mexican consumer and are welcomed, if not expected, by the retailer. The Canadian Embassy in Mexico City or either Consulate can assist exporters with these events. Promotion and advertising have a high cultural content, and Mexican associates who are familiar with the market are essential.

## ADVERTISING IN MEXICO

Promotional materials should be modified for the Mexican market. Ideally, they should be written in Spanish as opposed to simply being a translation of an English or French original. Canadian exporters should not simply rely on what they use at home. Here are some important points to remember.

- Where necessary, rewrite the sales letters and literature to adapt them for the Mexican market. Use fairly simple and straightforward language, and steer clear of slang words or other terminology that a buyer whose first language is not English is unlikely to understand.
- Pictures are often an effective way to communicate a message and portray the application of a product or service. Where possible, use colour photographs and illustrations. Pictures and/or illustrations can also replace lengthy descriptions.
- If a translation is necessary, hire a first-class translator who has experience working with commercial and business-oriented materials. The translated materials should be reviewed by someone who is fluent in Spanish and is familiar with the Mexican market.

- Examine the meaning and acceptability of brand names and logos used in Canada, making sure that no negative or inappropriate connotations are conveyed.
- Make sure that colour and symbols used in promotional material are sensitive to local tastes and consumer preferences. Again, check the final product with someone who is familiar with Mexican culture and preferences.

## PRODUCT ADAPTATION

It may be necessary to modify a successful Canadian product to compete in the Mexican market. Labelling must be developed to conform to Mexican requirements. Packaging may have to be altered to accommodate climatic differences or local preferences. It is also important to remember that marketing slogans and product names may not translate well into Spanish. This was particularly true of the Chevrolet Nova. When the car was introduced to the Mexican market, General Motors hadn't considered that "Nova" in Spanish translated to "doesn't go". This was obviously not the image that GM wanted for their car.

## PRODUCT CONSIDERATIONS

Understanding the competition is essential. Before considering a move into the Mexican market, here are some of the questions you should be asking:

- Is the firm's competitiveness in existing markets based on price, quality, timeliness, delivery, or after-sales service?
- Can the firm's competitive edge be duplicated in Mexico in relation to a different set of competitors? If not, the likelihood of export success is slim.
- Are current domestic competitors also involved in the Mexican market? If so, have they made changes to their products or services to adapt to conditions there?

### WANT MORE INFO?

CLICK BELOW

- Export-4, Business Guide
- Moving into Mexico, pg 11, 19
- Canadian Embassy in Mexico City

## LOGISTICS

## LABELLING

### HIGHLIGHTS - HOT LINKS

- Exporter is responsible for labelling regulation compliance
- Stickers can sometimes be used
- Export packing and marking can be done by a freight forwarder
- All imports over US\$1,000 must be handled by a customs broker

### PRODUCT LABELLING: NOMS AND OTHER REQUIREMENTS

Product labelling in Mexico is governed by the *Ley Federal de Protección al Consumidor*, the Consumer Protection Act. Official standards, known as *Normas Oficiales Mexicanas* (NOMS) apply to a wide range of consumer products and capital goods sold in Mexico, whether domestic or foreign, and these standards have labelling requirements that imported goods must meet.

## WANT MORE INFO?

### CLICK BELOW

For more information on the specific requirements under NOM 50 and NOM 51, please consult:

- Canadian Embassy Web Site

## GENERAL CONSUMER PRODUCTS

Unless they are specifically covered by a product-specific NOM, products destined for retail sale are subject to NOM-050-SCFI-1994. Information on the application of NOMS to specific products is available from the *Instituto Mexicano de Normalización y Certificación* (IMENOC), Mexican Institute of Standards and Certification. However, IMENOC is a private association that might charge a fee for the information. SECOFI's *Dirección General de Normas* has an information centre from which exporters can likely get most information they require. (*Centro de Información*. Av. Puente de Tecamachalco No. 6, Lomas de Tecamachalco. Tel: (525) 729-9300 ext: 4143, Fax: 729-9484, and email: [elden@secofi.gob.mx](mailto:elden@secofi.gob.mx)).

Note that though compliance with the NOM certification and labelling requirements is technically the responsibility of the importer, all labels must accompany the goods when they cross the border. Therefore, much of the responsibility for compliance falls upon the Canadian exporter. There are some exceptions to this requirement. Some products may be imported without the label. For example, if the load is going to a Bond Warehouse, approved as a verification unit, that unit can check labels and fix them to products in Mexico before resale.

However, the regulations do contain a provision allowing labels to be affixed once the products have crossed the border, but before they are offered for sale. The provision stipulates that the product must be taken to a verification unit (*Unidad de Verificación*) to be inspected after the labels have been affixed. The importer must also have been registered in the importers' register for at least two years. There are a number of other costly restrictions which make it simpler for Canadian exporters to present products at the border whose labels already comply with Mexican law.

If the product will be sold as a container of smaller containers, the individual packages do not need to be labelled. There are no specific requirements for label size or location.

## FOOD PRODUCTS

NOM-051-SCFI-1994 is the Mexican Official Standard that regulates labelling for food and non-alcoholic beverages. This NOM was published by SECOFI on January 24, 1996, however, its entrance into force has followed the schedule listed below:

- November 01, 1996 for ham and milk manufacturers
- July 01, 1997 for all other food and beverages manufacturers
- November 01, 1997, every product at stores shelves must comply
- January 01, 1998 Nutritional Facts information requirement will be compulsory.

This regulation is applicable to all locally produced and imported food products and non-alcoholic beverages sold in Mexico, except for those products covered by specific regulations that include labelling, and products in bulk. It is important to note that stickers can be used as long as they remain securely fixed to the product until its final use or consumption.

Food products and non-alcoholic beverages must be labelled in Spanish. However, they can be labelled in any other language too, as long as the Spanish label is at least as visible as the one in other language (same size and font type). Labels must include the following information:

- Product name or description.
- List of ingredients
- Net content and drained weight.
- Local manufacturer's name and address.
- Importer's name and address. This information can be affixed after clearing customs but before the product reaches the consumer.
- Country of origin.
- Lot number
- Expiration date (if applicable)
- Nutritional Information. This regulation specifies that it is not/not compulsory to include nutritional facts unless a nutritional advantage or property is mentioned. It is also important to notice that for products for which an element such as sodium, vitamins or minerals, has been added or eliminated, nutritional information must comply with another standard (NOM-086- SSA1-1994)

For a more detailed listing of NOM-051 labelling requirements for food products, please follow this link to [Annex 3](#)

## ALCOHOLIC BEVERAGES

According to Mexican Official Standard NOM-142-SSA1-1995, an alcoholic beverages is defined as any beverage with alcoholic level ranging from 2% to 55% at 20 degrees Centigrade (Celsius). This NOM was published on July 9, 1997 and regulates health as well as labelling aspects. From the health point of view, it establishes maximum levels for certain products that are allowed to be found in the beverage; and presents a list of additives that can be used.

From the labelling perspective, it establishes that:

- Information must be in Spanish (stickers can be used)
- Label has to mention the name or trade mark, as well as the generic name
- Label has to mention net content and alcoholic level (using the abbreviation % Alc)
- Label has to specify name and fiscal address of the importer (this information can be added once the product is in Mexico).

**WANT MORE INFO?  
CLICK BELOW**

- Export-*i*, Market Summary Product Labelling, pg 5-6
- Export-*i*, Business Guide Moving into Mexico, pg 77-79
- Agri-Food Trade with Mexico, pg 6

## NUTRITIONAL INFORMATION

NOM-086 is the standard that regulates nutritional information requirements on prepared food and non-alcoholic beverage labels is voluntary unless some claim of nutritional benefit is made. If a nutritional statement is made, there are several compulsory items. They must be expressed per 100 grams, or per serving, or per package for single-serving containers:

- Energy content;
- Amount of protein, available carbohydrates and fat;
- Amount of sodium;
- Amount of any other nutrient for which nutritional statements are made; and
- Quantitative or qualitative statement of nutritional properties or ingredients. Such statements are subject to detailed requirements set out in the regulation.

These items are not compulsory if the product is regulated under any other legislation.

## EXEMPTIONS

Several categories of goods are exempt from labelling and certification provisions, including:

- goods accompanying passengers on international flights;
- goods that are part of household effects;
- goods imported by educational, scientific and non-commercial organizations;
- samples;
- temporary imports destined for repair or in-bond assembly;
- capital and intermediate goods, provided that a written statement of final use accompanies the goods;
- bulk goods, defined as those that "must be weighed or measured in the presence of the consumer at the time of sale," unless they are covered by a NOM requirement;
- couriered packages valued at less than US \$1,000;
- goods imported by duty-free shops;
- imports into border cities and towns;
- live animals; and
- books, magazines and newspapers.

A number of other products may be eligible for exemptions under exceptional circumstances, but require separate application submitted to IMENOC.

**WANT MORE INFO?  
CLICK BELOW**

- Export-*i*, Business Guide Documents and Regulations
- US Department of Commerce Country Commercial Guide - Mexico

## INSPECTION AND VERIFICATION

Compliance with labelling requirements was in the past the responsibility of the importer. Canadian exporters were able to satisfy the Mexican requirements by arranging to have Spanish stickers applied to the original English/French labels by the importer after importation but prior to resale. However, in March 1994, the Mexican Government published an executive decree which states that the generic labelling requirements and those set by NOMs will be enforced at the border. This means that compliance has effectively become the responsibility of the Canadian exporter.

Canadian exporters have several options to comply with the labelling NOM.

- Send the product with the labels fixed on it to the border and have the customs authorities verify that such labels comply with the NOM.
- Send one label to an authorized verification unit and obtain from them a compliance certificate; and send a copy of this certificate along with the labelled product to the border. This is the most advisable option for those sales that are planned for Mexico. It avoids storage costs.
- Send the product to a warehouse that is authorized as a verification unit and have their personnel verify that labels comply with the NOM or send the product to any private warehouse and demonstrate that there is a contract to have a verification unit to inspect the products before resale. These options are advisable for those last minute sales that were not planned for Mexico. Most verification units provide a complete service that might include the verification, printing and fixing of the labels.

For an updated list of Verification Units for NOM-051, please follow this link to [Annex 4](#)



## PACKAGING

Labelling defines what information must go on the product label of each individual item sold in retail stores. Packaging describes what information must be included on the container or package if it is to be transported into Mexico.

Marking containers also identifies a firm's goods in relation to the cargoes of other shippers. Marks shown on the shipping containers must conform to those shown on the commercial invoice and/or bill of lading. Markings required include the following:

- buyer's name or some other form of agreed-upon identification;
- point and/or port of entry;
- gross and net weights in kilograms;
- identification of the country of origin;
- package numbers (required for shipments consisting of more than one container);
- warnings and/or cautionary markings, if necessary; and
- the packing list, plus one copy in each container, itemizing its contents.

**If a firm has little experience in exporting and shipping, it is advisable to have export packing and marking done by a freight forwarder.** Larger firms will have the infrastructure and the experience to make these arrangements on their own. Smaller firms and those that export infrequently may engage the services of a freight forwarder or an export house. A freight forwarder will handle all of the logistics involved in taking a product from a producer's factory to a buyer's receiving dock.

An export house can actually assume all of the functions performed by an export sales office in larger firms, taking orders, processing them, arranging for shipments and invoicing the buyer.

Proper packing and marking is necessary for all goods being shipped to Mexico. Merchandise shipped via ocean or regular air freight is susceptible to damage and loss. In selecting the appropriate packing method, several factors must be considered:

- The type of goods being exported. Are they at risk of damage during handling, in transit or in storage? Do they require special temperature control or protection while being shipped and/or in storage?
- The carrier used to ship the product. Packing can be affected by the mode of transport chosen. For goods carried by ship, it is important to know whether they will be placed above or below deck.



## WANT MORE INFO?

CLICK BELOW

- Export-1 Business Guide Documents and Regulations
- Export-1 Business Guide Moving into Mexico, pg 76-77
- Focus on Mexico

- Assess the total transportation route and pack for the toughest leg;
- Determine the frequency of transshipment, and of unloading and reloading: prepare the goods for multiple handling;
- Weather conditions that may be experienced in transit. Extreme temperatures can damage many types of products.
- Determine the packaging requirements that apply in the country of origin, for each carrier, at all ports of exit and entry, and in the country of destination;
- Know the capabilities of the packaging, the strengths and weaknesses of the goods contained in it, its "stackability," and its susceptibility to weather;
- Package the goods to minimize internal movement and to protect corners, edges, finishes, valves, dials and knobs, or upholstery and material;
- Determine the kind of handling equipment to be used and its availability at transshipment points, pack for the equipment and its capabilities;
- Protection against theft during transit. Proper packing can reduce the threat of pilferage.

## SHIPPING NOTES

Orders must be tracked and monitored at every step of the process until they are delivered to the customer. This is a customer service responsibility. The necessary information must be provided in the order system so tracking can be managed in a timely and effective manner.

Order monitoring steps might include:

- order entered;
- credit approved;
- order picked by warehouse complete as ordered;
- order shipped with associated carrier information;
- in-transit de-consolidations, transfers and border crossings; and
- order delivered to customer.

## SHIPPING

There are four ways to get goods from Canada to Mexico: road, rail, ship and air. Of these, road transport is the most popular. In 1993, about half of Canada's exports to Mexico went by road. Based on the volume of merchandise shipped, the most important Mexican ports of entry are:

- Veracruz and Tampico-Altamira on the Gulf of Mexico, for maritime traffic;
- Manzanillo and Acapulco on the Pacific Coast, for maritime traffic;
- Tijuana in the northwest and Nuevo Laredo in the northeast, for land-based traffic; and
- Mexico City International Airport for air shipments.

In spite of recent improvements, Mexico's transportation and communication infrastructure is still poorly developed. Shipments can be delayed at the border for seemingly minor errors in paperwork. Telephone service is unreliable and expensive, and modern data communications are still new to Mexico.

Choice of transport depends on a combination of factors including the nature of the product, the costs involved, the time it takes to move the goods, the complexity of the procedures involved, and the provision of any additional services. Exporters can purchase transportation services directly through a trucking company, railway, airline cargo office or marine shipping agent, or else they can deal with a freight forwarder.

### WANT MORE INFO?

#### CLICK BELOW

For specific information about the four ways to ship goods into Mexico: rail, truck, marine and air; as well as intermodal, please consult the following links:

- Export-*f*, Business Guide Moving into Mexico, pg 75, 80-81
- Export-*f*, Business Guide Shipping Goods to Mexico

### WANT MORE INFO?

#### CLICK BELOW

- Export-*f* Mexico in brief, pg 2-3

## BACK-HAUL RATES

Exporters should be aware of opportunities to take advantage of back-haul rates when shipping their goods to Mexico. These preferential rates for transporting products exist when shipping companies deliver cargo to Canadian centres and either have empty, or partially empty, containers returning to Mexico. The cost to the shipper is similar whether there are goods on board or not; as such, they are often inclined to accept partial payment for carrying Canadian products to Mexico on otherwise empty transports. This is particularly relevant for agri-food shipments which may require refrigerated or ventilated containers.

For new exporters to Mexico, back-haul rates may provide the opportunity to ship smaller quantities initially, without paying full-fare for the transport. Canadian agri-food exporters are advised to contact their freight forwarder and/or the shipping companies directly to inquire about the availability of these rates.

## GOODS DESTINED FOR FREE TRADE ZONES

Products entering the free trade zones, or *maquiladoras*, are exempt from some or all taxes, duties and import permit requirements, and may enter the zone with a minimum of control and documentation. However, these goods may not enter the rest of the country. Free trade zones include a 20 kilometre area along the border between the United States and Mexico, a similar zone on the Mexican-Guatemalan border, the ports of Cancun, Cozumel, Chetumal, and La Paz. The free trade zones also include the state of Baja California, the city of Agua Prieta and an area in the state of Sonora.

## WAREHOUSING

A growing number of Mexican companies now offer public bonded warehousing services in Mexico, often in partnership with US firms. These facilities make it possible for exporters to ship full truck loads to the warehouses, and avoid the cost of less-than-truckload (LTL) shipping. This arrangement also makes FOB (Free-on-Board) destination pricing more practical. It allows the exporter to maintain inventories in Mexico for more reliable delivery. The payment of duties and taxes is postponed until the goods are sold and withdrawn from the warehouse. Some bonded warehousing facilities are also authorized as Verification Units. These are called *Almacen General de Deposito*. See Annex 4.

## WANT MORE INFO?

CLICK BELOW

- Focus on Mexico
- InfoMex White Paper, Sec 3
- Customs Guide to the Americas

Once the goods are in a bonded warehouse, they are immune to any subsequent limitations on imports or changes in customs regulations. The value of the merchandise, for the purpose of assessing import duties, is frozen when the merchandise enters the warehouse. Any subsequent devaluation of the Mexican currency does not increase the dutiable value in pesos. This provision is especially important, considering that the Mexican inflation rate remains relatively high by Canadian standards.

Shipments to a bonded warehouse must be accompanied by a letter from the warehousing company certifying that space is available. This letter must be presented to customs officials when the shipment enters Mexico.

Transportation and storage facilities in the food distribution system are generally adequate for handling dry and canned products, but inadequate for chilled or frozen foods. A lack of refrigeration and frozen storage equipment is evident at the border, importer, retailer and food service levels. It's vital that frozen and chilled food exporters verify that adequate storage facilities are available at all points before shipping products.

## CUSTOMS BROKERS & FREIGHT FORWARDERS

### FREIGHT FORWARDERS

Freight forwarders are independent companies that handle export shipments for a fee. They provide advisory, administrative and physical services to facilitate exports. Freight forwarders can arrange shipments for Canadian exporters using any mode of transportation. They offer a complete service package that can be especially valuable to the first-time exporter; are an excellent source of information on regulations, documentation and shipping methods; and can save the exporter money on transportation rates because of economies of scale.

First time exporters may find the complete service package offered by a reputable freight forwarder especially worthwhile. The services typically include the following:

- Providing or arranging shipment handling, including packing and crating, marking, inspection and storage;
- Preparing documents for shipping and customs, as well as translating, certifying and transmitting documents, and obtaining permits, licences and certificates;
- Providing financial assistance such as negotiating letters of credit (L/Cs), arranging collections, placing insurance and filing insurance claims;
- Prepaying and collecting freight charges;
- Providing advice about foreign requirements, transportation, government regulations, customs procedures, and project management; and
- Assisting with transportation arrangements, including selecting routes and carriers, negotiating rates, booking transportation space, securing charters, consolidating shipments, arranging local delivery, tracing shipments and leasing equipment.

## WANT MORE INFO?

CLICK BELOW

For more information on freight forwarders and shippers in Canada, Contact the:

- Canadian International Freight Forwarders Association Inc. (CIFFA)

## CUSTOM BROKERS

Customs brokers facilitate the importation process and are a valuable business tool. They are familiar with complex international trade laws and regulations, not only in Mexico but elsewhere in the world. Typically, the Canadian exporter will deal with a single Canadian broker who will make arrangements with its counter-parts in the United States and Mexico to handle the shipment every step of the way. Nonetheless, it is useful for the exporter to understand the role of brokers.

**Under Mexican law, all imports valued at more than US \$1,000 must be handled by a customs broker. Only Mexican customs brokers are authorized to issue a *pedimento aduanal*, a petition for import into Mexico.**

### WANT MORE INFO? CLICK BELOW

For more information on customs brokers in Canada

- Customs Brokers Limited/International Transport
- or
- Export-f, Business Guide Moving into Mexico, pg 94
- Export-f, Business Guide Documents and Regulations

Most Canadian exporters ship to Mexico using INCOTERMS of Cost, Insurance and Freight (CIF) or Cost and Freight (C&F). The importer takes possession of the goods in Laredo and is responsible for clearance through Mexican customs, using a Mexican broker. The reason for this is that costs and risks vary widely beyond Laredo, and it can be difficult to provide accurate cost quotations.

Regardless of the arrangements at the Mexican border, the Canadian exporter is responsible for preparing a commercial invoice and other documents before the goods leave Canada. The requirements are very detailed and the documentation must be in Spanish. Many exporters retain a Canadian customs broker to complete most of these documents. Although the broker can provide advice, the preparation of the NAFTA certificate of origin, which can be obtained from Revenue Canada, is the responsibility of the exporter. Some Canadian brokers verify receipt of the documents by the Mexican broker before the shipment leaves Canada.

For a list of Associations of Customs Brokers in Mexico, please follow this link to [Annex 5](#)

## INCOTERMS 1990

GROUPS		MODES
EXW	Ex Works	Air Truck Rail Ship
FCA	Free-Carrier	Air Truck Rail Ship
FAS	Free-Alongside-Ship	Ship
FOB	Free-On-Board	Ship
CFR	Cost and Freight	Ship
CIF	Cost, Insurance, Freight	Ship
CPT	Carriage Paid To	Air Truck Rail Ship
CIP	Carriage and Insurance Paid To	Air Truck Rail Ship
DAF	Delivered At Frontier	Air Truck Rail Ship
DES	Delivered Ex Ship	Ship
DEQ	Delivered Ex Quay	Ship
DDU	Delivered Duty Unpaid	Air Truck Rail Ship
DDP	Delivered Duty Paid	Air Truck Rail Ship

Source: Export-*i* Business Guide, Shipping Goods to Mexico

## DOCUMENTATION

### HIGHLIGHTS - HOTLINKS

- All customs duties must be paid by the Mexican importer or the customs broker immediately upon the goods crossing the border.
- The Canadian exporter must obtain a Certificate of Compliance from the importer.
- Sanitary and phytosanitary inspections and certifications

Every product exported to Mexico requires a specific set of accompanying documents. For the inexperienced, it is a good idea to work through a Mexican customs broker to ensure that the documents needed for the transaction are included with the shipment. These include a commercial invoice, an export declaration form, a packing list specifying contents, a bill of lading (B/L) or air waybill, a certificate of origin, any special certificates specifically required by the nature of the transactions, and import permits.

Unfortunately, specific requirements and import regulations can vary substantially from month to month, leading to confusion among Mexican brokers, customs officers and importers. In fact, the ongoing deregulation process will result in a revision of the whole paperwork for importing in the near future. It is therefore recommended that you regularly confirm information with the Canadian Embassy in Mexico. (The documentation required can vary, depending on the shipping method- ship, train, truck or mail.)

## EXPORT DOCUMENTATION

### WANT MORE INFO?

CLICK BELOW

- Agri-Food Trade with Mexico, pg 3-4
- Export-1, Business Guide
- Moving into Mexico, pg 89
- SECOFI

### COMMERCIAL INVOICE

A commercial invoice must accompany every shipment of goods into Mexico. Invoices should be prepared in Spanish, but if they are prepared in English, the Spanish translation may follow the original text on the invoice or a translation may accompany the invoice. The invoice should be signed by the exporter. Mexican customs officials insist on absolute accuracy and completeness of all documents. Any discrepancies could result in delay, penalties or even confiscation.

The invoice must contain the following information:

- Place and date of issue;
- Complete name and addresses of the buyer or importer in Mexico and the exporter;
- Detailed description of the merchandise, including marks, numbers, types and quantities;
- All freight and insurance charges;
- Signature of seller, along with name and title; and
- Shipper's invoice number and customer's order number.

If possible, the importer's *Registro Federal de Causantes* (RFC), taxation registration number, should also be included on the invoice. The RFC number, given to every Mexican importer when they register with the Mexican government, must be approved by the local Mexican customs officials where the shipment crosses the border.

Where possible, the invoice should be accompanied by a catalogue or other literature describing the goods shipped. This may be helpful for properly classifying the goods for customs purposes. The original invoice should be accompanied by as many as eleven copies, depending upon the importer or customs broker involved.

Copies of all shipping documents should be faxed to the Mexican importer and customs broker before the shipment leaves Canada.

## WANT MORE INFO?

CLICK BELOW

- [Export-\*i\*, Business Guide Documents and Regulations](#)
- [For a Sample B-13 document, please see Export-\*i\*, Business Guide Documents and Regulations](#)

## EXPORT DECLARATION FORM

Exporters must complete an export declaration known as a Form B13 for all shipments leaving Canada (except to the US) if their value exceeds CDN \$2 000. This form provides input into the federal government's System of National Accounts, particularly the Balance of Payments and Gross Domestic Product, and is used in the formulation of trade and budgetary policies.

The exporting company is ultimately responsible for the preparation and submission of the export declaration to customs. However, in most cases, agents, brokers or carriers prepare and submit the B13 on behalf of the exporter.

Goods that require an export declaration include:

- Commercial shipments valued at CDN \$2,000 or more;
- Controlled, regulated or prohibited goods, i.e. products exported under a permit or certificate, regardless of their value;
- Goods in transit through the US;
- Goods exported from a bonded warehouse;
- Goods repaired in Canada when the repairs or additions to the goods are valued at CDN \$2,000 or more; and
- Gifts, donations and company transfers valued at CDN \$2,000 or more.
- Goods exported from a bonded warehouse;
- Goods repaired in Canada when the repairs or additions to the goods are valued at CDN \$2,000 or more; and
- Gifts, donations and company transfers valued at CDN \$2,000 or more.

## PACKING LIST

When more than one package is being shipped, a packing list is necessary unless the commercial invoice is detailed enough to provide this information. The list will include the number of packages and a detailed list of the contents of each package. The packing list should include net, gross and legal weight of each package, as well as of the total shipment. It should also include the volume or measurement of each package and of the total shipment. All of these measurements should be in metric units. At least four, and up to seven copies may be needed, depending on the mode of transportation.



## BILL OF LADING (B/L)

The B/L is the shipper's acknowledgement that the goods have been received. A shipment may contain a set of bills of lading. The exporter should keep one set on file and send one to the importer and one to the customs broker.

### WANT MORE INFO?

CLICK BELOW

- *Export-i*, Business Guide  
Moving into Mexico, pg 90-91

The bill should include:

- The weights and measurements of the packages and their types;
- The names and addresses of the shipper and the Mexican importer, consignee or customs broker;
- The ports of origin and destination;
- A description of the goods;
- A list of freight and other charges;
- The number of B/Ls in the full set; and
- The carrier's official acknowledgment of receipt on board of the goods for shipment.

## CERTIFICATE OF ORIGIN

General certificates of origin are used by customs officials throughout the world to establish the country where the goods were manufactured. The country of origin affects the rate of duty that will be applied to the imported good. For products which are subject to countervailing duties, the ability to prove that the goods did not come from a targeted country is essential. In Mexico, countervailing duties exceed 300 percent for some Far Eastern countries.

The NAFTA certificate of origin is a uniform document established by all three countries. The certificate must be signed by the exporter, and it is valid for shipments made within any 12-month period specified on the certificate. It remains valid for preference claims made up to four years after the date of signature. A NAFTA certificate of origin is not required for goods valued at less than US \$1,200, although a statement of origin should be included on the invoice. The regulations require that the certificate of origin be in the possession of the importer at the time of importation, and do not require that the certificate accompany the goods. Nonetheless, the certificate can help to avoid possible delays and many exporters elect to include a signed original with every shipment.

The NAFTA certificate of origin forms, along with completion instructions, can be obtained from Revenue Canada.

### WANT MORE INFO?

CLICK BELOW

For a sample Certificate of Origin please go to:

- *Export-i*, Business Guide  
Documents and Regulations,

For information on whether your product qualifies, please go to:

- *Export-i*, Business Guide  
Documents and Regulations,



## CERTIFICATE OF COMPLIANCE

Products for which *Normas Oficiales Mexicanas* (NOMs), official Mexican standards, have been issued, must be tested in Mexico and a compliance certificate must be obtained from the *Secretaría de Comercio y Fomento Industrial* (SECOFI), *Dirección General de Normas*, Secretariat of Commerce and Industrial Development, or from an agency accredited by them. This certificate must accompany the goods when they are imported.

The Canadian exporter will have to obtain the appropriate documentation from the importer. The certification number must be included on a label, which includes the NOM logo, affixed to each item.

### WANT MORE INFO?

CLICK BELOW

- Agri-Food Trade with Mexico, pg 4
- Export-1, Business Guide Documents and Regulations
- Export-1, Business Guide Moving into Mexico, pg 91

Regardless of the product involved, the following classes of goods are exempt from the requirement for certificates of compliance:

- Goods imported for the purpose of obtaining a NOM certification;
- Goods included in personal accompanied baggage;
- Personal items sent by a Mexican resident;
- Goods imported by scientific or educational institutions;
- Samples with no commercial value;
- Temporary imports for repair or in-bond assembly;
- Bulk goods;
- Capital and intermediate goods; and
- Certain highly-specialized goods in small quantities.

## IMPORT DOCUMENTATION

### QUOTA-CERTIFICATES AND IMPORT AUTHORIZATIONS

Import permits are currently required for about 300 items, some of which may be subject to import quotas. The list includes agricultural items that are considered vital to Mexico's economy, such as some beans and powdered milk., as well as some machinery and luxury goods. There are currently no import licences required for any products. There are, however some agricultural products that require sanitary authorization. If a product requires import authorization or notification, customs authorities will require the respective import permit or certificate of notification to be submitted at the border point of entry.

These permits are issued by the *Secretaría de Comercio y Fomento Industrial* (SECOFI), Secretariat of Commerce and Industrial Development. Delays are possible, however, under the deregulation process, time limits are being established. For example, for sanitary import authorization, a 5-day limit applies. In some cases, it may be necessary to have letters of valuation, which are authorized and endorsed abroad by a Mexican Consulate.

## WANT MORE INFO?

CLICK BELOW

- Agri-Food Trade with Mexico, pg 4
- InfoMex White Paper
- EMAR - Mexico
- Customs Guide to the Americas

For products that come under NAFTA, such as corn, barley, beans, fresh potatoes and animal fat, certificates are generally allocated on a historical basis by allowing for 5% of the total to be given to new importers. For poultry, eggs and dairy, certificates are allocated according to the rules of the World Trade Organisation (WTO).

It normally takes a month or two, sometimes longer, to obtain the licence. It is important to note that the licence is tied to predetermined quantities. There are heavy fines for non-compliance

## US TRANSIT AND EXPORTATION BOND

If the shipment will travel by land through the US, the Canadian broker must contact an associated American broker to obtain a transportation and exportation (T&E) bond. This bond must be cancelled by American authorities at the export yard, before the goods enter Mexico. Transportation must be made by a bonded courier.

## CUSTOMS PROCEDURES & BORDER CLEARANCE

Customs duties are collected by Mexican customs offices, such as those located in Laredo and along the US-Mexican border in the case of land and rail transport. All customs duties must be paid by the Mexican importer or the customs broker immediately upon the goods crossing the border.

Shipments arriving at the border usually clear customs the next day, but can be cleared the same day if they arrive early in the morning, and if all the documentation has been prepared and is in order.

About one truck in ten is randomly selected by computer and is pulled over for customs inspections, which involves unloading the trailer. Rail shipments are treated similarly, except that goods transported on American rolling stock are not normally unloaded and reloaded. Shipments arriving by sea are unloaded at government docks and kept in a customs warehouse until they are cleared. Air shipments go to a bonded storage area, which is normally operated by the carrier or by a customs broker. From here, customs clearance procedures are similar to those for goods brought in by truck.

## DEALING WITH CUSTOMS OFFICIALS

Customs officials may ask how the imported goods are to be used or what material they are made from. The answer to these questions should be carefully considered, since it could have an impact on the level of duty charged on the goods. Such requests should be checked with the customs broker, who should be asked to deal with any challenges to a change in duty rate or value. Under some circumstances customs duties can be deferred or avoided, and some imports are dealt with under special rules.

## WANT MORE INFO?

CLICK BELOW

- Export-1, Business Guide Moving into Mexico, pg 87-88
- Agri-Food Trade with Mexico, pg 3

**RE-EXPORTS:** Exporters can avoid import duties on goods if they are to be re-exported. This can include rental equipment, containers, material to be used in exhibits, material to be used for processing or repairs, and goods going to designated industrial areas where they will be incorporated into products that will be exported from Mexico. In most cases, it will be necessary to post a bond or other form of guarantee. However, companies should be cautioned about posting bonds, as most often returning the bond money is very difficult and may take months or years. Therefore, Canadians are advised to resort to their Mexican partner to apply for a "PETIX" (*Programs de Importacion Temporal Para Producir Articulos de Exportacion*) permit to allow products to enter Mexico for re-export tax free.

This program was established in 1990 to improve the competitiveness of Mexican agricultural producers and industrials as exporters in the international market. It is a temporary import program for the production of products destined for exports. Companies or individuals eligible for this permit must be registered with SECOFI as producers and exporters of their product.

Depending on the type of the product imported under this program, there is a time limit by which the final product must be exported (e.g. packaging materials, two year machinery up to 12 years, etc.).

Canadian exporters should consult with SECOFI's office in Ottawa, Canada for details of this program to benefit from it in the best possible way.

**DUTY DRAWBACK:** In some cases, Mexican companies or persons who are involved in exporting may be eligible for a refund or a drawback of duties or taxes on raw materials, parts and components if they are incorporated into goods for export. This is also true of components, parts and raw materials imported into the free trade zones. These drawbacks are due to be eliminated by 2001.

**BONDED WAREHOUSES:** Goods stored in a bonded warehouse operated by private companies under government supervision may avoid duties until they are removed from the warehouse. As well, goods in a bonded warehouse are immune to any changes in duties or taxes resulting from changes in the rates or in exchange rates.

**SAMPLES:** Samples are usually subject to duties, and must be accompanied by normal health and sanitary certificates. All samples must be accompanied by an invoice stating that they are not for commercial use. However, samples are exempt from some product certification requirements. Personal use samples can be imported without prior authorization or documentation. Similarly, samples for exhibition or tasting can be imported as long as they are accompanied by the appropriate sanitary authorisation, and a declaration that they are samples not for commercial use. Temporary Import permits can be obtained through *SECOFI (Secretaría de Comercio y Fomento Industrial)*.

**GOODS DESTINED FOR FREE TRADE ZONES:** Products entering the free trade zones, or *maquiladoras*, are exempt from some or all taxes and duties and import permit requirements, and may enter the zone with little control and documentation.

## TARIFF RATES AND QUOTAS

### WANT MORE INFO?

#### CLICK BELOW

For a list of current quotas and duties, go to the:

- Canadian Embassy Web Site
- NAFTA Centre  
P.O. Box 610088  
Dallas Texas 75261-0088  
Tel: 1-800-829-1906  
Fax-Back: 1-972-574-1582

Following the signing of NAFTA, tariff rates have been decreasing steadily for the last few years, and stand to be completely eliminated in the next 6 years. However, at the moment, tariffs still do exist. As they are constantly changing, it is suggested that you consult the NAFTA Centre in Dallas Texas or the Department of Foreign Affairs and International Trade, Tariffs and Market Access Division by phone at (613) 996-6002 or by e-mail at: <mailto:eat.extott@extott14.x400.gc.ca>

Specific duties are charged on certain commodity items that are calculated by weight, volume, length or other unit. A customs processing fee called a *Derecho de Trámite Aduanal* (DTA) equal to 0.8 percent of the FOB (free on board) invoice value is also assessed.

### WANT MORE INFO?

#### CLICK BELOW

- Agri-Food Trade with Mexico
- Export-*i*, Business Guide Documents and Regulations

Mexico collects a value-added tax called the *Impuesto al Valor Agregado* (IVA) which is similar to Canada's GST. The tax is levied on the FOB invoice and ad-valorem duties on most products. The general IVA rate is 15 percent. Certain products, such as unprocessed foods and agricultural products are exempt from the value-added tax, or pay a very low rate. Some luxury items are taxed at a 20 percent rate. Freight forwarders and customs brokers can help an exporter determine which products are exempt from the IVA.

### WANT MORE INFO?

#### CLICK BELOW

Ministry of Finance and Public Credit (SHCP)  
Secretaría de Hacienda y Crédito Público  
Insurgentes Sur 795 - P.H.  
Col. Nápoles  
Mexico, D.F., 03810 Mexico  
Tel.: (525) 669-08-65 Fax: (525) 687-40-82  
Internet: <http://www.shcp.gob.mx>

## HOW TO DETERMINE YOUR HS CODE

To determine the harmonized system code and the tariff that applies to your product, it is recommended that you contact the Mexican Ministry of Finance and Public Credit (*Secretaría de Hacienda y Crédito Público*) (SHCP), preferably through a customs broker. To submit a request, it is suggested that you provide a description of the product, a sample, photos or drawings. It is also suggested that you attach a copy of the Mexican label as well as any brochures and promotional material produced for export purposes.

## SANITARY AND PHYTOSANITARY INSPECTIONS AND CERTIFICATIONS

### WANT MORE INFO?

#### CLICK BELOW

For a sample Certificate of Origin please go to:

- Export-*i*, Business Guide Documents and Regulations

The Mexican *Secretaría de Agricultura, Ganadería y Desarrollo Rural* (SAGAR), Secretariat of Agriculture, Livestock and Rural Development, requires sanitary or phytosanitary certificates for a wide variety of unprocessed animal and plant products. This includes virtually all edible products, including milk and eggs. Canadian exporters will need assistance from the Mexican importer and/or a customs broker to determine the specific requirements for each product. Arrangements should be made at least three months in advance of shipping.

The authorizations are valid for three months, and they may cover as many shipments as the importer requests for a given 3-month period. The original of the authorization is given to the Mexican customs broker to be presented when the goods cross the border. New certificates must be obtained for each lot. They must demonstrate that the product has been approved for human consumption and complies with all health regulations. Usually, it is sufficient to demonstrate that the product is approved for human consumption in Canada, and many of the certificates are available through Canadian government agencies. They do not normally have to be legalized.

In April 1997 CFIA, the Canadian Food Inspections Agency, was created in order to consolidate all federally-mandated food inspection and quarantine services into a single food inspection agency. This agency encourages greater collaboration between federal and provincial governments by harmonizing standards, creating a truly national food inspection system. As such, work is underway between the provinces and the federal government to make CFIA an agency national in both scope and mandate. Exporters should always ensure that CFIA or CFIA -authorised provincial inspectors have inspected their products.

## HEALTH STANDARDS

Health regulations cover fish and fish products, processed foods and materials used to produce food, and fertilizers and pesticides as well as medicines and health and personal care products. Specified products must be approved for import and must be accompanied by a sanitary authorization. These regulations are administered by the *Secretaría de Salud*, or Secretariat of Health.

## PHYTOSANITARY (PLANT HEALTH ) REQUIREMENTS

For agricultural products, an application form called a *Solicitud de Autorización Sanitaria*, *Health Authorization Application*, is submitted by the importer to the *Secretaría de Agricultura, Ganadería y Desarrollo Rural* (SAGAR), Secretariat of Agriculture, Livestock and Rural Development. It simply describes the products to be imported. The response from SAGAR will include requests for any phytosanitary certificates or other documentation required. For some products, application can be made only in Mexico City.

The agricultural sanitary authorization from SAGAR may include restrictions such as quarantine zones. Some products, such as grains, are restricted to certain ports of entry, and these will also be specified in the authorization. Some fruits and vegetable products are prohibited altogether under various 'exterior quarantines'. Few of these products are grown in Canada, although they do include some types of potatoes and rice.

**CANADIAN EXPORTER:** The potential Canadian exporter must be aware that practically all exports of basic or minimally processed plants and plant materials will be subject to phytosanitary (plant health) restrictions by Mexico. In most cases the Canadian Food Inspection Agency (CFIA) personnel will be required to issue Phytosanitary Certificates certifying that the product meets Mexican import requirements. These conditions can be very specific and in some cases may involve extra costs, particular sources of product, fumigations, cold treatments, etc to eliminate the risk of transmitting plant quarantine pests.

One of the first contacts that a potential exporter should make is to the nearest phytosanitary inspector of the CFIA to obtain any known phytosanitary restrictions for the commodity in question.

**MEXICAN IMPORTER:** Prior to importing any plant product, the Mexican importer is obliged to obtain information and in many cases written phytosanitary authorizations from the agricultural or forestry authorities of Mexico. This information should be communicated to the exporter immediately, especially before binding contracts are signed, so that the exporter and the CFIA inspectors can determine if the requirements prescribed by Mexico can be met. Such authorizations are usually obtained on a timely basis but first time exports of a commodity to Mexico will take much longer for determination of technical conditions.

**NEW PRODUCTS FOR MEXICO:** When the Mexican importer applies for authorization to import to Mexico any product which had not been previously imported from Canada, an internationally recognized process called pest risk assessment (PRA) is triggered. This is a process in which the government of the importing country must determine if the commodity is likely to carry plant quarantine pests. The Mexican authorities will obtain biological information about the plant pests and diseases related to the product in Canada and then do an evaluation to determine if those pests represent a biological risk to Mexican agriculture or forestry. The entire process of evaluation, discussion and negotiation between Mexico and Canada may take a few weeks to many months. Exporters should not make contractual commitments until the process is complete and conditions of entry established.

## ANIMAL PRODUCTS

SAGAR uses separate application forms for import authorizations for live animals and animal products. In addition to product descriptions, the forms require a specification of the intended use of the product. The authorization received from SAGAR will specify requirements for health and sanitation certificates and any restrictions.

The SAGAR sanitary import authorizations for agricultural and animal products do not restrict quantities, and the application can cover any number of shipments on different dates, but they are valid for only one port of entry. The original of the permit is sent to the Mexican customs broker. Each time a shipment enters Mexico, the broker produces the authorization and the amount is deducted from the total on the permit. If shipments will travel by different routes, each customs house involved must be provided with a separate authorization.

Exporters should be aware that many animal exports have specific health inspection guidelines or requirements. For example, all swine need a specific examination for swine fever. These individualised health charts are required over and above regular sanitary inspections. Exporters should ensure that they have met all the required health inspections by contacting CFIA (Canadian Food Inspection Agency) or Health Canada.

### WANT MORE INFO? CLICK BELOW

Agriculture and Agri-Food exporters are advised to contact the Canadian Food Inspection Agency directly on these matters. It is important to contact the Regional Office of the CFIA that is closest to you. Do not call the National Headquarters if there is a Regional Office that is closer.

- CFIA Regional Offices Directory  
or
- Export-1, Business Guide  
Documents and Regulations
- Export-1, Business Guide  
Moving into Mexico, pg 92-83

# MEXICAN GOVERNMENT PROGRAMS

## PRICE SUPPORTS

### HIGHLIGHTS - HOT LINKS

- PROCAMPO is Mexico's system of direct per-hectare payments for producers of basic grains
- New legislation provides for the security of land tenure, alters the previous land distribution system, and removes restrictions on the acquisition of *ejido* lands
- The main government program currently modernising the Mexican farmers is ASERCA

The Mexican government and the banking and private industry have devised a variety of financing mechanisms to help the agricultural sector develop. Already during the first quarter of 1997, BANRURAL (the leading bank for rural projects and accounts) authorized credits of US\$282 million to the agricultural sector, up 11% in real terms as compared to 1996.

On October 31, 1995, when the agriculture sector was adversely affected by the combined effects of severe economic recession and large scale drought, the Government of Mexico launched a comprehensive agriculture and rural support program called "*Alianza para el Campo*" (Rural Alliance).

This is an umbrella program encompassing several other initiatives:

- the earlier program *PROCAMPO*, the Salinas Administration's income support program for the Mexican farm sector;
- *PRODUCE*, the Program of Direct and Productive Assistance to Agriculture;
- various programs to repopulate the Mexican cattle herd; and
- technical assistance programs including research and education design to improve the output of coffee, livestock, and crops.

## PROCAMPO

This system of direct per-hectare payments for producers of basic grains continues to be the government's principal tool for helping the farm sector move to a market oriented production policy. The program aims to provide direct income support to the Mexican farm sector without affecting commodity prices. It is intended to rationalize crop production by abolishing crop price supports and replacing them with direct government payments on a per-hectare basis.

In October 1993, the Government of Mexico announced the program of Direct Rural Support (PROCAMPO) to provide payments to crop farmers. PROCAMPO replaced the former system of guaranteed or "agreement" prices, which fixed crop prices well above international levels and raised the costs of livestock production. The stated objective of PROCAMPO is to allow domestic prices to move freely according to market conditions in order to compete more effectively in a market-oriented WTO-consistent framework. The new program will slightly lower farmers' incomes by gradually lowering the guaranteed price while raising direct area payments until, at the end of fifteen years, the domestic price should equal the world price.



PROCAMPO covers eight crops (corn, wheat, dry beans, barley, soybeans, rice, cotton, sorghum), 3.5 million farmers and over 70% of the arable land in Mexico. PROCAMPO is divided into two phases: a one year transition period, followed by a fifteen year phase-out period. The transition period started with the spring/summer 1994 crops of wheat and corn, in which the agreement price of wheat remained constant, but the price of corn fell slightly. Beginning in April 1995, product prices supported by PROCAMPO were phased downward to more closely reflect market conditions. Direct income support payments will be made to producers to compensate farmers for lower prices. PROCAMPO will also provide subsistence farmers with income support based on acreage. The per acre lump-sum payments will be based on target prices per tonne.

Now, PROCAMPO no longer provides subsidies. The program has a 15 year mandate, and is currently providing cash grants that allow farmers to dispose of the funds as they see fit. The lack of control on the grants allows for the funds to be used on personal expenses, food, housing, drinking, etc and has been criticized accordingly.

## PRODUCE

This government backed support program (part of PROCAMPO) is gathering federal, state, and private industry support to provide financing and subsidies to increase agricultural productivity. It consists of a set of specific programs primarily aimed at improving farmer's skills and stimulating technological development. It allocates money to ferti-irrigation, pasture land improvements, rural equipment, mechanisation, and farm studies.

## FIRA

Most funding from the development banks came through FIRA (*Fondo para la Infraestructura Rural y Agropecuaria*), an agricultural development fund created by the government. Currently the fund is trying to group small farms into co-operative financial unions, in order to more easily provide low-risk loans. The fund is coordinated by the Banco de Mexico, and directs the funding of Bancomext and Banrural.

FIRA also directs and funds feasibility studies designed to stimulate development and foreign investment in the agricultural sector.

## FOCIR

FOCIR (*Fondo de Capitalizacion e Inversion del sector Rural*) is a mutual trust in NAFIN (*Nacional Financiera*). It was designed to create and consolidate the Mexican agricultural associations that were formed as a direct consequence of the *Reforma Agraria*. The fund compliments the financial programs of FIRA, NAFIN, Banrural and Bancomext in order to provide funding for agricultural sectors with export feasibility and growth potential. It provides technical assistance, and inter-bank co-ordination.

### WANT MORE INFO?

#### CLICK BELOW

- InfoMex White Paper, Sec 6
- EMAR - Mexico, pg 13
- USDA - FAS Situation Outlook - 1997
- Agri-Food Trade and Action Plan for Mexico, pg 20
- Canada - Mexico, Partnering for Success, pg 25
- OECD Review of Agricultural Policies in Mexico



## LAND OWNERSHIP

Landholding in Mexico is governed by Article 27 of the Constitution. The traditional system of land tenure is the communal *ejido* system. In the past, the *ejidatario* worked the land but was not permitted to use it as collateral for obtaining loans. Land division under the *ejido* system led to the *munifundios* (small plots) which were the typical unit of agricultural production in Mexico, especially for basic foodstuffs.

### WANT MORE INFO?

CLICK BELOW

- Canada - Mexico Partnering for Success
- Assessing the Opportunity for Project Development on Mexico's *Ejido* Land
- OECD Review of Agricultural Policies in Mexico, pg 41, 92-97

In January 1992, the legal and institutional framework for agriculture underwent substantial modification in order to encourage the development of personal initiative and the efficient use of productive rural resources. To that end, Article 27 of the Constitution was amended and a new Agrarian Law enacted. The new legislation provides for the security of land tenure, alters the previous land distribution system, and removes restrictions on the acquisition of *ejido* lands. It is now possible to own or rent the land, to hire labourers to work it or to engage in joint operations with domestic or foreign producers. The *ejidatario* has the option of becoming the owner of the land that he cultivates, or to remain under the *ejido* system. The land may be used as collateral for bank loans. A market for land has not developed since the change to the constitution.

The new law updates the limits on small land holdings, making it possible to own larger plots with a view to crop diversification and to reap the benefits of economies of scale.

## MODERNISATION ASSISTANCE

During the 1970's/80s, there existed several Government subsidy programs to help Mexican farmers modernise: programs like *Ejido Services SA (SESA)*, which helped low income farmers rent agricultural machinery at subsidised rates, and the Livestock Fund (LOGAN) which provided high-quality artificial insemination of cattle at subsidised prices. These programs were all cut in the early 1990s, either by lack of funding, or by privatisation. The main government program currently modernising the Mexican farmers is ASERCA, mostly through PROCAMPO.

### ASERCA

ASERCA (Support and Services to Agricultural Marketing) rarely purchases or subsidises agricultural commodities, but provides market information, and helps producers find distribution channels. ASERCA also is responsible for implementing the PROCAMPO direct payment system to support farmer's income. Though this money can be spent on anything, it is often used to purchase new machinery or irrigation systems, or otherwise modernise Mexican farms.

## PRODUCE

One of the aspects of PRODUCE is mechanisation, financial assistance to Mexican farmers trying to increase their machinery stock. An example of this is PRODUCE-Tractor. This program aims to collect a total of 40% of a tractor's price through subsidies. Only domestically produced tractors qualify. The Federal government would provide the buyer 20 %, the state where the buyer is registered 10%, and the tractor manufacturers 7-15%. *Tractores Universal*, John Deere, Case de Mexico, Massey Ferguson, and New Holland/Ford have agreed to the program.

In a separate agreement John Deere and Banrural, the Mexican Rural development bank, signed an agreement that should reduce costs of tractors by some 15%.

## MARKET ENTRY STRATEGIES

In addition to the various market strategies discussed throughout the document for exporting goods to Mexico, the following section offers alternative approaches which can be used to enter the Mexican market.

## PARTNERING

Most Canadian firms seeking to take advantage of opportunities in Mexico follow the route of direct exporting. Many companies have discovered that they usually benefit from the services of a local agent or distributor who is familiar both with the product and with the Mexican market for that product. A growing number of internationally active companies have gone beyond agency agreements, however. They are using various forms of partnering, or strategic alliances, to complement and enhance their export efforts. Partnering internationally enables the firm to:

leverage their unique strengths into new markets and diversified business activities;

- access new technologies and expertise;
- access larger capital resources;
- access new markets without creating complex structures that can be hard to manage;
- be more effective at responding to change; and
- share the high costs and risks of business.

A Mexican partner can complement a company's capabilities, and provide the expertise, insights and contacts that can make the difference between success and failure. In this way, partnering improves the Canadian company's responsiveness and flexibility, as well as enhancing its chances for success in the Mexican marketplace.

### HIGHLIGHTS - HOT LINKS

- Even small firms can compete in Mexico by linking with partners
- Services are not generally promoted in the same way as products
- Listing of Trade Shows in Mexico in 1998
- Trade Show Check List for Canadian Exporters
- Export readiness refers to a firm's capacity for success in an export market

## WANT MORE INFO?

### CLICK BELOW

- Canada - Mexico, Partnering for Success, pg 111
- Export-~~f~~ Business Guide Moving into Mexico, pg 52
- Export-~~f~~ Business Guide How to Partner in Mexico

Even small firms can compete in Mexico by linking with partners. The linkages formed are limited only by the company's ability to manage its relationships.

Companies need to know how to protect themselves in partnering arrangements. The firm should use the services of a reputable lawyer who can brief managers on the laws dealing with the protection of intellectual property. These rights should be protected against unfair appropriation.

There are several different types of partnership which might interest Canadian exporters. Some of the most common are listed below.

## JOINT VENTURE

A joint venture is an independent business formed through the cooperation of two or more parent firms. Its basic characteristic is that it is a distinct corporate entity, separate from its parents. As such, it involves levels of organizational and managerial complexity that need careful consideration. The ownership split of a joint venture usually reflects the relative sizes and contributions of the partners.

Forming a joint venture with another firm makes sense if the project requires commitments from the partners that are far more complex and comprehensive than anything that can be spelled out in a simple contract. This is especially true of a longer-term arrangement that requires joint product development as well as ongoing manufacturing and marketing.

## LICENSING AND CROSS-LICENSING

These are arrangements allowing companies to benefit from each other's technologies and processes. While the volume of licensing and cross-licensing arrangements between Canadian and Mexican companies is not as large as between Mexican and American companies, the numbers are growing as more companies use Mexican operations as a base to reach markets in the rest of Latin America.

## CROSS- OR CO-MANUFACTURING AGREEMENTS

These are a form of cross-licensing in which companies agree to manufacture one another's products. Co-manufacturing may be combined with co-marketing or co-promotion agreements, through which companies cooperate to advertise and sell each other's products. A comprehensive cooperative agreement could involve cross-licensing, a shared promotion campaign, or even the formation of a joint venture to market each other's products. Most do not involve licences or royalties, but some rights to the product may be worked into the agreement.

## CO-MARKETING

This is also done on the basis of a fee or percentage of sales. For companies wanting to enter new markets, a co-marketing agreement is an effective way to take advantage of existing distribution networks and an ally's knowledge of local markets. It allows firms with complementary products to fill out a product line while avoiding expensive and time-consuming development.

## FRANCHISING

The franchise is a specific form of licensing, and is a rapidly growing segment of the market in Mexico. Most franchise operations to date have been pursued by American companies, partly because of the huge advantage that name recognition gives to American companies which advertise extensively in the North American market. Mexico's recent laws on intellectual property offers significant protection which may make this a growth area for Canadian companies as well.

## VIRTUAL CORPORATIONS

These are the newest and most distinct forms of collaboration. The virtual corporation might be thought of as a partnership of companies that will be formed on a temporary basis. Firms are brought together by computer networks and a specific market opportunity. Each member contributes only its core competencies to the research and development (R&D), manufacturing, marketing and servicing of the product or service. Once the task is complete, the partners are free to move on to other concerns.

## RELATIONSHIP ENTERPRISES

Relationship enterprises are much like their cousins, the virtual corporations, but the relationships they form are of a longer-term nature and involve larger undertakings. Due to the long-term component of relationship enterprises, they are more likely to be international in scope, which might eventually allow a relationship enterprise to operate on a home-country basis in each partners' market. Based on this quality, a relationship enterprise will have a competitive advantage over a multinational corporation in that it has (and will be perceived as having) many home markets, rather than only one.

## SERVICES

Services are not generally promoted in the same way as products. Many service contracts are issued by government institutions or international development agencies and the supplier has to keep an eye on what contracts are being put out for tender. In such cases, the major form of promotion tends to be the lobbying associated with the proposal, bid or tender that leads to the contract. The support of the Canadian government and embassy, or the services of an agency such as the Canadian Commercial Corporation (CCC) or the Canadian International Development Agency (CIDA) can be extremely important.

A typical service exporter is a consulting company which provides engineering, design, software or other technical services for business and government. A market is emerging for services to consumers but so far there have been relatively few opportunities for foreign companies. Language schools are one example of consumer service where Canadian companies have been successful.

### WANT MORE INFO?

CLICK BELOW

- Export-*i*, Business Guide  
Distribution Channels, pg 24
- Export-*i*, Business Guide  
Moving into Mexico, pg 60
- Export-*i*, Business Guide  
Marketing your Services in Mexico

Canadians providing services in Mexico are subject to Mexican immigration and taxation laws. However, if they remain in Mexico for less than 183 days and receive their income from a business that does not have a permanent establishment in Mexico, they will be considered non-residents and will not be taxed. But they will require a migration permit known as the *Forma Migratoria 3 (FM3)*, which can be obtained from the Mexican Consular offices in Ottawa or the Mexican Embassy. This visa is usually issued in five working days and is good for one year, renewable for an additional four years. These issues are described in detail in the publication *Marketing Your Services in Mexico*, which is part of (DFAIT) Export-*i* Mexico series and available through the InfoCentre or by clicking on the link to the left.

## TRADE SHOWS

### WANT MORE INFO?

CLICK BELOW

- Export-*i*, Business Guide  
Moving into Mexico, pg7, 21-22
- Canada - Mexico, Partnering for  
Success, pg 138
- Trade Show Central Web Site

Trade fairs are an effective way of acquiring familiarity with the Mexican market or promoting a product with prospective Mexican buyers. Most trade shows and exhibitions focus on particular industries. Typical objectives in attending these events include displaying merchandise, making business contacts, checking into the market, learning more about competitors and their products, and making sales. Some trade fairs are geared toward order-taking. Attendees come prepared to buy or, in the case of agents and/or distributors, to negotiate representation agreements. The Canadian exporter should, therefore, be ready to take orders or to discuss the possibility of being represented by a Mexican intermediary.

Trade shows in Mexico have good participation from local distributors, agents and manufacturers, and some of them also attend shows in other countries. At some major trade shows, the Canadian Embassy in Mexico City and the consulates in Monterrey and Guadalajara operate a Canada booth, which Canadian companies can use as a base of operations, without the dedication of major resources for their own booth.

For a listing of trade shows in Mexico in 1998, please follow this link to [Annex 6](#)

For a check-list to ensure your readiness to attend a trade show, please follow this link to [Annex 7](#)

## WANT MORE INFO?

CLICK BELOW

- [Export-1, Business Guide Moving into Mexico, pg 13, 14](#)
- [Export Readiness Diagnostic: http://www.infoexport.gc.ca/section2/diagnos-e.asp](http://www.infoexport.gc.ca/section2/diagnos-e.asp)

## EXPORT READINESS

Export readiness refers to a firm's capacity for success in an export market. While some companies may get an unsolicited request through favourable circumstances, the firm is unlikely to be profitable abroad without having addressed the following three factors:

### RESOURCES

The firm has sufficient internal capacity to handle extra demand, internally efficient systems to respond to customers quickly, senior managers and marketing staff with culturally-sensitive marketing skills, and senior management support for export objectives.

### COMPETITIVENESS

The firm has a product that is unique and/or competitive in the type of market they are targeting, sophisticated market entry methods that they are already using, and market research demonstrating the viability of their product abroad.

### EXPECTATIONS

The firm has clear and achievable export objectives, a realistic idea of what exporting entails, an open-mindedness to new ways of doing business, and realism about what will be necessary to be profitable abroad.



## FINANCING AND INSURANCE

### EXPORT DEVELOPMENT CORPORATION (EDC)

#### HIGHLIGHTS - HOT LINKS

- Exported goods are normally required to exceed 60 percent Canadian content in order to qualify for EDC insurance
- Bank and other lines of credit
- Most carriers have liability insurance, but it is unlikely that this insurance alone would cover all contingencies or provide full restitution for the exporter
- Two main types of insurance policies are available: individual and open cover policies

#### EDC PRESS RELEASE

06/16/98

Canadian companies selling goods and services to Mexico can benefit from an innovative export financing product developed by Export Development Corporation (EDC) and Mexico's largest commercial bank, Banco Nacional de México (Banamex).

The new product -- which will be especially beneficial to smaller exporters -- significantly expedites the process of applying and obtaining approvals on medium-term financing for sales and transactions of between US\$100,000 and US\$10 million. It also provides a flexible repayment period.

For more information about this and other new EDC Programs, go to the Export Development Corporation Web Site at:

<http://www.edc.ca/english/frame/new/index.html>

EDC is Canada's official export credit agency. Its mandate is to promote Canadian exports by providing Canadian exporters with lines of credit, receivables financing, and various types of insurance. Because most of this financing is on relatively favourable terms (i.e. below market), EDC insures and finances 50 to 60 percent of Canadian business ventures in Mexico.

EDC can also help Canadian exporters by providing financing to their prospective foreign customers. It has a mandate to finance up to 85 percent of the foreign buyer's purchases of Canadian capital goods, equipment and services. It does so through three types of medium- and long-term financing:

- **DIRECT LOANS:** typically financed over seven to ten years, with fixed and floating rate portions;
- **ALLOCATIONS UNDER LINES OF CREDIT:** these occur only after the transaction, buyer and exporter have been approved; or
- **NOTE PURCHASE AND FORFEITING:** These are usually applied to small- and medium-sized transactions extending from two to five years.

EDC's lines of credit are particularly useful for small and medium-sized exporters looking to finance sales of capital goods to Mexico. As well, companies can benefit from a newly streamlined approval process. But EDC financing is not automatic, and potential exporters must work hard to secure it. Before it arranges financing, the EDC must be confident that the transaction is feasible, that the exporter has the technical and financial capability to complete the transaction as contracted, that Canadian content has been maximized, and that the foreign buyer is creditworthy. To proceed with the transaction, the EDC may require:

- Product information on the goods being exported;
- An estimate of the contract price;
- Expected terms of payment and delivery;
- A Canadian content declaration;
- A draft proposal or commercial contract;
- A profile of the exporter;
- Audited financial statements for the past three years; and
- A summary of the exporter's international sales experience.



**WANT MORE INFO?**  
**CLICK BELOW**

- [Export-1, Business Guide  
Moving into Mexico, pg 40-41](#)

The Export Development Corporation also performs country market assessments on a quarterly basis. These briefs offer exporters a snapshot of the market from a finance and insurance perspective.

- [To access these reports, click HERE](#)

EDC will also investigate the creditworthiness and reliability of the foreign buyer or financial institution. It demands details of the financing support requested. For larger projects, it may also require a feasibility study, details of any consortial arrangements, as well as financial projections for the project.

The EDC also insures a wide range of Canadian exports. The Corporation offers short- and medium-term insurance, performance-related guarantees, and foreign investment insurance to meet the varying needs of exporters. EDC regulations specify that a certain percentage of the goods or services being insured must originate in Canada and conform to Canadian content requirements. Exported goods are normally required to exceed 60 percent Canadian content in order to qualify for EDC insurance. A 'Canadian Content Report' can be obtained by contacting the EDC.

## LETTERS OF CREDIT PROCEDURES

In many export transactions, there is a significant gap between cash going out to effect a transaction and proceeds coming in as payment. In such instances, the exporter will have to find financing to bridge the gap.

## BANK LINES OF CREDIT

Commercial banks will sometimes provide businesses with operating lines of credit to finance their ongoing activities. However, banks normally define an upper limit for each operating line of credit according to two parameters. First, they set an absolute ceiling based on the size and creditworthiness of the company. Second, they issue credit based on accounts receivable (often about 75 percent of total acceptable accounts receivable). This is common practice for domestic businesses. Foreign accounts receivable, however, may not be considered acceptable, except perhaps when they involve customers in the United States. The reluctance of commercial banks to set up operating lines of credit finance has been a major stumbling block for many exporters and has led them to look for alternative ways to finance their transactions.

Instead of offering operating lines of credit, exporters might be able to access commercial bank financing against signed contracts. This might take the form of a term loan secured by the contract. If the bank is uncertain about the creditworthiness of the purchaser or has questions about the exporter's ability to fulfill the terms of the contract, it may ask for additional security in the form of liens or mortgages against property or other assets.

**WANT MORE INFO?**  
**CLICK BELOW**

- [Export-1, Business Guide  
Moving into Mexico, pg 37](#)
- [Export-1, Business Guide  
How to Finance your Exports to Mexico](#)

## OTHER GOV'T SOURCES

CLICK BELOW

- The Economic and Commercial Division of the Canadian Embassy in Mexico, which offers support services to visiting Canadian companies.
- Department of External Affairs and International Trade (DEAIT) which has set up International Trade Centres (ITCs) across the country. These ITCs each have resident trade commissioners who help companies determine whether or not they are ready to export and assist firms with market research and planning.
- National Research Council (NRC) which works with Canadian firms of all sizes to develop and apply technology for economic benefit.

## INTERNATIONAL SOURCES

CLICK BELOW

- There exist many international agencies committed to financing companies which seek to export and in particular, developing nations. Some of these include:
- World Bank and Inter-American Development Bank (IADB).
- United Nations Development Program (UNDP).
- The Food and Agriculture Organization (FAO).
- The World Health Organization (WHO).

## WANT MORE INFO?

CLICK BELOW

- Export-1, Business Guide Moving into Mexico, pg 38
- Export-1, Business Guide Distribution Channels, pg 30-33

Eleven major Canadian banks have established a presence in Mexico. However, another commercial financing avenue worth exploring is the Mexican banking community. Two of the largest Mexican banks, BancoMex and Banca Serfin, are testing the Canadian market by establishing representative offices in Toronto. The Canadian offices of these Mexican banks can help selected Canadian firms by sharing their knowledge of the Mexican business environment as well as specific Mexican companies. The Canadian firm can also take advantage of the bank's bold approach to finding Canadian investors for their Mexican clients.

## CANADIAN GOVERNMENT AGENCIES

Several federal departments and agencies have a mandate to foster Canadian exports by providing firms with financing. These agencies will tend to focus on the Canadian content of any project and the extent to which it creates jobs and wealth in this country. A similar role is played by provincial governments, which provide some financing assistance to exporters from their own provinces.

## CANADIAN COMMERCIAL CORPORATION (CCC)

CCC specializes in bridging the gap between Canadian exporters and foreign governments. It enters into "back-to-back" contractual arrangements, through which it strengthens the position and credibility of smaller Canadian firms pursuing business opportunities abroad. Under these arrangements, the corporation signs a contract with a foreign buyer (usually a government) to supply specified goods and services from Canada. It then signs a separate contract to purchase the goods and services from a Canadian supplier. By interposing itself in this way, it assumes the risks from both sides of the transaction. Since the Canadian exporter has a contract with the corporation, it is protected from the risk of non-payment by a foreign government that it would otherwise have a difficult time pursuing for collection. Similarly, the foreign government is protected from the risks of non-performance by a company outside of its jurisdiction.

## CANADIAN INTERNATIONAL DEVELOPMENT AGENCY INDUSTRIAL COOPERATION PROGRAM (CIDA/INC)

If a capital project involves environmental improvement, technology transfer, developmental assistance to women, job training or job creation, CIDA may provide some financial support through the Industrial Cooperation Program (CIDA/INC).

A key criterion used by CIDA/INC in assessing whether or not to support a project is that it ultimately create jobs in Mexico, while not having a negative impact on employment in Canada. If a project meets this criterion, the Canadian company proposing it may be eligible for grants to perform studies and provide professional advice to Mexican clients.

## INSURANCE

Most exporters purchase insurance to protect themselves against theft and losses or damage incurred while moving goods from Canada to their destination. Carriers do carry liability insurance, but it is unlikely that this insurance alone would cover all contingencies or provide full restitution. In fact, there are significant restrictions to carriers' liability that exclude compensation for damages caused by Acts of God (weather-related damage), terrorism, any perceived flaws in the goods, and the way they were packed for shipping.

The exporter or importer can arrange insurance directly with the insurer or with a licensed insurance broker or agent, a freight forwarder or a customs broker. It is recommended that an open policy be arranged or advantage taken of the bulk buying power of a freight forwarder or a customs broker.

## CIF/FOB

The terms of sale will determine when title to the goods and liability passes from seller to buyer. For example, if the terms agreed to are costs, insurance and freight (CIF), then the seller is responsible for insuring the goods to the agreed destination. If they are free on board (FOB), the seller or exporter is responsible for insuring the goods until such time as they are safely on board. At that point, title to the goods passes to the buyer, who assumes responsibility for further insurance.

Whenever possible, the Canadian exporter should try to control the purchase of insurance. Although an exporter can generally control the purchase of insurance on CIF shipments, it can also contract to handle the insurance on FOB shipments at the direction of the buyer. The same is true, in reverse, for an importer.

## INSURANCE POLICIES

Two main types of policies are available: individual and open cover policies.

An individual policy covers one shipment of goods which is specified in the policy. Although these policies allow the exporter to arrange insurance on each individual shipment, they can be cumbersome and expensive. A shipment may be overlooked and thus be uninsured. Insurance rates can fluctuate and, unless long-term coverage is arranged, the premium on each shipment could vary according to the claims experience of previous shipments.

An open cover policy extends over a period of time and specifies the type of goods and voyages covered. If a company has regular overseas business, it is advantageous to arrange for such a long-term contract with an insurance company. With the purchase of an open policy, the Canadian exporter acquires coverage that is specifically tailored to their needs, which, in addition to covering the specific shipment, also provides the following:

- automatic coverage for all shipments (including protection in the event of actually forgetting to report a shipment);
- protection against loss or damage due to rejection by customer (i.e. cover would continue in storage or return, subject to the advice of insurers);
- the option to purchase Seller's Interest Insurance (also known as Contingency Insurance), if sales are made FOB. This protects the shipper should the buyer's insurance coverage be inadequate for the export shipment and, alternatively, should a difference in conditions exist for shipments; and
- agreed limits of liability for any one ship, aircraft or location.

A policy certificate is a form provided by insurance companies to a company that has acquired an open policy type of insurance coverage for a shipment of goods overseas.

The benefits of using the certificate rather than applying for a separate policy for each additional shipment are that:

- a required export document is instantly prepared;
- no time is lost nor is the shipment delayed by the process of waiting for a separate policy to be sent by the insurance company;
- in most transactions involving bank credit, a certificate of insurance is a prerequisite;
- the certificate provides the means of transferring the insurance protection to other interested parties such as the buyer, importer or consignee.

### WANT MORE INFO?

#### CLICK BELOW

- [Export-1, Business Guide Moving into Mexico, pg 101](#)
- [Export-4, Business Guide How to Finance your Export to Mexico](#)
- [BANCOMEXT Web Site, Legal Resources/Information on Mexico](#)
- [Canadian Embassy in Mexico City](#)

### MODE-SPECIFIC INSURANCE

Each mode of transportation has different policies concerning insurance. For example, while most policies issued include "aircraft" as an extension of "vessel" in ocean voyage clauses, there are specific clauses designed for air cargo. Because the expensive nature of air shipments restricts its use to finished goods rather than bulk product, air cargo shipments are written on an "all-risk" basis -- insurance that covers all transportation risks.

## KEY CONTACTS

### CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN CANADA

#### DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE (DFAIT)

DFAIT is the Canadian federal government department most directly responsible for trade development. The InfoCentre should be the first contact point for advice on how to start exporting. It provides information on export-related programs and services, acts as an entry point to DFAIT's trade information network, and can provide copies of specialized export publications and market information to interested companies.

##### InfoCentre

Tel.: 1-800-267-8376 or (613) 944-4000

Fax: (613) 996-9709

FaxLink:\* (613) 944-4500

InfoCentre Bulletin Board (IBB):

Tel.: 1-800-628-1581 or (613) 944-1581

Internet: <http://www.dfait-maeci.gc.ca>

\*FaxLink is a faxback system which provides summaries on a range of Mexican markets. It must be contacted through your fax machine. Dial from your fax phone and follow the voice prompt instructions.

The Mexico Division, Latin America and Caribbean Bureau promotes trade with Mexico. There are several trade commissioners at the Embassy of Canada in Mexico City, as well as in the satellite offices in Monterrey and Guadalajara. Trade commissioners can provide a range of services including introducing Canadian companies to potential customers in Mexico, advising on marketing channels, assisting those wishing to participate in trade fairs, helping to identify suitable Mexican firms to act as agents, and compiling strategic business intelligence on potential foreign customers.

Latin America and Caribbean Bureau -- Mexico  
Division (LMR)  
Department of Foreign Affairs and International Trade  
Lester B. Pearson Building  
125 Sussex Drive  
Ottawa, ON K1A 0G2  
Tel.: (613) 996-5547  
Fax: (613) 996-6142

#### INTERNATIONAL TRADE CENTRES (ITCS)

International Trade Centres have been established across the country as a convenient point of contact to support the exporting efforts of Canadian firms. The centres operate under the guidance of DFAIT and all have resident trade commissioners. They help companies determine whether or not they are ready to export, assist firms with market research and planning, provide access to government programs designed to promote exports, and arrange for assistance from the trade commissioners in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you:

##### Newfoundland

International Trade Centre  
P.O. Box 8950  
Atlantic Place  
215 Water Street, Suite 504  
St. John's, NF A1B 3R9  
Tel.: (709) 772-5511  
Fax: (709) 772-2373

##### Prince Edward Island

International Trade Centre  
P.O. Box 1115  
Confederation Court Mall  
134 Kent Street, Suite 400  
Charlottetown, PEI C1A 7M8  
Tel.: (902) 566-7443  
Fax: (902) 566-7450

##### Nova Scotia

International Trade Centre  
P.O. Box 940, Station M  
1801 Hollis Street, Fifth Floor  
Halifax, NS B3J 2V9  
Tel.: (902) 426-7540  
Fax: (902) 426-2624

##### New Brunswick

International Trade Centre  
P.O. Box 1210  
1045 Main Street, Unit 103  
Moncton, NB E1C 1H1  
Tel.: (506) 851-6452  
Fax: (506) 851-6429

Quebec  
International Trade Centre  
5 Place Ville-Marie, Suite 800  
Montreal, PQ H3B 2G2  
Tel.: (514) 283-6328  
Fax: (514) 283-8794

Ontario  
International Trade Centre  
Dominion Public Building  
1 Front St. West, Fourth Floor  
Toronto, ON M5J 1A4  
Tel.: (416) 973-5053  
Fax: (416) 973-8161

Manitoba  
International Trade Centre  
P.O. Box 981  
400 St. Mary Avenue, Fourth Floor  
Winnipeg, MB R3C 4K5  
Tel.: (204) 983-5851  
Fax: (204) 983-3182

Saskatchewan  
International Trade Centre  
The S.J. Cohen Building  
119-4th Avenue South, Suite 401  
Saskatoon, SK S7K 5X2  
Tel.: (306) 975-5315  
Fax: (306) 975-5334

International Trade Centre  
1919 Saskatchewan Drive  
Sixth Floor  
Regina, SK S4P 3V7  
Tel.: (306) 780-6124  
Fax: (306) 780-6679

Alberta  
\*Edmonton office is  
also responsible for  
Northwest Territories  
International Trade Centre  
Canada Place  
9700 Jasper Avenue, Room 540  
Edmonton, AB T5J 4C3  
Tel.: (403) 495-2944  
Fax: (403) 495-4507

International Trade Centre  
510-5th Street S.W.  
Suite 1100  
Calgary, AB T2P 3S2  
Tel.: (403) 292-6660  
Fax: (403) 292-4578

British Columbia  
\*Vancouver office is  
also responsible for  
the Yukon

International Trade Centre  
P.O. Box 11610  
300 West Georgia Street  
Suite 2000  
Vancouver, BC V6B 6E1  
Tel.: (604) 666-0434  
Fax: (604) 666-0954

### WORLD INFORMATION NETWORK FOR EXPORTS (WIN EXPORTS)

WIN Exports is a computer-based information system designed by DFAIT to help Canada's trade development officers abroad match foreign needs to Canadian capabilities. It provides users with information on the capabilities, experience and interests of more than 24,000 Canadian exporters. For general information, call (613) 944-4WIN(4946); to register on WIN Exports, call (613) 996-2057, or fax 1-800-667-3802 or (613) 944-1078.

### PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)

PEMD is DFAIT's primary export promotion program. It supports a variety of activities to help Canadian companies expand into export markets. PEMD shares up to 50 percent of eligible expenses. Program financial assistance is a repayable contribution, not a grant, and must be approved in advance. Funded activities include:

- Market Development Strategies, which consist of a package of support for visits, trade fairs, and market support initiatives, under one umbrella of the company's marketing plan.
- New to Exporting Companies, which provides a vehicle for these companies to seek out individual export opportunities, either through a market identification visit or participation in an international trade fair.
- Capital Projects Bidding for specific projects outside Canada involving international competition/formal bidding procedures.
- Trade Association Activities undertaken by non-sales national trade or industry associations on behalf of their member companies.

For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance through this program, call the International Trade Centre nearest you.

## INTERNATIONAL FINANCING

DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities financed by international financing institutions (IFIs). Canadian exporters and trade associations can access market data, obtain a better understanding of the competition, and determine if an IFI-funded market opportunity is practical and worth pursuing. DFAIT can provide information and advice on the availability of Canadian government-funded assistance programs and can assist companies in developing effective export marketing. For further information, contact:

International Financing Division  
Department of Foreign Affairs and International Trade  
Lester B. Pearson Building  
125 Sussex Drive  
Ottawa, ON K1A 0G2  
Tel.: (613) 944-0910  
Fax: (613) 943-1100

## TECHNOLOGY INFLOW PROGRAM (TIP)

Managed by DFAIT and delivered domestically by the Industrial Research Assistance Program, National Research Council, TIP is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. Industry Canada (IC) also helps in program promotion. TIP officers respond to requests to identify technology sources and opportunities for cooperation between Canadian and foreign firms. The Program also helps Canadian firms make exploratory visits abroad to identify and gain first-hand knowledge of relevant foreign technologies, as well as how to negotiate to acquire them. For information, call (613) 993-5326.

## INDUSTRY CANADA (IC)

IC was created with a broad mandate to make Canada more competitive by fostering the growth of Canadian businesses, by promoting a fair and efficient marketplace for business and consumers, and by encouraging commercial ventures in scientific research and technology. In the area of small business, it has been given specific responsibility to:

- develop, implement and promote national policies to foster the international competitiveness of industry; the enhancement of industrial, scientific and technological development; and the improvement in both the productivity and efficiency of industry;
- promote the mobility of goods, services, and factors of production within Canada;

- develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses;
- develop and implement national policies and programs respecting industrial benefits from procurement of goods and services by the Government of Canada; and
- promote and provide support services for the marketing of Canadian goods, services and technology.

The regional offices of IC work directly with Canadian companies to promote industrial, scientific and technological development. They help clients recognize opportunities in a competitive international marketplace by providing services in the areas of business intelligence and information as well as trade and market development. IC also promotes and manages a portfolio of programs and services.

The following are areas in which IC regional offices have special competence:

- access to trade and technology intelligence and expertise;
- entry points to national and international networks;
- industry-sector knowledge base;
- co-location with International Trade Centres connected to DFAIT and Canadian posts abroad;
- client focus on emerging and threshold firms; and
- business intelligence.

Business Service Centre  
Industry Canada  
235 Queen Street  
First Floor, East Tower  
Ottawa, ON K1A 0H5  
Tel.: (613) 941-0222  
Fax: (613) 957-7942

NAFTA Information Desk  
Industry Canada  
235 Queen Street  
Fifth Floor, East Tower  
Ottawa, ON K1A 0H5  
Fax: (613) 952-0540



## STRATEGIS

Canada's largest business web site, Strategis, gives business direct access to the latest information on specific industries, export opportunities, company capabilities, international intelligence and business contacts via the Internet. It also includes information on new technologies and processes, management experts, market services, government programs, micro-economic research and much more. In addition to these information resources, Strategis provides businesses with easy access to Industry Canada experts. Canadian companies will be able to browse the site to find out about market opportunities in Canada and abroad, new state-of-the-art technologies, key alliances, training resources and government programs. The International Business Information Network, one section of the site, contains first-hand information on products in demand, market conditions, competitors and business opportunities abroad.

Strategis  
Industry Canada  
235 Queen Street  
Ottawa, ON K1A 0H5  
Tel.: (613) 954-5031  
Fax: (613) 954-1894  
Internet : <http://www.hotline.service@strategis.ic.gc.ca/>

## REVENUE CANADA

Revenue Canada, Trade Administration Branch provides service and information on NAFTA regulations in English, French and Spanish. Revenue Canada publications and customs notices are also available by calling or faxing the NAFTA Information Desk.

NAFTA Information Desk Revenue Canada,  
Trade Administration Branch  
555 Mackenzie Avenue  
First Floor  
Ottawa, ON K1A 0L5  
Tel.: 1-800-661-6121, or (613) 941-0965  
Fax: (613) 952-0022

## CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)

An important possible source of financing for Canadian ventures in Mexico is the special fund available through CIDA under the Industrial Cooperation Program (INC). This program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licensing arrangements. INC supports the development of linkages with the private sector in Mexico by encouraging Canadian enterprises to

share their skills and experiences with partners in Mexico and other countries. A series of INC mechanisms help enterprises to establish mutually beneficial collaborative arrangements for the transfer of technology and the creation of employment in Mexico.

There are five INC mechanisms that help eligible Canadian firms to conduct studies and that provide professional guidance and advice to potential clients. Where a project involves environmental improvement, technology transfer, developmental assistance to women, job training or job creation, early contact with CIDA's Industrial Cooperation Division is suggested. An important CIDA criterion is that the project creates jobs in Mexico without threatening jobs in Canada. In fact, most CIDA-assisted projects have produced net increases in Canadian jobs. For more information, contact:

Industrial Cooperation Division  
Canadian International Development Agency  
200 Promenade du Portage  
Hull, PQ K1A 0G4  
Tel.: (819) 997-7905  
Fax: (819) 953-5024

## ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)

Atlantic Canadian companies seeking to develop exports to Mexico may be eligible for assistance from the ACOA. The Agency works in partnership with entrepreneurs from the Atlantic region to promote self-sustaining economic activity in Atlantic Canada.

ACOA provides support to businesses as they look to expand existing markets through the development of marketing plans. Efforts include monitoring trade opportunities arising from global economic change, communications efforts to promote the region, trade missions and associated activities, as well as better coordination with federal and provincial bodies that influence trade and investment opportunities. For more information, contact:

Atlantic Canada Opportunities Agency  
Blue Cross Centre  
644 Main Street  
P.O. Box 6051  
Moncton, NB E1C 9J8  
Tel.: 1-800-561-7862  
Fax: (506) 851-7403

## THE CANADA ECONOMIC DEVELOPMENT FOR QUEBEC REGIONS AGENCY (CED)

Formerly known as the Federal Office of Regional Development - Quebec, or FORD - Q, the Canada Economic Development for Quebec Regions Agency has adopted a new name, more in keeping with the Government of Canada's economic development strategy and our new and expanded role in responding to the new realities and needs of Quebec's SMEs and regions.

The Canada Economic Development for Quebec Regions Agency administers programs and services to promote the regional economic growth of Quebec. In particular, it endeavours to foster business capabilities, stimulate investment and support local trade associations and SMEs.

Its presence in the regions and its network of partners enable the Agency to be active throughout Quebec.

<http://www.dec-ced.gc.ca>

Saguenay - Lac-Saint-Jean  
Canada Economic Development for Quebec Regions  
170 St-Joseph Street South  
Suite 203  
Alma, Québec G8B 3E8  
Toll-free: 1-800-463-9808  
Telephone: (418) 668-3084  
Fax: (418) 668-7584  
E-mail: [alma@dec-ced.gc.ca](mailto:alma@dec-ced.gc.ca)

Central Québec  
Canada Economic Development for Quebec Regions  
Place du Centre  
150 Marchand Street  
Suite 502  
Drummondville, Québec J2C 4N1  
Toll-free: 1-800-567-1418  
Telephone: (819) 478-4664  
Fax: (819) 478-4666  
E-mail: [drummondville@dec-ced.gc.ca](mailto:drummondville@dec-ced.gc.ca)

Outaouais  
Canada Economic Development for Quebec Regions  
259 Saint-Joseph Blvd  
Suite 202  
Hull, Québec J8Y 6T1  
Toll-free: 1-800-561-4355  
Telephone: (819) 994-7442  
Fax: (819) 994-7846  
E-mail: [hull@dec-ced.gc.ca](mailto:hull@dec-ced.gc.ca)

Laval-Laurentides-Lanaudière  
Canada Economic Development for Quebec Regions  
Tour du Triomphe II  
2540 Daniel-Johnson Blvd  
Suite 204  
Laval, Québec H7T 2S3  
Toll-free: 1-800-430-6844  
Telephone: (450) 973-6844  
Fax: (450) 973-6851  
E-mail: [laval@dec-ced.gc.ca](mailto:laval@dec-ced.gc.ca)

Montréal  
Canada Economic Development for Quebec Regions  
Complexe Saint-Charles  
1111 Saint-Charles Street West  
Suite 411  
Longueuil, Québec J4K 5G4  
Toll-free: 1-800-284-0335  
Telephone: (450) 928-4088  
Fax: (450) 928-4097  
E-mail: [longueuil@dec-ced.gc.ca](mailto:longueuil@dec-ced.gc.ca)

Montréal  
Canada Economic Development for Quebec Regions  
800 Place Victoria Tower  
Suite 3800  
P.O. Box 247  
Montréal, Québec H4Z 1E8  
Telephone: (514) 283-2500  
Fax: (514) 283-3302  
E-mail: [montreal@dec-ced.gc.ca](mailto:montreal@dec-ced.gc.ca)

Nord-du-Québec  
Canada Economic Development for Quebec Regions  
Stock Exchange Tower  
800 Place Victoria  
Suite 3800, P.O.Box 247  
Montréal, Québec H4Z 1E8  
Toll-free: 1-800-561-0633  
Telephone: (514) 283-5174  
Fax: (514) 283-3637  
E-mail: [nordqc@dec-ced.gc.ca](mailto:nordqc@dec-ced.gc.ca)

Québec - Chaudière - Appalaches  
Canada Economic Development for Quebec Regions  
905 Dufferin Avenue  
2nd floor  
Québec, Québec G1R 5M6  
Toll-free: 1-800-463-5204  
Telephone: (418) 648-4826  
Fax: (418) 648-7291  
E-mail: [quebec@dec-ced.gc.ca](mailto:quebec@dec-ced.gc.ca)

Bas Saint-Laurent - Gaspésie - Îles-de-la-Madeleine  
Canada Economic Development for Quebec Regions  
Trust General Building  
2, Saint-Germain East Street  
Rimouski, Québec G5L 8T7  
Toll-free: 1-800-463-9073  
Telephone: (418) 722-3282  
Fax: (418) 722-3285  
E-mail: rimouski@dec-ced.gc.ca

Côte-Nord  
Canada Economic Development for Quebec Regions  
701, Laure Blvd  
2nd floor  
Suite 202B, P.O.Box 698  
Sept-Îles, Québec G4R 4K9  
Toll-free: 1-800-463-1707  
Telephone: (418) 968-3426  
Fax: (418) 968-0806  
E-mail: sept-iles@dec-ced.gc.ca

Sherbrooke  
Canada Economic Development for Quebec Regions  
Andrew Paton Place  
65 Belvédère Nord  
Suite 240  
Sherbrooke, Québec J1H 4A7  
Toll-free: 1-800-567-6084  
Telephone: (819) 564-5904  
Fax: (819) 564-5912  
E-mail: sherbrooke@dec-ced.gc.ca

Mauricie - Bois-Francs (Trois-Rivières)  
Canada Economic Development for Quebec Regions  
Immeuble Bourg du Fleuve  
25 des Forges Street  
Suite 413  
Trois-Rivières, Québec G9A 2G4  
Toll-free: 1-800-567-8637  
Telephone: (819) 371-5182  
Fax: (819) 371-5186  
E-mail: trois-rivieres@dec-ced.gc.ca

Abitibi - Témiscamingue  
Canada Economic Development for Quebec Regions  
906 5th avenue  
Val D'or, Québec J9P 1B9  
Toll-free: 1-800-567-6451  
Telephone: (819) 825-5260  
Fax: (819) 825-3245  
E-mail: val-dor@dec-ced.gc.ca

## WESTERN ECONOMIC DIVERSIFICATION CANADA (WD)

WD is responsible for federal economic development activities in Western Canada. The Department works in partnership with the western provinces, business, industry associations and communities to stimulate the western Canadian economy.

WD's "New Directions" program will work to enhance the export position of western companies by boosting their competitiveness in domestic and global markets. The Department no longer provides repayable loans to individual companies, but seeks new innovative partnerships within both the public and private sectors. These partnerships will address the needs of small- and medium-sized enterprises for information, business services and capital, particularly for high growth industries critical to Western Canada's economic diversification.

One of WD's new products focussed on export development is the International Trade Personnel Program. This federal-provincial initiative links export-focussed western firms with recent post-secondary graduates. The program accomplishes two important socio-economic goals: it gives companies the extra person-power they need to penetrate new markets, and it gives recent graduates valuable work experience. Under the new program, the length of export - development projects may vary from one to three years. Approved projects will be eligible for assistance ranging from C\$7,500 for one year, to a maximum of C\$37,500 per graduate over the three-year period. For more information, contact:

Western Economic Diversification Canada  
The Cargill Building  
240 Graham Avenue  
Suite 712  
P.O. Box 777  
Winnipeg, MB R3C 2L4  
Tel.: (204) 983-4472  
Fax: (204) 983-4694

## EXPORT DEVELOPMENT CORPORATION (EDC)

EDC helps Canadian exporters compete in world markets by providing a wide range of financial and risk management services, including export credit insurance, financing to foreign buyers of Canadian goods and services, and guarantees.

EDC's products fall into four main categories:

- export credit insurance, covering short- and medium-term credits;
- performance-related guarantees and insurance, providing cover for exporters and financial institutions against calls on various performance bonds and obligations normally issued either by banks or surety companies;

- foreign investment insurance, providing political risk protection for Canadian investments abroad; and
- export financing, providing medium- and long-term export financing to foreign buyers of Canadian goods and services.

EDC has established relationships with leading commercial and public sector institutions in Mexico and Latin America. For more information on the range of services available, please refer to the customer teams below.

**Base and Semi-Manufactured Goods Team:**

Tel.: (613) 598-2823

Fax: (613) 598-2525

**Consumer Goods Team:**

Tel.: (613) 597-8501

Fax: (613) 598-2525

**Emerging Exporters Team:**

Tel.: 1-800-850-9626

Fax: (613) 598-6871

**Financial Institutions Team:**

Tel.: (613) 598-6639

Fax: (613) 598-3065

**Forestry Team:**

Tel.: (613) 598-2936

Fax: (613) 598-2525

**Engineering and Professional Team:**

Tel.: (613) 598-3162

Fax: (613) 598-3167

**Industrial Equipment Team:**

Tel.: (613) 598-3163

Fax: (613) 597-8503

**Information Technologies Team:**

Tel.: (613) 598-6891

Fax: (613) 598-6858

**Transportation Team:**

Tel.: (613) 598-3164

Fax: (613) 598-2504

For information on the full range of EDC services, contact any of the following EDC offices:

Ottawa                      Export Development Corporation  
 151 O'Connor Street  
 Ottawa, ON K1A 1K3  
 Tel.: (613) 598-2500

	Fax: (613) 598-6858
Vancouver	Export Development Corporation One Bentall Centre 505 Burrard Street, Suite 1030 Vancouver, BC V7X 1M5 Tel.: (604) 666-6234 Fax: (604) 666-7550
Calgary	Export Development Corporation 510-5th Street S.W., Suite 1030 Calgary, AB T2P 3S2 Tel.: (403) 292-6898 Fax: (403) 292-6902
Winnipeg	Export Development Corporation 330 Portage Avenue, Eighth Floor Winnipeg, MB R3C 0C4 Tel.: (204) 983-5114 Fax: (204) 983-2187
Toronto	Export Development Corporation National Bank Building 150 York Street, Suite 810 P.O. Box 810 Toronto, ON M5H 3S5 Tel.: (416) 973-6211 Fax: (416) 862-1267
London	Export Development Corporation Talbot Centre 148 Fullarton Street, Suite 1512 London, ON N6A 5P3 Tel.: (519) 645-5828 Fax: (519) 645-5580
Montreal	Export Development Corporation Tour de la Bourse 800 Victoria Square, Suite 4520 P.O. Box 124 Montreal, PQ H4Z 1C3 Tel.: (514) 283-3013 Fax: (514) 878-9891
Halifax	Export Development Corporation Purdy's Wharf, Tower 2 1969 Upper Water Street, Suite 1410 Halifax, NS B3J 3R7 Tel.: (902) 429-0426 Fax: (902) 423-0881

## **NATIONAL RESEARCH COUNCIL (NRC)**

Canadian companies hoping to succeed in the Mexican marketplace may require additional technology to improve their competitiveness. The NRC works with Canadian firms of all sizes to develop and apply technology for economic benefit. The Council manages the Industrial Research Assistance Program (IRAP), a national network for the diffusion and transfer of technology.

The IRAP network, working primarily with small- and medium-sized Canadian firms, supports the process of developing, accessing, acquiring, implementing and using technology throughout Canadian industry. IRAP has a 50-year history of providing technical advice and assistance to Canadian firms and has acquired a reputation as one of the most flexible and effective federal programs. IRAP takes advantage of the advice of industrial technology advisors who are situated in more than 165 different locations within approximately 90 communities across Canada, including numerous provincial technology centres, the NRC's own laboratories and research institutes, federal government departments, and technology transfer offices in Canadian universities. For further information, contact:

Industrial Research Assistance Program  
National Research Council  
Montreal Road  
Building M-55  
Ottawa, ON K1A 0R6  
Tel.: (613) 993-1790  
Fax: (613) 952-1079

## **CANADIAN COMMERCIAL CORPORATION (CCC)**

CCC, a Crown corporation, provides Canadian exporters with valuable assistance when they are selling to any foreign government, or to an international organization. In such sales, CCC acts as a prime contractor and guarantor for the sale of Canadian goods and services to the foreign customer.

CCC certifies the Canadian exporter's financial and technical capabilities, and guarantees to the foreign buyer that the terms and conditions of the contract will be met. CCC's participation in a sale provides Canadian suppliers with the tangible backing of their own government, enhancing their credibility and competitiveness in the eyes of foreign customers. This can often lead to the negotiation of more advantageous contract and payment terms.

The Progress Payment Program, developed by CCC in cooperation with Canada's financial institutions, makes pre-shipment export financing more accessible to small- and medium-sized exporters. The program allows an exporter to draw on a special line of credit, established by his or her principal banker for a particular export sale. In most instances, the borrowing costs will approximate those associated with a typical demand line of credit. The program is available for transactions with foreign government and private sector buyers.

For more information about CCC and its programs, contact:

Canadian Commercial Corporation  
50 O'Connor Street  
Eleventh Floor  
Ottawa, ON K1A 0S6  
Tel.: (613) 996-0034  
Fax: (613) 995-212

## **KEY CONTACTS IN CANADA**

### **BUSINESS AND PROFESSIONAL ASSOCIATIONS**

**Canadian Council for the Americas (CCA)** The Council is a non-profit organization formed in 1987 to promote business interests in Latin American as well as Caribbean countries. The CCA promotes events and programs targeted at expanding business and building networking contacts between Canada and the countries of the region.

Canadian Council for the Americas  
Executive Offices  
360 Bay Street, Suite 300  
Toronto, ON M5H 2V6  
Tel.: (416) 367-4313  
Fax: (416) 367-5460

Alliance of Manufacturers and Exporters Canada  
99 Bank Street, Suite 250  
Ottawa, ON K1P 6B9  
Tel.: (613) 238-8888  
Fax: (613) 563-9218

Alliance of Manufacturers and Exporters Canada  
75 International Boulevard, Fourth Floor  
Etobicoke, ON M9W 6L9  
Tel.: (416) 798-8000  
Fax: (416) 798-8050

The Canadian Chamber of Commerce  
Delta Office Tower  
350 Sparks Street, Suite 501  
Ottawa, Ontario K1R 7S8  
Tel: (613) 238-4000  
Fax: (613) 238-7643  
E-mail: [info@chamber.ca](mailto:info@chamber.ca)

Forum for International Trade Training Inc.  
155 Queen Street, Suite 608  
Ottawa, ON K1P 6L1  
Tel.: (613) 230-3553  
Fax: (613) 230-6808

Language Information Centre  
240 Sparks Street RPO  
Box 55011  
Ottawa, ON K1P 1A1  
Tel.: (613) 523-3510

MERX  
2 Watts Ave.  
Charlottetown, P.E.I., Canada  
C1E 1B0  
Tel: 1 800-964-MERX  
Fax: 1 888-235-5800  
E-mail: [merx@cebra.com](mailto:merx@cebra.com)

Canadian Standards Association  
178 Rexdale Blvd.  
Etobicoke, ON M9W 1R3  
Tel.: (416) 747-4000  
Fax: (416) 747-4149

Standards Council of Canada  
45 O'Connor Street, Suite 1200  
Ottawa, ON K1P 6N7  
Tel.: (613) 238-3222  
Fax: (613) 995-4564

#### **MEXICAN GOVERNMENT OFFICES IN CANADA**

The Embassy of Mexico and Mexican consulates can provide assistance and guidance to Canadian companies in need of information about doing business in Mexico. For more information, contact:

Embassy of Mexico  
45 O'Connor Street, Suite 1500  
Ottawa, ON K1P 1A4  
Tel.: (613) 233-8988  
Fax: (613) 235-9123

Mexican Consulate in Ottawa  
45 O'Connor Street, Suite 1500  
Ottawa, ON K1P 1A4  
Tel.: (613) 233-6665  
Fax: (613) 235-9123

#### **OTHER MEXICAN CONSULATES GENERAL IN CANADA**

Consulate General of Mexico  
2000 Mansfield Street, Suite 1015  
Montreal, PQ H3A 2Z7  
Tel.: (514) 288-2502/4916  
Fax: (514) 288-8287

Consulate General of Mexico  
199 Bay Street, Suite 4440  
P.O. Box 266, Station Commerce Court West  
Toronto, ON M5L 1E9  
Tel.: (416) 368-2875/8141/1847  
Fax: (416) 368-8342

Consulate General of Mexico  
810-1130 West Pender Street  
Vancouver, BC V6E 4A4  
Tel.: (604) 684-3547/1859  
Fax: (604) 684-2485

#### **MEXICAN FOREIGN TRADE COMMISSIONS**

Banco Nacional de Comercio Exterior (Bancomext) is the Mexican Foreign Trade Commission and has offices in Canada. It offers credits, export guarantees and counselling services to Mexican companies seeking to do business in Canada.

#### **MEXICAN BANKS WITH OFFICES IN CANADA**

Banco Nacional de México (Banamex), Banca Serfin and Banca Confiare private-sector banks which offer specialized services through their international trade information centres. The centres participate in a computerized communications network with access to numerous economic, governmental and financial databases throughout the world. These banks are located throughout Mexico and maintain offices in Toronto.

Banco Nacional de México (Banamex)  
1 First Canadian Place, Suite 3430  
P.O. Box 299  
Toronto, ON M5X 1C9  
Tel.: (416) 368-1399  
Fax: (416) 367-2543

Banca Serfin  
BCE Place  
Canada Trust Tower  
161 Bay Street, Suite 4360  
P.O. Box 606  
Toronto, ON M5J 2S1  
Tel.: (416) 360-8900  
Fax: (416) 360-1760

Banca Confia  
150 York Street, Suite 408  
Toronto, ON M5H 3A9  
Tel.: (416) 955-9233  
Fax: (416) 955-9227

## CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN MEXICO

**TRADE AND ECONOMIC DIVISION**  
**THE EMBASSY OF CANADA IN MEXICO**  
The Trade and Economic Division of the Canadian Embassy in Mexico can provide vital assistance to Canadians venturing into the Mexican market. The trade commissioners are well-informed about the market and will respond in whatever measures possible to support a Canadian firm's presence in Mexico.

Trade and Economic Division  
The Embassy of Canada in Mexico  
Schiller No. 529  
Col. Polanco  
11560 México, D.F.  
México  
Tel.: (52-5) 724-7900  
Fax: (52-5) 724-7982

Canadian Consulate  
Edificio Kalos, Piso C-1  
Local 108-A  
Zaragoza y Constitución  
64000 Monterrey, Nuevo León  
México  
Tel.: (52-8) 344-3200  
Fax: (52-8) 344-3048

Canadian Consulate  
Hotel Fiesta Americana  
Local 30-A  
Aurelio Aceves No. 225  
Col. Vallarta Poniente  
44110 Guadalajara, Jalisco  
México  
Tel.: (52-3) 616-6215  
Fax: (52-3) 615-8665

## KEY CONTACTS IN MEXICO

### GOVERNMENT

Secretariat of Agriculture, Livestock and Rural Development  
Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar)  
Insurgentes Sur No. 476, Piso 13  
Col. Roma Sur  
06760 México, D.F.  
México  
Tel.: (52-5) 584-0990/8190  
Fax: (52-5) 582-0268

Secretariat of Health - Secretaría de Salud (SS)  
Lleja No. 8, Piso 5  
Col. Juárez  
06600 México, D.F.  
México  
Tel.: (52-5) 553-7670/7940  
Fax: (52-5) 286-5497

Secretariat of Commerce and Industrial Development Bureau of Standards - Secretaría de Comercio y Fomento Industrial (SECOFI)  
Dirección General de Normas  
Av. Puente de Tecamachalco No. 6  
Col. Lomas de Tecamachalco  
53950 Tecamachalco, Estado de México  
México  
Tel.: (52-5) 729-9300  
Fax: (52-5) 729-9484

Federal Electricity Commission  
Comisión Federal de Electricidad (CFE)  
Río Ródano No. 14  
Col. Cuauhtémoc  
06598 México, D.F.  
México  
Tel.: (52-5) 553-7133, 207-3962/3704  
Fax: (52-5) 553-6424



Mexican National Railway  
Ferrocarriles Nacionales de México (FNM)  
Av. Jesús García Corona No. 140  
Col. Buenavista  
06358 México, D.F.  
México  
Tel.: (52-5) 541-4004, 547-9317  
Fax: (52-5) 547-0959

National Oil Company  
Petróleos Mexicanos (Pemex)  
Av. Marina Nacional No. 329  
Col. Huasteca  
11311 México, D.F.  
México  
Tel.: (52-5) 250-2611  
Fax: (52-5) 625-4385

Paper Producer and Importer  
Productora e Importadora de Papel, S.A. (PIPSA)  
Poniente 140 No. 840  
Col. Industrial Vallejo  
02300 México, D.F.  
México  
Tel.: (52-5) 729-7001 through 99  
Fax: (52-5) 567-4482/1555

## ASSOCIATIONS

National Association of Supermarket and Department Stores  
Asociación Nacional de Tiendas de Autoservicios y  
Departamentales (ANTAD)  
Av. Homero No. 109 Piso 11  
Col. Polanco  
11560 México, D.F.  
México  
Tel.: (52-5) 254-6770/1714, 545-8803  
Fax: (52-5) 203-4495, 250-2536

National Association of Importers and Exporters of the Mexican  
Republic  
Asociación Nacional de Importadores y Exportadores de la  
República Mexicana (ANIERM)  
Av. Monterrey No. 130  
Col. Roma  
06700 México, D.F.  
México  
Tel.: (52-5) 584-9518, 564-8618  
Fax: (52-5) 584-5317

National Association of the Food and Restaurant Industry  
Cámara Nacional de la Industria de Restaurantes y Alimentos  
Condimentados (Canirac)  
Av. Aniceto Ortega 1009  
Col. del Valle  
03122 México, D.F.  
México  
Tel.: (52-5) 604-0418, 688-9147, 604-0238  
Fax: (52-5) 604-4086

The Mexican Restaurant Association  
Asociación Mexicana de Restaurantes  
Av. Torcuato Tasso No. 325-Desp. 103,  
Col. Polanco,  
11560 México, D. F.  
México  
Tel.: (52-5) 531-3834/3047, 250-1146,  
Fax: (52-5) 545-8671

National Council of the In-Bond Manufacturing  
Industry  
Consejo Nacional de la Industria Maquiladora de Exportación  
Río Tiber No. 18,  
Col. Cuauhtémoc  
06500 México D.F.  
México  
Tel.: (52-5) 511-6065, 514-0421  
Fax: (52-5) 525-2484

National Chamber of the Manufacturing Industry  
Cámara Nacional de la Industria de la Transformación  
(Canacintra)  
Av. San Antonio No. 256  
Col. Ampliación Nápoles  
03849 México, D. F.  
México  
Tel.: (52-5) 563-3400  
Fax: (52-5) 563-5388

National Chamber of Commerce for Mexico City  
Cámara Nacional de Comercio de la Ciudad de México (Canaco)  
Paseo de la Reforma No. 42  
Col. Centro  
06030 México, D.F.  
México  
Tel.: (52-5) 592-2677/2665  
Fax: (52-5) 592-3571

## ANNEX 1- MEXICAN CREDIT/FINANCIAL INVESTIGATION FIRMS

### **Crehinvest, S.A. de C.V.**

Avenida 3 No. 71

Col. San Pedro de los Pinos

03800 Mexico, D.F.

Tel: (525)271-4045 / 273-1035 / 273-4966

Fax: (525)515-0091

### **Informes Veritas, S.A. de C.V.**

Bosque de Duraznos No. 65 - 406 - a

Col Bosques de las Lomas

11700 Mexico, D.F.

Tel: (525)245-0669 / 245-0584 / 245-0326

Fax: (525)245-1211

### **Información Creditiois y Comercial ASECOEM, S.A. de C.V.**

Dr. Enrique González Martínez No. 5; piso 2

Col. Santa María La Ribera

06400 Mexico, D.F.

Tel: (525)535-4577

Tel/Fax: (525)566-4577 / 546-4145

### **BSP Credit Services**

Insurgentes Sur 1824, Desp. 901

Col. Florida

Mexico, D.F.

Tel: (525)575-2466

Fax: (525)575-1372 / 573-1364 / 575-5352

### **Dun & Bradstreet Information Services**

Durango No. 263, Piso 4 y 5

Col. Roma

06700 Mexico D.F.

Tel: (525)208-5066 / 208-5113 / 511-2022 / 525-1858

Fax: (525) 511-0065 / 514-9640

### **INDECRE**

Ayuntamiento No. 83 Despacho 308

Col. Centro

06050 Mexico, D.F.

Tel: (525)521-8815 / 512-3794

### **PROFANCRESA (Experian)**

Bradley No. 37

Col. Anzures

11590, Mexico D.F.

Tel: (525)531-3036

Fax: (525)531-3038

e-mail: [pcr-cred@Intmex.com](mailto:pcr-cred@Intmex.com)

Source: Canadian Embassy - Mexico City

## ANNEX 2 - LIST OF RETAIL STORES IN MEXICO - 1996

	# of Stores	Sales Area in Metres <sup>2</sup>		# of Stores	Sales Area in Metres <sup>2</sup>
<b>Megamarkets</b>	23	314269	<b>Supermarkets (cont'd)</b>		
K-Mart de México	4	37605	Corporativo San Diego	3	5,500
Wal-Mart de México	19	276664	Distribuidora Sukarne	18	2,049
<b>Hypermarkets</b>	404	2233524	Economax	3	3,300
Aurrerá	35	225315	Fénix	13	12,900
Casa Ley	72	314,424	Galerías el Alba	6	3,550
Gigante	152	688,900	Gigante Fleming	4	10,393
Operadora Comercial Mexicana	92	585,254	Impulsora Comercial El Camino	3	3
Organización Soriana	53	419,631	Javier Ruíz Bonifaz y Sucesores	4	3,400
<b>Supermarkets</b>	431	926,893	La Luna Unidad Comercial	7	19,870
Alimentos y Despensas Populares	8	15,400	Operadora Futurama	21	52,580
Almacenes de Mérida Faraón	4	3,950	Operadora Merco	14	44,271
Almacenes Zaragoza	10	26,308	Operadora Supermercados	17	13,678
Aurrerá (Superama)	36	52,968	Pastelerías Elizondo	3	1,500
Auto Mercado de Las Fuentes	6	8,000	Plaza Coloso	10	25,310
Auto Servicios Gutiérrez Rizo	3	4,698	Rialfer	4	11,050
Autoservicios Ajusco	1	960	Smart & Final Del Noroeste	3	5,329
Azcunaga Hermanos	10	11,470	Super Bodega de Córdoba	11	19,100
Carlos Aramburo	3	2,750	Super San Francisco de Asís	22	38,515
Central Detallista	37	100,058	Superastur Los Molinos	6	2,020
Centro Comercial Californiano	2	6,200	Supertiendas Modelo	7	8,289
Centro Comercial Coloso Chaveña	8	11,160	Tienda de Descuento Arteli	13	29,115
Centro Comercial Visión	1	3,500	Tiendas Chedraui	27	189,660
Centros Comerciales Del Norte	7	7,450	Tiendas de Autoservicio de Poanas	6	2,600
Comercial Ah-Kim-Pech	3	5,880	Tiendas Garces	13	14,419
Comercial Pronto	11	1,940	Tiendas Grand	7	27,150

	# of Stores	Sales Area in Metres <sup>2</sup>		# of Stores	Sales Area in Metres <sup>2</sup>
Comercial V.H.	32	106,650	Unidad Comercial de Todo	2	10,000
Warehouse Stores	129	548,234	Department Stores (cont'd)		
Aurrerá (Bodega)	56	275,894	Operadora Grandalia	2	11,660
Bodega Gigante	35	126,964	Salinas y Rocha	105	186,111
El Chorro	14	15,195	Hermanos Sanborns	87	82,270
Operadora Comercial Mexicana	24	130,181	Sears Roebuck de México	48	207,562
Convenience Stores	861	84,693	Suburbia	34	169,683
7-Eleven México	198	21,393	Tiendas Garces	2	8,778
Cadena Comercial Oxxo	624	59,500	Woolworth Mexicana	29	50,951
Tiendas de Conveniencia Primher	39	3,800	Super Pharmacies	787	188,591
Department Stores	480	1,467,074	Defa	50	4,107
Casa Rodoreda	3	11,407	Droguería y Farmacia el Fénix	51	14,426
Chapur	3	10,400	Farmacia Farmax	60	8,125
Compañía Comercial Cimaco	4	18,000	Farmacia Guadalajara	64	27,819
Comercial Las Galas	10	57,581	Farmacia La Miniatura	17	3,615
Coppel	55	159,326	Farmacia Vida Suprema	20	1,868
Departamental José Ramírez	34	20,500	Farmacias ABC de México	18	2,362
El Nuevo Mundo México	8	40,950	Farmacias Rotter	11	2,775
El Palacio de Hierro	5	97,246	Farmacias San Francisco de Asís	55	5,182
El Puerto de Liverpool	10	199,884	Organización Benavides	413	113,429
Hemsa	3	4,770	Prof. O.F. Luis Flores Sarmiento	18	3,150
JC Penney Operadora	2	29,900	Servifarmacias San Gregorio	10	1,733
La Colonial de México Icaztzingo	2	7,500			
La Perla de La Paz	1	3,500			
Mazón Hermanos	5	14,204			
Nivel Consolidado	20	43,268			
Operadora Comercial las Nuevas Fábricas, SA. de C.V	8	31,623			

Source: Export-J Business Guide "Distribution Channels In Mexico", DFAIT, February 1997

## ANNEX 3 - MEXICAN LABELLING REQUIREMENTS

### LABEL CHARACTERISTICS : NOM-051-SCFI-1994

Requirements for general product labels for imported products under NOM-051-SCFI-1994.	
Name of product, or a general display description (principal display panel)	Must conform to specific legal requisites regarding food names, including definitions of generic names
Quantity statement, unless the product is identifiable by sight	Quantities must be described by the metric system according to NOM-008-SCFI. Where relevant, net drained content is also required, as specified in NOM-030-SCFI
List of Ingredients	List in declining order of content
Country of Origin of the product	Canadian product labels must bear the ' <i>Hecho en Canada</i> ' or ' <i>Producto de Canada</i> ' or other designations recognised in NAFTA
Name and address of manufacture	Provided by the manufacturer
Lot Number	This is assigned by the manufacturer
Nutritional Information	Only required if nutritional benefits are claimed
Expiration or 'best before' date.	Includes any storage conditions required for the validity of the date, such as 'keep frozen'
Warnings	Included if they are required by regulation for ingredients with risks related to digestive intolerance, allergies or toxicity
Name or registry number and address of importer.	May be affixed after entry into Mexico. Manufacturer's name must be provided to SECOFI by the importer and need not appear on the label of imported products

Source: Export-*i* Market Summary "Labelling in Mexico", DFAIT, January 1998

## ANNEX 4 - MEXICAN LABELLING REQUIREMENTS

### VERIFICATION UNITS : NOM-051-SCFI-1994

#### **Almacenadora Invermexico USCO, S.A. de C.V.**

(Almacén General de Depósito)

Avenida Michoacán No. 20

Col. Renovación

09209, México D.F.

Tel (525) 726 6206 / 726 6207

Fax (525) 726 6214

Contact: Lic. Arturo de la Torre Díaz,

Director General

#### **Almacenadora de Depósito Moderno, S.A. de C.V.**

(Almacén General de Depósito)

Albeniz No. 4418

Col. Ampliación Guadalupe Victoria

07780, México D.F.

Tel (525) 355 1544 / 355 1808 / 355 1572 / 355 4761 / 355

5236

fax (525) 355 2634

Contact: Lic. Elías Guerra Escobar,

Director General

#### **Instituto Mexicano de Normalización y Certificación, A.C.**

(Organismo de Certificación)

Manuel María Contreras No. 133, piso 1

Col. Cuauhtémoc

06470, México D.F.

Tel (525) 546 4546 / 566 4750

fax (525) 535 5872

Contact: Dra. Mercedes Irueste Alejandre ,

Director General

#### **Almacenadora Gómez, S.A. de C.V.**

(Almacén General de Depósito)

Tres Anegas 425

Nueva Industrial Vallejo

07700, México D.F.

Tel (525) 752 4961/754 8729/754 8749/754 8759

fax (525) 754 6796 / 754 6755

#### **Almacenadora ACCEL, S.A**

(Almacén General de Depósito)

Virginia Fábregas No. 80

Col. San Rafael

06470, México, D.F.

Tel (525) 705 2788

fax (525) 705 4794

Contact: Aline Escobedo

#### **Asociación Nacional de Normalización y Certificación del Sector Eléctrico, A.C., ANCE**

(Organismo de Certificación)

Avenida Puente de Tecamachalco

No.6, edificio anexo

Col. Lomas de Tecamachalco, Sección Fuentes

53950, México, D.F.

Tel (525) 520 8928 / 520 9026 / 520 9158

fax (525) 520 8800

Contact: Ing. María Isabel López Martínez, Director General

#### **Société Générale de Surveillance de México, S.A. de C.V.**

División ICS, SGC

(Organismo de Certificación)

Ingenieros Militares No. 85, piso 5

Col. Argentina Poniente

11230, México D.F.

Tel (525) 358 8255/358 3563 358 8474/358 3217

fax (525) 576 6647/576 9770

Contact: Alejandro Ríos Alvarado.

#### **Almacenadora Regional del Golfo, S.A. de C.V.**

(Almacén General de Depósito)

Calle 21 s/n, esq. Avenida 5

Centro 94500

Córdoba, Veracruz

Tel (52271) 460 96 / 460 86 / 469 62

Fax (52271) 415 68

Contact: Lic. Carlos Gracidas Ceballos

(Approved By SECOFI - April 15, 1998)

## ANNEX 5 - ASSOCIATIONS OF CUSTOMS BROKERS IN MEXICO

Asociación de Agentes Aduanales de Acapulco, Guerrero  
Morelos No. 9, Despacho 6 y 7  
39300 Acapulco, Guerrero  
México  
Tel: 2-1997, 3-1870

Asociación de Agentes Aduanales del Aeropuerto  
Internacional de la Ciudad de México  
Av. Revolución No. 1005  
Col. Mixcoac  
03910 México, D.F.  
México  
Tel.: 611-2943/8749  
Fax: 563-9018

Asociación de Agentes Aduanales de Ciudad Hidalgo, Chiapas  
2a.  
Calle Oriente No. 6-F  
30840 Ciudad Hidalgo, Chiapas  
México  
Tel.: 8-0127  
Fax: 8-0127

Asociación de Agentes Aduanales de Coatzacoalcos, Veracruz  
Calle Colón No. 208  
96400 Coatzacoalcos, Veracruz  
México  
Tel.: 2-0045/1020  
Fax: 2-8989

Asociación de Agentes Aduanales de Subteniente López,  
Quintana Roo  
Av. México No. 72  
77900 Chetumal, Quintana Roo  
México  
Tel.: 2-8268/8310  
Fax: 2-1213

Confederación de Asociaciones de Agentes Aduanales  
de la República Mexicana (CAAAREM)  
Hamburgo No. 225  
Col. Juárez  
06600 México, D.F.  
México  
Tel.: 525-0728  
Fax: 525-8070

Asociación de Agentes Aduanales de Ciudad Acuña, Coahuila  
Calle Hidalgo No. 375  
Oriente 26200 Ciudad Acuña, Coahuila  
México  
Tel.: 2-2753  
Fax: 2-2253

Asociación de Agentes Aduanales de Ciudad Juárez,  
Chihuahua  
Carlos Villareal esquina con Juan de la Barrera No. 379  
Oriente 32300 Ciudad Juárez, Chihuahua  
México  
Tel.: 29-2400  
Fax: 16-0301

Asociación de Agentes Aduanales de Ciudad Miguel Alemán,  
Tamaulipas  
Calle Primera No. 313-D  
88300 Ciudad Miguel Alemán, Tamaulipas  
México  
Tel.: 2-0587  
Fax: 2-0587

Asociación de Agentes Aduanales de Guadalajara, Jalisco  
Av. de la Asunción No. 3022  
Col. Chapalita  
44510 Guadalajara, Jalisco  
México  
Tel.: 121-3287/3421  
Fax: 122-9786



Asociación de Agentes Aduanales de Guaymas, Sonora  
Calle 12 No. 27 Sur  
85400 Guaymas, Sonora  
México  
Tel.: 2-9570  
Fax: 2-9666

Asociación de Agentes Aduanales de la Aduana Interior del  
Estado de México  
Cuernavaca No. 62  
Col. Condesa 06140 México, D.F.  
México  
Tel.: 286-1515/1747  
Fax: 286-1807

Asociación de Agentes Aduanales de Manzanillo, Colima  
Constitución No. 55  
Col. Burócrata  
28200 Manzanillo, Colima  
México  
Tel.: 2-5119  
Fax: 2-5119

Asociación de Agentes Aduanales de Mazatlán, Sinaloa  
Venustiano Carranza No. 12 Sur  
82000 Mazatlán, Sinaloa  
México  
Tel.: 2-2205/2087  
Fax: 2-5712

Asociación de Agentes Aduanales de Nogales, Sonora  
Carretera Libramiento No. 4950  
Edificio C, Planta Baja  
84000 Nogales, Sonora  
México  
Tel.: 3-2560  
Fax: 3-2400

Asociación de Agentes Aduanales de Monterrey, Nuevo León  
Manuel Barragán No. 1327-A  
Col. Anahuac  
66450 San Nicolás de los Garza, Nuevo León  
México  
Tel.: 332-1190, 352-8957  
Fax: 352-8956

Source: Export-1, Business Guide Documents and Regulations

Asociación de Agentes Aduanales de la Aduana Interior de la  
Ciudad de México  
Ferrocarril Central No. 594  
Edificio 15, Despacho 101  
02670 México, D.F.  
México  
Tel.: 556-3744/3655  
Fax: 556-3661

Asociación de Agentes Aduanales de Ciudad Lázaro Cárdenas,  
Michoacán  
Edificio Famy No. 202, Piso 2  
60950 Ciudad Lázaro Cárdenas, Michoacán  
México  
Tel.: 7-2315  
Fax: 7-2315

Asociación de Agentes Aduanales de Matamoros, Tamaulipas  
Calle 6 entre Galeana y Allende No. 2005  
87330 Matamoros, Tamaulipas  
México  
Tel.: 12-2018/2048/2023  
Fax: 12-2088

Asociación de Agentes Aduanales de Mexicali, Baja California  
Calle Salina Cruz No. 172-3  
Col. Pueblo Nuevo  
21120 Mexicali, Baja California  
México  
Tel.: 52-9270, 53-6728  
Fax: 53-6627

Asociación de Agentes Aduanales de Nuevo Laredo,  
Tamaulipas  
Cesar López de Lara No. 3603  
88280 Nuevo Laredo, Tamaulipas  
México  
Tel.: 5-5080  
Fax: 5-3210

Asociación de Agentes Aduanales de Ojinaga, Chihuahua  
Zaragoza y Bolívar No. 400  
32800 Ojinaga, Chihuahua  
México  
Tel.: 3-1121  
Fax: 3-0139

## ANNEX 6 - KEY TRADE SHOWS IN MEXICO - 1998

The following table lists the most relevant Mexican trade shows for Canadian agri-food exporters in 1998.

SHOW	LOCATION	DATE	INDUSTRY
AFIA/AGROMEXICO '98	Guadalajara, Jalisco	5-7-March-1998	<ul style="list-style-type: none"> <li>• Food Processing Equipment</li> <li>• canning supplies and horticulture</li> </ul>
ANTAD '98	Guadalajara, Jalisco	13-16-March-1998	<ul style="list-style-type: none"> <li>• Food &amp; Beverage</li> <li>• Food &amp; Beverage Equipment</li> </ul>
Expo of the Americas	Mexico City, Mexico	28-30-April-1998	<ul style="list-style-type: none"> <li>• Food &amp; Beverage Equipment</li> </ul>
Tourismo	Monterrey, Mexico	16-May-1998 to 17-May-1998	<ul style="list-style-type: none"> <li>• Travel &amp; Tourism</li> <li>• Hospitality Industry</li> </ul>
Expo Trade - Foreign Trade Forum	Monterrey, Mexico	19-May-1998 to 20-May-1998	<ul style="list-style-type: none"> <li>• Import</li> <li>• Export &amp;</li> <li>• Trade</li> </ul>
Expo-Alimentos	Monterrey, Nuevo Leon, Mexico	September, 1998	<ul style="list-style-type: none"> <li>• Food &amp; Beverage Equipment</li> </ul>
Cancun Food Service & Lodging Products Show	Cancun, Mexico	September, 1998	<ul style="list-style-type: none"> <li>• Hospitality Industry</li> <li>• Hotel &amp; Restaurant</li> <li>• Services &amp; Equipment</li> </ul>
Rest Hotel/Abastur	Mexico City, Mexico	7-Oct-1998 to 9-Oct-1998	<ul style="list-style-type: none"> <li>• Food Processing Equipment</li> <li>• Hospitality Industry</li> <li>• Hotel &amp; Restaurant</li> <li>• Services &amp; Equipment</li> <li>• Food &amp; Beverage.</li> </ul>
Restaurants Hotels & Food Show	Monterrey, Mexico	5-Nov-1998 to 7-Nov-1998	<ul style="list-style-type: none"> <li>• Food &amp; Beverage.</li> <li>• Hospitality Industry</li> <li>• Hotel &amp; Restaurant</li> <li>• Services &amp; Equipment</li> </ul>
Expo Golosinas	Monterrey, Mexico	January, 1999	<ul style="list-style-type: none"> <li>• Bakery Equipment &amp; Products</li> <li>• Food &amp; Beverage</li> <li>• Food Processing Equipment</li> <li>• Hotel &amp; Restaurant</li> <li>• Services &amp; Equipment</li> <li>• Hospitality Industry</li> <li>• Retail Operations.</li> </ul>
Expo Carnes 1999	Mexico City, Mexico	18-20-Feb-1999	<ul style="list-style-type: none"> <li>• Meat Supplies</li> <li>• Packers and Processors Exhibition</li> </ul>

Source: Trade Show Central on the Internet at the following address: <http://www.tscentral.com/html/tsc-search.html>

For a list of Agriculture and Agri-Food Trade Shows in Canada please consult the Canadian Embassy in Mexico City Web Site at the following address: [http://www.canada.org.mx/trade/english/fairs\\_en.htm](http://www.canada.org.mx/trade/english/fairs_en.htm)

## ANNEX 7 - TRADE SHOW PREPARATION

Canadian exporters attending trade shows in Mexico should be prepared to deal with a number of different questions and circumstances. The box below provides a list of questions and issues that exporters should be prepared for when meeting potential foreign buyers.

In order to prepare for your meetings with foreign buyers, here is a list of questions you will likely be asked and will be required to answer.

<p><b><u>PRODUCT</u></b></p> <ul style="list-style-type: none"> <li>✓ Description of export products</li> <li>✓ Detailed documentation and brochures on your products and your firm</li> <li>✓ Main characteristics that differentiate your products</li> </ul>	<p><b><u>DISTRIBUTION</u></b></p> <ul style="list-style-type: none"> <li>✓ Distribution networks</li> <li>✓ Do you export and where?</li> <li>✓ Export network</li> </ul>
<p><b><u>DELIVERY</u></b></p> <ul style="list-style-type: none"> <li>✓ Lead time for delivery</li> </ul>	<p><b><u>ORDERS</u></b></p> <ul style="list-style-type: none"> <li>✓ Do you require a minimum order quantity?</li> </ul>
<p><b><u>PRICE</u></b></p> <ul style="list-style-type: none"> <li>✓ Export price - F.O.B. from plant</li> <li>✓ Export price - C.I.F., all included, to a major target city</li> <li>✓ Will price vary according to volume?</li> <li>✓ Is commission included in the price?</li> </ul>	<p><b><u>TERMS OF PAYMENT</u></b></p> <ul style="list-style-type: none"> <li>✓ What method of payment do you prefer? (30, 60, 90 days/open account/ letter of credit)</li> <li>✓ EDC insurance options</li> </ul>
<p><b><u>PROMOTION</u></b></p> <ul style="list-style-type: none"> <li>✓ How will you help promote your products?</li> <li>✓ Describe your promotion plan for prospective market</li> </ul>	<p><b><u>PACKAGING</u></b></p> <ul style="list-style-type: none"> <li>✓ How do you package your products for exports? (specifications)</li> </ul>
<p><b><u>LABELLING</u></b></p> <ul style="list-style-type: none"> <li>✓ Are your products approved by foreign authorities?</li> <li>✓ Are your products labelled according to foreign regulations?</li> </ul>	<p><b><u>COMMERCIAL OBJECTIVES</u></b></p> <ul style="list-style-type: none"> <li>✓ What are your commercial objectives for the target market? (volume of sales, market niche, trade intermediaries wanted)</li> </ul>

## GLOSSARY OF TERMS

APEC	Asia-Pacific Economic Cooperation
BANRURAL	National Rural Credit Bank
C&F	Cost and Freight
CANIRAC	Camara Nacional de la Industria de Restaurantes y Aleientos Condimentados. (National Association of the Food and Restaurant Industry)
CARICOM	Caribbean Community and Common market
CCC	Commodity Credit Corporation
CIDA/INC	Canadian International Development Agency/Industrial Cooperation Program
CIDA	Canadian International Development Agency
CIF	Cost, Insurance and Freight
DFAIT	Department of External Affairs and International Trade
DTA	<i>Derecho de Tramite Aduanal</i> (Customs Processing Fee)
EDC	Export Development Corporation
EU	European Union
FIRA	<i>Fondo para la Infraestructura Rural y Agropecuaria.</i> (Trust Fund for Agriculture)
FOB	Free on Board
FOCIR	<i>Fondo de Capitalizacion e Inversion del sector Rural</i> (Rural Sector Capitalisation and Investment Fund)
GATT	General Agreement on Tarriffs and Trade.
GST	Goods and Services Tax
IMENOC	<i>Instituto Mexicano de Normalizacion y Certifiacion.</i> (Mexican Institute of Standards and Certification)
ITC	International Trade Centre
IVA	Impuesto al Valor Agregado (Value-Added Tax)
LTL	Less than Truckload
MAP	Market Access Program.
NAFTA	North American Free Trade Agreement.

NOM	<i>Normas Oficiales Mexicanas</i> (Official Mexican Standards)
OAS	Organisation of American States.
OECD	Organisation for Economic Cooperation and Development
PROCAMPO	Program of Direct Rural Support
RFC	<i>Registro Federal des Causantes</i> (Taxation Registration Number)
SAGAR	<i>Secretaria de Agricultura, Ganaderia y Desarrollo Rural</i> (Secretariat of Agriculture, Livestock and Rural Development)
SECOFI	<i>Secretaria de Comercio y Formento Industrial</i> (Secretariat of Commerce and Industrial Development)
T&E	Transportation and Exportation
USDA	United States Department of Agriculture.
WTO	World Trade Organisation

## SOURCES

### WEB DOCUMENTS

Export- <i>i</i> Web Site	<a href="http://www.dfait-maeci.gc.ca/exporti/menu-e.asp">http://www.dfait-maeci.gc.ca/exporti/menu-e.asp</a>
Export- <i>i</i> Market Summary, Mexico in brief Export- <i>i</i> Market Summary, Product Labelling	<a href="http://www.dfait-maeci.gc.ca/exporti/sumlist-e.asp">http://www.dfait-maeci.gc.ca/exporti/sumlist-e.asp</a>
Export- <i>i</i> Business Guide, Distribution Channels. Export- <i>i</i> Business Guide, Documents and Regulations Export- <i>i</i> Business Guide, Moving into Mexico Export- <i>i</i> Business Guide, How to Partner in Mexico Export- <i>i</i> Business Guide, Marketing your Services Export- <i>i</i> Business Guide, Shipping your Products	<a href="http://www.dfait-maeci.gc.ca/exporti/guillist-e.asp">http://www.dfait-maeci.gc.ca/exporti/guillist-e.asp</a>
The Agri-Food Market in Mexico	<a href="http://www.infoexport.gc.ca/viewmarket/tbs-e.asp?name=34961&amp;country=48&amp;continent=Latin">http://www.infoexport.gc.ca/viewmarket/tbs-e.asp?name=34961&amp;country=48&amp;continent=Latin</a>
Labelling of Prepackaged Foods and Non-Alcoholic Beverages - Mexico	<a href="http://www.infoexport.gc.ca/viewdocument-e.asp?name=mex-051&amp;country=48&amp;continent=Latin">http://www.infoexport.gc.ca/viewdocument-e.asp?name=mex-051&amp;country=48&amp;continent=Latin</a>
Economic Overview - Mexico	<a href="http://www.infoexport.gc.ca/viewdocument-e.asp?name=81435&amp;country=48&amp;continent=Latin">http://www.infoexport.gc.ca/viewdocument-e.asp?name=81435&amp;country=48&amp;continent=Latin</a>
Agri-Food Trade with Mexico : MISB- Montreal	<a href="http://atn-riae.agr.ca/public/htmldocs/e1711.htm">http://atn-riae.agr.ca/public/htmldocs/e1711.htm</a>
Agri-Food Trade Action Plan for Mexico - 1997	<a href="http://atn-riae.agr.ca/public/htmldocs/e1398.htm">http://atn-riae.agr.ca/public/htmldocs/e1398.htm</a>
Agriculture and Agri-Food Export Market Assessment Report (EMAR) on Mexico	<a href="http://atn-riae.agr.ca/public/htmldocs/e0098.htm">http://atn-riae.agr.ca/public/htmldocs/e0098.htm</a>
Food and Beverage Regulations in Mexico	<a href="http://atn-riae.agr.ca/public/htmldocs/e1678.htm">http://atn-riae.agr.ca/public/htmldocs/e1678.htm</a>
Focus on Mexico	<a href="http://atn-riae.agr.ca/public/htmldocs/e1858.htm">http://atn-riae.agr.ca/public/htmldocs/e1858.htm</a>
Export Development Corporation, Country Market Information	<a href="http://www.edc.ca/english_frame/cm_info/index.html">http://www.edc.ca/english_frame/cm_info/index.html</a>
InfoMex White Paper	<a href="http://www.infomexmr.com/industry/frameagr.htm">http://www.infomexmr.com/industry/frameagr.htm</a>
US Department of Commerce, Country Commercial Guide	<a href="http://www.flatrade.org/CCG/mexico.htm">http://www.flatrade.org/CCG/mexico.htm</a>
USDA, Foreign Agricultural Service, Attache Annual Situation Report - Mexico (Oct, 1997)	<a href="http://www.fas.usda.gov/scriptsw/AttacheRep/attache_frm.idc">http://www.fas.usda.gov/scriptsw/AttacheRep/attache_frm.idc</a>
USDA, Foreign Agricultural Service, Annual Marketing Plan	<a href="http://www.fas.usda.gov/agexport/tapo/general.html#AMERICAS">http://www.fas.usda.gov/agexport/tapo/general.html#AMERICAS</a>
USDA, Foreign Agricultural Service, Food Retailing in Mexico	<a href="http://www.fas.usda.gov/scriptsw/AttacheRep/attache_dout.idc?Rep_ID=10009226.0">http://www.fas.usda.gov/scriptsw/AttacheRep/attache_dout.idc?Rep_ID=10009226.0</a>
Customs Guide to the Americas 1996	<a href="http://americas.fiu.edu/customs/">http://americas.fiu.edu/customs/</a>

## WEB SITES

### CANADIAN WEB SITES

Department of Foreign Affairs and International Trade	<a href="http://www.dfait-maeci.gc.ca/english/menu.htm">http://www.dfait-maeci.gc.ca/english/menu.htm</a>
Canadian Embassy in Mexico	<a href="http://www.canada.org.mx/">http://www.canada.org.mx/</a>
InfoExport	<a href="http://www.infoexport.gc.ca/menu-e.asp">http://www.infoexport.gc.ca/menu-e.asp</a>
ExportSource	<a href="http://www.exportsource.gc.ca/">http://www.exportsource.gc.ca/</a>
Agriculture and Agri-Food Canada	<a href="http://aceis.agr.ca/">http://aceis.agr.ca/</a>
Agri-Food Trade Service Online	<a href="http://atn-riac.agr.ca/">http://atn-riac.agr.ca/</a>
Canadian Food Inspection Agency Regional Offices Directory	<a href="http://www.cfia-acia.agr.ca/english/findus.html">http://www.cfia-acia.agr.ca/english/findus.html</a>
Export Development Corporation	<a href="http://www.edc.ca/english/index.html">http://www.edc.ca/english/index.html</a>
Canadian Chamber of Commerce	<a href="http://www.chamber.ca/">http://www.chamber.ca/</a>
Canadian International Freight Forwarders Association	<a href="http://www.ciffa.com/">http://www.ciffa.com/</a>

### US GOVERNMENT WEB SITES

US Department of Commerce	<a href="http://www.doc.gov/default.htm">http://www.doc.gov/default.htm</a>
US Department of Agriculture - Foreign Ag. Service	<a href="http://www.fas.usda.gov/">http://www.fas.usda.gov/</a>
US Embassy - Mexico City	<a href="http://uscommerce.org.mx/">http://uscommerce.org.mx/</a>

### OTHER SITES OF INTEREST

BANCOMEXT - Mexico Information Centre	<a href="http://www.mexico-trade.com/">http://www.mexico-trade.com/</a>
Big Emerging Markets Page - Mexico	<a href="http://www.stat-usa.gov/bems/bemsmex/bemsmex.html">http://www.stat-usa.gov/bems/bemsmex/bemsmex.html</a>
Mexican Investment Board	<a href="http://www.mib.org.mx/">http://www.mib.org.mx/</a>
INEGI (North American Industry Classification System)	<a href="http://www.inegi.gob.mx/homeing/homeinegi/homeing.html">http://www.inegi.gob.mx/homeing/homeinegi/homeing.html</a>
National Association of Importers and Exporters of Mexico	<a href="http://anierm.interconnection.com/Index1.htm">http://anierm.interconnection.com/Index1.htm</a>
Organization of American States	<a href="http://www.sice.oas.org/">http://www.sice.oas.org/</a>
TradePort	<a href="http://www.tradeport.org/ts/">http://www.tradeport.org/ts/</a>
Trade Show Central	<a href="http://www.tscentral.com">http://www.tscentral.com</a>
SECOFI ( <i>Secretaria de Comercio y Fomento Industrial</i> )	<a href="http://www.secofi-siem.gob.mx">http://www.secofi-siem.gob.mx</a> (Spanish)

### HARD COPY DOCUMENTS

Access North America, "Canada & Mexico: Partnering for Success", Prospectus Group, 1997
DFAIT, Assessing the Opportunity for Project Development on Mexico's <i>Ejido</i> Land, DFAIT, 1997
OECD, "Review of Agricultural Policies in Mexico", Organization for Economic Development and Cooperation, 1997



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