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WHAT YOU NEED
TO KNOW TO SHIP YOUR
GOODS TO MEXICO



Team Canada • Équipe Canada



Department of Foreign Affairs
and International Trade

Ministère des Affaires étrangères
et du Commerce international

Latin America & Caribbean Branch

EXPORT PREPARATION MATERIALS

Shipping Goods to Mexico: What You Need to Know

This material was developed by the Department of Foreign Affairs and International Trade (DFAIT) with collaboration from the Canadian International Promotion Centre, and published by Prospectus Inc.

This information is designed to provide an overview of shipping your goods to Mexico; it is not intended to be the only source of information on this subject. All efforts have been made to avoid errors and inaccuracies in this information. We encourage the reader to use this publication as one of several resources for commercial dealings with Mexico.

Any errors, omissions or opinions found in this publication should not be attributed to the Government of Canada. Neither the authors, the publishers nor the collaborating organizations will assume any responsibility for commercial loss due to business decisions made based on the information contained in this book.

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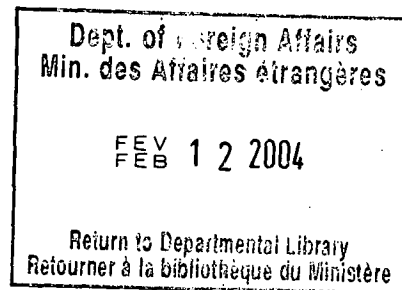
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Shipping Goods to Mexico

What You Need to Know



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Introduction




Transportation is a critical issue for Canadian exporters who enter the Mexican market. Shippers can choose between several shipping methods, but the most important criterion in making this choice is providing for the customer's needs. Cost, transit time and the nature of the product all play a role in this decision. This seminar is designed to help exporters to choose between alternative methods and to deal with the many logistical issues involved.


The North American Free Trade Agreement (NAFTA), which went into effect on January 1, 1994, has opened many opportunities for Canadian exporters and transportation companies. In particular, the NAFTA includes comprehensive provisions for land transportation services, including the right of entry into Mexico for Canadian and American trucking companies. This provision will be phased-in over a six-year period.

Organization of this Training Seminar

Organization of the Program

- ↔ Shipping
- ↔ Documentation
- ↔ Packaging
- ↔ Labelling
- ↔ Logistics



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Shipping

This seminar is divided into five main sections:

1. **The Shipping Process** provides an overview of the documents that are required for land, ocean and air transportation. It also discusses consolidation, terms of sale and shipping rates.
2. **Documentation** explains each of the documents required for shipping goods from Canada to Mexico.
3. **Packaging** describes the procedures needed to prepare goods for shipping. The two key issues are ensuring that packages are appropriately marked for fast clearance by Mexican customs and that the goods are not damaged in transit.
4. **Labelling** discusses the general labelling requirements for products to be sold in Mexico, as well as specific regulations for some products.
5. **Logistics** covers the physical logistics of shipping, including issues such as insurance, customs clearance, warehousing, distribution and forwarding.

The discussions of documentation requirements that are found throughout this seminar will be facilitated by the use of sample forms. Since these are very detailed and vary between transportation companies, samples are not reproduced in this manual. Actual forms will be available to participants during the seminar sessions.

Throughout this seminar, examples of shipping rates are provided. These are meant to illustrate the general level and structure of the pricing system, as well as the relative costs of alternative modes. To keep the comparisons simple, all of the examples are from Montreal. The rates from Toronto are very similar, whereas the rates from Vancouver and Halifax are generally slightly higher. Participants should interpret the numbers given as illustrative of the points discussed, but should consult a transportation professional for current rates before contemplating any specific shipment.

Distance to Major Ports from Mexico City		
Port	Driving Time	Kms
Mexico City International Airport	15 min.	10
Altamira/Tampico	10 hrs	560
El Paso, Texas	36 hrs	2000
Laredo, Texas	24 hrs	1200
Lazaro Cardenas, Michoacan	12 hrs	700
Manzanillo, Colima	12 hrs	650
Nogales, Arizona	40 hrs	2100
Veracruz, Veracruz	8 hrs	400

Distance to major ports from Guadalajara		
Port	Driving Time	Kms
Mexico City International Airport	10 hrs	580
Altamira/Tampico	13 hrs	750
El Paso, Texas	25 hrs	1552
Laredo, Texas	23 hrs	1007
Nogales, Arizona	30 hrs	1697
Veracruz, Veracruz	20 hrs	1014

Notes:

Shipping

What is in this Section?

The purpose of this section is to provide an overview of alternative modes of shipping to Mexico. It is assumed that most participants are already experienced shippers; thus the purpose of this section is to ensure a common understanding of the basics. This will allow more effective group discussion of those issues that are specific to Mexico in the following sections.

This first section reviews the advantages and disadvantages, as well as relative costs of shipping by land, ocean and air. It also discusses multimodal transportation, consolidation, terms of sale and the structure of freight rates. Participants may want to discuss these issues in terms of their own experience.

As in any other foreign market, doing business in Mexico requires preparation and perseverance. Mexican transportation services have improved considerably over the past few years. Deregulation and increased competition have shortened transit times and improved services for traffic between Canada and Mexico. But Mexican customs clearance and internal shipping is still more difficult than the equivalent practices in Canada.

Canadian products can be shipped to Mexico by land, ocean or air, or by some combination of those modes. Freight rates and services are constantly changing and negotiable. Therefore, participants are advised to make inquiries through transportation professionals before making any transport decision. If the shipment will travel through the United States, the company chosen should have facilities or affiliates in all three countries.

Identifying the needs of the Mexican customer is the first and most important step in choosing the correct transportation method for any particular shipment. This section examines the three modes of transportation and also discusses multimodal services.

Shipment by Land

Under the NAFTA, the right of entry for Canadian and American trucks will be gradually phased-in over a six-year period. Under a memorandum of understanding between Canada and Mexico, Canadian trucking companies now have the right to cross into Mexico. They must transfer their load to a Mexican carrier within 20 kilometres of the Mexican border. Canadian carriers may also pick up north-bound goods within this area. There are no direct rail links to Mexico from Canada, but shipments can be made using US railways and multimodal "piggyback" services.

Truck Services

Road transportation to and from Mexico has grown in importance in recent years. Only large quantities of bulk commodities are outside the domain of truck transportation. Refrigerated cargo moves almost exclusively by truck. Overall, about 60 percent of all Canadian shipments to Mexico travel by truck.

The exporter should ensure that arrangements have been made to transfer the shipment to a domestic carrier at the Mexican border. Some trucking companies simply transfer the trailer to a Mexican tractor. Others reload the cargo into a Mexican trailer.

Many Canadian trucking companies have developed arrangements with American and Mexican truckers to provide a complete transportation package. The best alternative is a logistics company or freight forwarder which has a presence in Canada, the US and Mexico. This will facilitate customs procedures, including the opening and closing of transportation and exportation (T&E) bonds in the United States.

Road transportation from major Canadian cities to the Mexican border at Laredo, Texas, takes about four days in full truck loads (FTL) and up to seven days for less-than-truckload (LTL) shipments. Once customs is cleared, another two or three days are required for the goods to reach Mexico City.

SHIPPING

Typical FTL Costs

Full truckload
Door-to-door, Montreal to Mexico City
US \$4,650

The diagram shows a box labeled 'PLANT' on the left, connected by a line to a semi-truck in the center, which is then connected by another line to a box labeled 'CLIENT' on the right. A small map of Mexico is located to the right of the truck.

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FTL service is faster and cheaper than LTL because the truck travels directly from point to point, and departs as soon as it is loaded. It also has the advantage that there is less handling and, therefore, less chance of cargo damage. The principal disadvantage is the minimum size of the shipment.

SHIPPING

Typical LTL Costs

The diagram shows a box labeled 'PLANT' on the left, connected by a line to a smaller truck moving towards a box labeled 'WAREHOUSE' in the center. From the warehouse, another line connects to a larger semi-truck moving towards a box labeled 'CLIENT' on the right. A small map of Mexico is located to the right of the second truck.

Less-than-truckload
Door-to-door
Montreal to Mexico City

US \$ per 100 lbs	
\$95	< 500 lbs
\$72	> 500 lbs
\$65	> 1,000 lbs
\$57	> 2,000 lbs
\$46	> 5,000 lbs
\$41	> 10,000 lbs

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LTL service offers the advantage of smaller shipments and a broader choice of services. The disadvantages are longer shipping times and higher cost.

Rail Services

The use of rail transportation for exports to Mexico has declined in recent years from roughly 20 percent of total exports in 1988, to less than 14 percent in 1993. Rail transportation is used mostly for bulk commodities, intermodal traffic and double-stack loads.

The Canadian exporter must first ship the goods to the US since trains to Mexico originate there. *Despacho previo*, a customs preclearing system for trains, at Laredo has shortened the time it takes to cross the border. Shipments can, with correct preclearing procedures, move across the border in less than 24 hours. High-priority trains, such as those carrying auto parts, have benefitted more from this system than others. Trains carrying products that have been designated as low priority, or are not classified as just-in-time (JIT) shipments, may still experience delays.

Nevertheless, American and Canadian rolling stock can cross into Mexico, eliminating the need for re-loading at the border. Rail service is improving with the increasing availability of double-stack trains, express trains and intermodal trains. In addition, rail traffic congestion is being alleviated with the construction of new facilities on the American side of the border and the slow, but continuous, upgrading of the Mexican railway system. In particular, *Ferrocarriles Nacionales de Mexico (FNM)*, the national railway, has been developing "rail-ports" that allow truck-rail intermodal transportation.

Intermodal Services

SHIPPING

Full Truckload vs "Piggyback"

LAND SERVICE	COST	DELIVERY
Full truckload	US \$4,650	7 days
Intermodal	US \$4,400	3-4 weeks

PLANT

CLIENT

PLANT

CLIENT

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Shipping

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

Intermodal operators offer a complete transportation package on a contract basis. They negotiate freight rates with railway and truck operators on behalf of the exporter. The introduction of intermodality has required many changes in industry practices, since traditional terminology and documents were developed for a single mode. The most important change is the need to have one of the carriers accept full responsibility for the entire shipment.

Shipment by Ocean

Ocean transportation rates may be quite competitive with both truck and rail. The disadvantage is that this mode requires at least fourteen days of transit time from Canada to Mexico, plus an additional four or five days for customs clearance and warehouse storage at the port of entry. Bulk, specialized cargoes and very large shipments comprise the vast majority of ocean shipments.

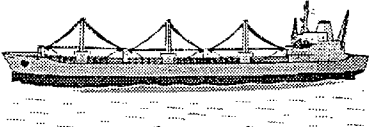

There are two types of ocean shipping. Less-than-container-load (LCL) takes about 25 days to reach its destination. Full-container-load (FLC) takes about 20 days.


SHIPPING

Ocean Service

↳ Type of vessel

- ↳ conventional (bulk)
- ↳ container
- ↳ roll-on-roll-off
- ↳ container-roll-off
- ↳ specialized

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There are several types of vessels used in ocean transportation to Mexico:

- conventional vessels are used for bulk cargoes such as grain, wood and minerals;
- container vessels offer unit loading systems, which are effective for break bulk shipments;
- roll-on-roll-off vessels handle goods on skids;
- container-roll-off vessels handle goods in cartons; and
- specialized vessels, such as tankers, are generally designed for a particular cargo.


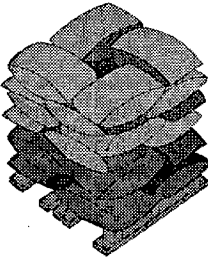
Rates for ocean shipping can be obtained from a transportation professional. They vary greatly depending upon the type of services that are included. Service may be terminal-to-terminal or door-to-door. Rates may or may not include local shipping, waybill fees, and adjustment factors for the price of bunker fuel and currency exchange rates.


SHIPPING

Ocean Service

↪ Type of cargo

- ↪ bulk: grain, cereal, wood, oil
- ↪ unit load/break bulk:
 - goods on skids
 - goods in cartons
 - heavy machinery
- ↪ containers



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Harbour fees are also a major consideration. Loading and unloading fees vary greatly depending upon the type of cargo and the type of ship involved. Also, there may be wharfage fees and surcharges for miscellaneous items such as union dues.

Shipment by Air

SHIPPING

Air Freight Rates



airport to airport
Montreal to Mexico City
\$3.00 per kilogram




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Most direct air-freight service between Canada and Mexico is charter vacation traffic. As a result, the availability of space for cargo is limited. Nonetheless, air transportation may be appropriate for products with a high value-to-weight ratio, such as luxury goods, electronic components, and for some perishables, such as deli-meats. There are direct commercial services to Mexico from both Toronto and Vancouver. As well, some companies offer truck-air services using airports in the United States.

Air transportation offers the advantage of very fast delivery, good security and relatively low insurance costs. The main disadvantage is high transportation costs. From Montreal to Mexico City, for example, air service costs about C \$3.00 per kilogram compared to about C \$0.25 per kilogram by road. Air shipments have both size and weight limitations, and there are also prohibitions against dangerous goods.


Small parcel services, such as those offered by American Express via Memphis, are relatively expensive, but are effective for small high-value shipments. In most cases, door-to-door delivery takes 24 to 48 hours. They tend to be very reliable and most of them offer precise tracking services that are directly client-accessible. They typically include brokerage services.

Consolidation

SHIPPING

Benefits of Consolidation

- ✦ less handling
- ✦ less damage
- ✦ better security
- ✦ improvement control
- ✦ reduced costs



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When a transportation company groups shipments from separate exporters into one large shipment, it is known as consolidation or groupage. The consolidator gets the benefit of bulk rates from the carrier by shipping them under one master bill of lading or master air waybill. A consolidator can handle either import or export shipments or a combination of both, thus accomplishing a balanced traffic flow and reducing costs.


Typically, the consolidator takes responsibility for loading and unloading, and the carrier handles the actual transportation. This reduces handling, which means less damage, better security, improved control and lower costs.


Terms of Sale

Shipping goods between countries can be risky. If the goods are damaged, or if delivery does not take place, the relationship between the parties may be harmed. This can interfere not only with the immediate shipment involved but with future business. Above all, Canadian exporters want satisfied customers; this means avoiding misunderstandings about who is liable for the various risks involved.

To make this easier, in 1936 the International Chamber of Commerce (ICC) published a standardized set of terms, known as Incoterms 1936. Amendments were made in 1953, 1967, 1976, 1980 and 1990 to bring the rules in line with current international trade practices.

SHIPPING		
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 and 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



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The 1990 revisions made the Incoterms more compatible with new electronic data interchange (EDI) systems. They make it easier for the parties to exchange documents such as invoices, customs forms and proof-of-delivery notices by computer. This is particularly important when the seller has to present negotiable transport documents to receive payment on letters of credit. In these cases it is essential that the EDI document be an acceptable equivalent of the traditional bill of lading.

When shipping to Mexico, exporters have three main options for the terms of sale:

- Ex Works (EXW) Canadian plant
- Carriage and insurance paid to... (CIP) at the US-Mexico border
- Carriage and insurance paid to... (CIP) at the Mexican destination

EXW means Ex Works. The exporter shifts all responsibility for transportation to the importer, but at the same time gives up control over choice of carrier, routing, freight rates and transit time.

CIP means carriage and insurance paid to... the named place. For example, "CIP Laredo, Texas" means that the exporter's responsibilities end when the shipment reaches that port of entry on the American side of the border. Responsibility for customs clearance, import licensing, import duties, transportation, warehousing and distribution within Mexico rests with the Mexican importer.

Increasingly, the exporter is being asked to offer the third option: the CIP-Mexican destination. In this case, the services of a logistics company offering door-to-door service will be especially useful. Mexican transportation regulations stipulate that the transportation, brokerage, insurance and management of freight in Mexico must be performed by a Mexican company. In addition, the freight forwarder should have the necessary contacts in Mexico to arrange for these services.


Full details about these and other Incoterms can be obtained from a transportation professional.


Components of Transportation Rates

SHIPPING

Components of Transportation Rates

- ↳ weight and dimensions
- ↳ product value
- ↳ fragility
- ↳ destination and transit time
- ↳ annual volume



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Exporters can achieve significant cost savings by understanding the structure of transportation pricing systems. This puts them in a better position to evaluate all of the alternatives. In general, carriers and logistics companies are willing to negotiate rates and services, but the exporter should be willing to make some commitments in terms of volumes to be handled.

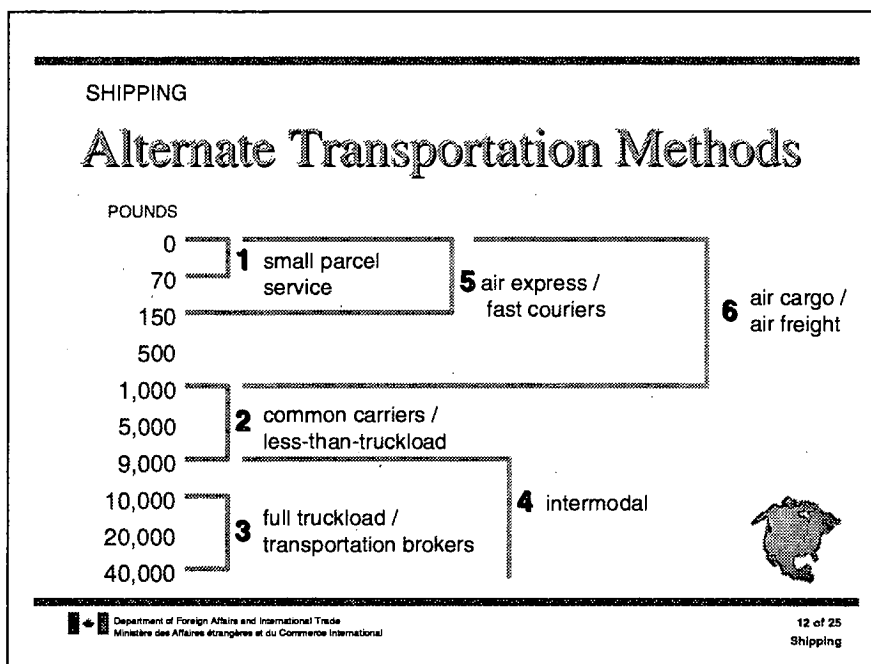
In addition to overall volume, factors that affect shipping rates include:

- weight and dimensions
- product value
- fragility
- specific destination and required transit time
- annual volume

Clearly, the mode of transportation chosen will be heavily influenced by these factors.

During the negotiations, exporters should look at the transportation company as a prospective partner with compatible goals. Both parties want to develop, retain or enlarge their shares in the Mexican market. The transportation company is interested in new business and wants its customers to succeed because both parties benefit from efficient delivery.

Aside from price, negotiations usually deal with logistical details. Can the transportation company guarantee the time of delivery? Will they provide proof of insurance and liabilities? How will shipment descriptions be verified? What savings can be achieved from grouped shipments?



Notes:

Documentation


What is in this Section?

This section explains how the standard forms used in international trade are used for shipments to Mexico. It also describes the special permits that are required for some types of goods under Mexican law.

Every shipment from Canada to Mexico must be accompanied by the standard set of documents required for all international trade. In addition, most exporters will need documents to prove eligibility for preferential treatment under the NAFTA. Shippers may choose to include additional documents that can expedite clearance at the border.

Exporting to Mexico: General Requirements			
Documents required in each country			
Document	Canadian Customs	US Customs	Mexican Customs
Commercial invoice	Always	If goods enter US	In Spanish, with customer's <i>Registro Federal de Causantes (RFC)</i> , taxation registration number
Export declaration (Form B-13A)	If goods will enter US or cost C \$2,000		
Bill of lading	Always	If goods enter US	Always
Import permit			For certain goods only
Transportation and Exportation (T&E) bond		If goods enter US	
Packing list			If the invoice is not fully itemized and there is more than one package
Special certificates			For goods subject to product standards or health regulations (see special certificate and permits)
NAFTA certificate of origin			If NAFTA preferences are claimed
General certificate of origin			For non-NAFTA goods that are subject to countervailing duties in Mexico

DOCUMENTATION			
Documents Required			
DOCUMENT	CANADIAN CUSTOMS	US CUSTOMS	MEXICAN CUSTOMS
Commercial invoice	Always	If goods enter US	in Spanish, with customer's <i>Registro Federal de Causantes (RFC)</i> , taxation registration number
Export declaration (Form B-13A)	If goods will enter US or cost >US \$2,000		
Bill of lading	Always	If goods enter US	Always
Import permit			For certain goods only
Transit and exportation (T&E) bond		If goods enter US	
Packing list			If the invoice is not fully itemized and there is more than one package
Special certificates			For goods subject to product standards or health regulations (see special certificate and permits)
NAFTA certificate of origin			If NAFTA preferences are claimed
General certificate of origin			For non-NAFTA goods that are subject to countervailing duties in Mexico


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Commercial Invoice

The commercial invoice is the basic document on which the importer (buyer) pays the exporter (seller). Invoices should be prepared in Spanish. If prepared in English, the Spanish translation may follow the original text on the invoice.

Mexican customs officials insist on total accuracy in all respects. Any discrepancies may lead to penalties, delays or confiscation. The invoice must contain the following information:

- place and date of issue;
- complete name and address of the exporters and the Mexican importers;
- detailed description of goods, including marks, numbers, types and quantities;
- all freight and insurance charges;
- currency of sale;
- signature of seller, including name and title; and
- shipper's invoice number and customer's order number.

The *Registro Federal de Causantes (RFC)*, taxation registration number, should be included on the invoice whenever possible. The *RFC* number given to every Mexican importer must be approved by the local Mexican customs officials where the shipment crosses the border.

Before the shipment leaves Canada, copies of all shipping documents should be faxed to the Mexican importer and customs broker. This will allow time to make revisions or to obtain special permits, if necessary.

The original documents should accompany the goods. The exporter should also advise the importer and/or broker exactly how and when the goods were shipped, including the bill of lading number.

If available, catalogues or any other literature describing the goods should accompany the commercial invoice. This may be helpful for properly classifying the goods for customs purposes. Depending upon the importer or customs broker involved, the original invoice should be accompanied by as many as eleven copies.

Export Declaration Form (Form B-13A)

The B-13A form is an export declaration to be completed for all shipments leaving Canada (except to the US), if their value exceeds C \$2,000. In the absence of documentary evidence that the value is below this amount, it is a good idea to issue a B-13A regardless of value.

This form provides input into the Canadian 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. Shipments destined for the US are exempted because Canada and the US now exchange more accurate import data with each other.

The exporting company is ultimately responsible for the preparation and submission of the export declaration to customs. Transportation professionals may issue and submit the B-13A on behalf of the exporter.

Shipments to Mexico that require a B-13A include:

- commercial shipments valued at C \$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 C \$2,000 or more; and
- gifts, donations and company transfers valued at C \$2,000 or more.

Bill of Lading

The bill of lading is a receipt given by the carrier verifying delivery of the goods into the care and custody of the carrier. 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. The bill of lading should outline the types of packages in the consignment, and their weights and dimensions. It should also include the names and addresses of the shipper and the Mexican importer, consignee or customs broker. Other details such as the ports of origin and destination, description of goods, a list of freight and other charges, as well as the number of bills of lading in the full set are all required.

Import Permits

Mexican import permits have been discontinued for most products. At present, they are required for approximately 300 items, some of which are subject to import quotas. The list includes:

- used machinery;
- some agricultural products vital to Mexico's economy, such as pinto beans and powdered milk;
- natural gas, petroleum and gasoline;
- cars, trucks, tractors and some of their parts;
- some chemical and pharmaceutical products;
- arms and guns; and
- some luxury items.

Import permits are issued by the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development, and may take some time to be authorized. Valuation letters may also be necessary for used machinery, equipment or cars. These letters have to be legalized abroad and endorsed by a Mexican consulate. Import licence applications usually require between one and two months to process and are valid for nine months. It is advisable to avoid shipping until receiving confirmation that the licence will be issued.

Transportation and Exportation bond

If the shipment will travel by land through the US, the Canadian broker deals with 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 cross into Mexico. Transportation must be made by a bonded carrier.

Packing List

A packing list is the detailed list of contents of the shipment, with net and gross weights shown in metric units. The list should include the number of packages and a detailed list of the product contained in each package.

As with the commercial invoice, there is no set format for a packing list. At least four — but up to seven — copies may be needed, depending upon the mode of transportation.

Canada Export Controls

Under Canada's Export and Import Permits Act, some exports require special permits. This includes defence products and dual-use goods with military applications including nuclear, chemical or biological weapons. Transportation professionals or the InfoCentre of the Department of Foreign Affairs and International Trade (DFAIT) can provide details.

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 applied to the imported good. For products 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 countries of the Far East.

As of May 31, 1994, Mexican authorities have been requiring that importers prove the country of origin for a wide range of goods subject to countervailing action. Failure to do so results in the application of countervailing duties if the product is subject to the action. These requirements rarely affect Canadian exports to Mexico, because the regulations state that compliance with NAFTA marking rules is sufficient to demonstrate the country of origin. For practical purposes, this can be satisfied with a NAFTA certificate of origin.

The NAFTA certificate of origin is a uniform document established by all three countries. Its purpose is to demonstrate that the goods satisfy the NAFTA rules of origin and it is necessary if preferential treatment under the NAFTA is being claimed. It can be completed in the language of the importer or the exporter, at the importer's discretion. 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 NAFTA certificate of origin forms, along with completion instructions, can be obtained from Revenue Canada. More information can be obtained from the NAFTA Information Desk listed in the Contacts section of this manual.

The regulations require that the certificate of origin be in the possession of the importer at the time of importation; it does not require that the certificate accompany the goods. Nonetheless, the certificate can help to avoid possible delays, so many exporters elect to include a signed original with every shipment.


Sometimes a NAFTA certificate of origin is unavailable, perhaps because the goods do not meet the NAFTA rules of origin. In this case, the exporter should consider including a general certificate of origin if there is any chance the goods may be subject to countervailing action. There is no standard format for this document. The general certificate of origin can be prepared by the transportation or logistics company.


Special Certificates and Permits

DOCUMENTATION

Special Certificates and Permits

- ☞ certificate of compliance (*NOMs*)
- ☞ sanitary and phytosanitary certificates
- ☞ emergency regulations for meat and Christmas trees
- ☞ Secretariat of Health sanitary import authorization
- ☞ Secretariat of Agriculture sanitary import authorization



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Shipping

Well in advance of the planned export shipment, the exporter should take steps to find out if the product is subject to any special import requirements. If it is, the exporter must work with the agent or importer to obtain all of the necessary permits and certificates.

The Government of Mexico regulates the quality and purity of a wide range of products. In general, the purpose of these regulations is to ensure that the products are safe for use by consumers. In some cases, they also require that consumers be provided with certain product information, including instructions for use and handling. This includes requirements for product labelling as well as point-of-sale material.

These standards apply to imported as well as domestically-produced goods. In addition, special certificates are required at the border for many products. Technically, compliance is the responsibility of the importer, so strictly speaking, these certificates are not “shipping documents”. However, Mexican officials require them before the goods can cross the border and exporter-provided information is required to get them. So for practical purposes, the onus for compliance falls on the exporter.

Since even minor deficiencies in the documentation may lead to serious delays, the exporter should ensure that all special certificates are in the hands of the Mexican customs broker before the goods leave Canada. Normally, a Canadian customs broker will make arrangements with the Mexican broker well in advance.

Special certificates fall into three main categories:

1. *Normas Oficiales Mexicanas (NOMs)*, official standards, for such products as textiles, leather, electrical appliances, building materials and chemicals. They are administered by the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development. Goods subject to *NOMs* must be accompanied by a certificate of compliance in order to enter Mexico.
2. Health regulations that are administered by the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (SAGAR)*, Secretariat of Agriculture, Livestock and Rural Development. The products covered include unprocessed agricultural and animal products. These regulations include a general requirement for phytosanitary and animal health certificates, as well as special regulations requiring a prior “sanitary authorization” for specific shipments of certain products.
3. Health regulations that are administered by the *Secretaría de Salud (SS)*, Secretariat of Health. These affect all fish and fish products, as well as many processed foods and materials used to produce food, such as fertilizers and pesticides. They also cover medicines, health and personal care products. Specified products must be approved for import before they can enter the country and must be accompanied by a sanitary authorization.

Certificate of Compliance

Many products sold in Mexico have long been subject to specific quality standards, known as *Normas Oficiales Mexicanas (NOMs)*, official standards. These deal with a variety of product-specific technical issues, and some of them also include special product-labelling requirements. In most cases, certificates of compliance are required to demonstrate that the product satisfies the standard. Clothing and textiles, leather products, electrical appliances, medical equipment and supplies, food and beverages, and chemicals are among the product categories that may be subject to these specific requirements.

Until recently, compliance with the *NOM* certification requirements was the responsibility of the importer. In March 1994, the Government of Mexico published an Executive Decree, which stated that *NOM* certification, as well as general labelling requirements, will be enforced at the border. This means that compliance with the *NOMs* has effectively become the responsibility of the Canadian exporter.

Products for which *NOMs* have been issued must be tested in Mexico and a certificate of compliance must be obtained from the *Secretaría de Comercio y Fomento Industrial (SECOFI), Dirección General de Normas*, Secretariat of Commerce and Industrial Development, Bureau of Standards, or from an agency accredited by them. This certificate must accompany the goods when they are imported. The Canadian exporter must obtain the appropriate documentation from the importer. The certificate number must be included on a label, which includes the *NOM* logo, affixed to each item.

Textile and leather products are a special case. Under the March 1994 Executive Decree, they are exempted from the certification requirements even though they are covered by *NOMs*. They must comply with special labelling rules specified in the decree, which include a requirement that a *NOM* logo appear on the label.

Regardless of the product involved, the following classes of goods are exempted 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.

Mexican product standards are listed in a number of sources, but new standards are constantly in development and no list can be definitive. In most cases, the exporter will need assistance from its Mexican agent or distributor to find out if standards apply, and to submit the product for testing in Mexico if they do. 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, at the address given in the Contacts section of this manual.

Sanitary and Phytosanitary Certificates

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. Exporters will need assistance from the 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.

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.

Canadian Health Certificates Acceptable in Mexico			
Product	Department	Description	Form #
Meat	Agriculture and Agri-Food Canada	certificate of inspection covering meat products	AGR 1454 (80/01)
Fish	Fisheries and Oceans Canada	certificate of origin and hygiene	FP-1404 (11/91)
		certificate of inspection (for fish from contaminated waters)	FP-1408 (04/80)
Agricultural Products	Agriculture and Agri-Food Canada	health certificate	various
Processed Foods	Health Canada	manufacturer's certificate for export of food and drug products	1002 (2/72)

Emergency Regulations for Meat and Christmas Trees

Meat products and Christmas trees are both subject to emergency *NOMs* that were issued in late 1994. These were temporary six-month regulations, that expired in 1995, and were extended until such time as more formal regulations could be put in place. Exporters should assume that these regulations are in effect unless the importer advises otherwise.

Meat products are subject to NOM-EM-003-ZOO-1994. Under this regulation, all imported meats are subjected to an inspection at the border. Samples will be taken for lab tests, but the shipment will be allowed to enter the country without waiting for test results. Meat products can enter Mexico only through ten designated ports of entry.

Christmas trees are covered by NOM-EM-012-SARH3-1994, which was issued January 4, 1995. They must have a phytosanitary certificate issued by Canadian agriculture authorities. The certificate must indicate their place of origin including province and country, the plantation's

name and location, the exporter's name and the scientific name of the species. Trees will be inspected at the border for pests and damage. They can be imported only through eleven specified ports of entry.

Secretariat of Health Sanitary Import Authorization

The *Secretaría de Salud (SS)*, Secretariat of Health, regulations encompass a variety of processed foods and beverages, chemicals, pesticides, fertilizers, and personal or health care products, including cosmetics. Most processed foods no longer require prior authorization.

Under the *Ley General de Salud*, Public Health Act, every food importer must register with the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (SAGAR)* Secretariat of Agriculture, Livestock and Rural Development, and provide notice of all food products to be imported. The importer is also responsible for obtaining authorization for products that require a prior sanitary import authorization.

If such registration is necessary, an application form called a *Solicitud de Autorización Sanitaria Previa de Importación*, must be submitted to SAGAR, by the importer, along with the following documentation:

- a sanitary certificate, or if one cannot be obtained, a certificate of origin, Certificate of Free Sale, or a report of physiochemical and microbiology analysis. Some products also require an analysis of metal and peroxide content, vibro cholerae or radioactive contamination;
- the original product labels in Spanish, either for individual packages, or for bulk containers; and
- an invoice or pro-forma invoice.

The authorizations are valid for three months, and they may cover as many shipments as the importer requests for a given three-month period. The original copy of the authorization is given to the Mexican customs broker to be presented when the goods cross the border.

Secretariat of Agriculture's Sanitary Import Authorization

The products requiring prior sanitary authorization by the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (SAGAR)*, Secretariat of Agriculture, Livestock and Rural Development, include a variety of unprocessed plant or animal products. The application procedures are slightly different for agricultural and animal products.

Agricultural Products

For agricultural products, an application form called a *Solicitud de Autorización Sanitaria*, Health Authorization Application, is submitted by the importer to SAGAR. 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.

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.

SAGAR’s 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.

Notes:

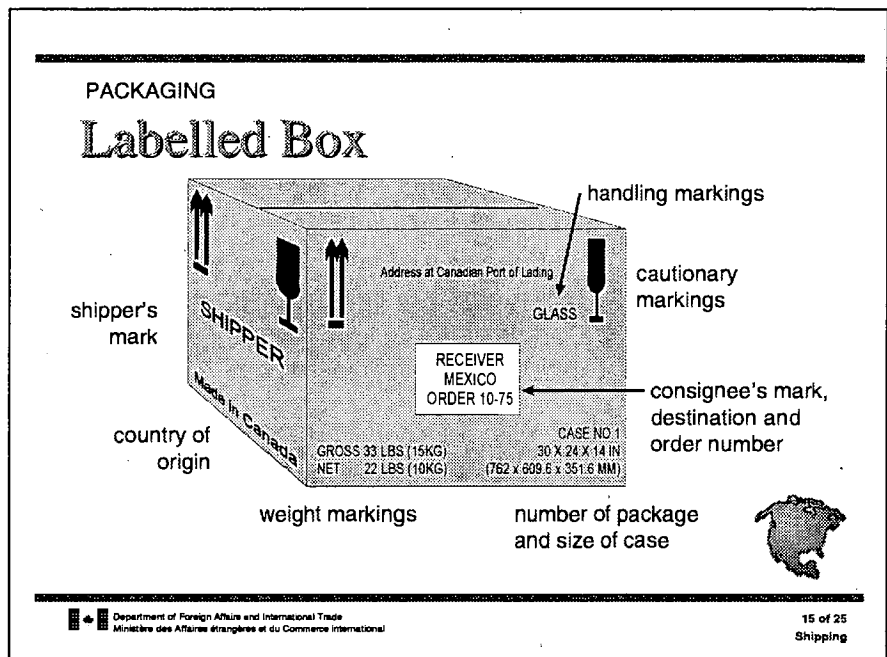
Packaging

What is in this Section?

This section describes issues involved in packing and marking shipments to Mexico. These are not substantially different than any other international shipment. The section assumes that the participant is either familiar with general physical packing procedures or else works in a situation where this is handled by others. The section also explains the Mexican regulations for product labelling, and provides a description of anticipated changes to these provisions in 1996.

In most respects, external packaging for the Mexican market is no different than for any other export market. Outside markings on shipping containers must be in Spanish. The use of standard international symbols is also appropriate. But product labelling requires special consideration. Labels must be in Spanish and must comply with specific requirements of Mexican law.

Packing for Shipment



Packing for export can be a complex matter, and many companies employ specialists for this purpose. Independent professional packers are also commonly retained by exporters. Packaging must physically contain and protect the product from point of manufacture to point of consumption. During shipment to Mexico, the product may be exposed to any or all the usual hazards found in international shipments:

- shock
- compression

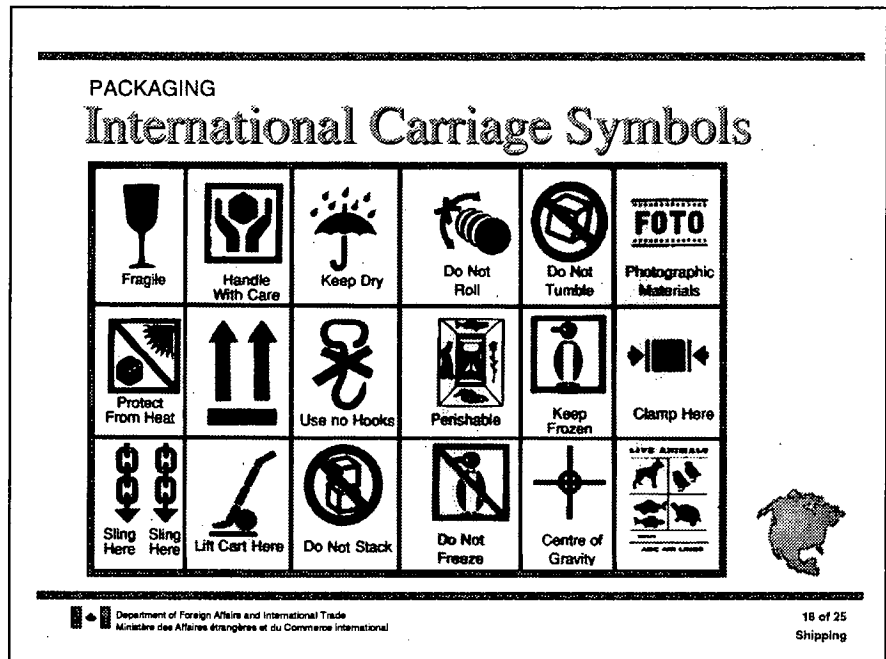
- vibration
- changes in atmospheric pressure
- atmospheric pollution
- moisture
- oxidation
- extreme temperature
- electro-static discharge

In addition, some Mexican ports have a reputation for greater-than-usual theft problems. There have also been reports of occasional vandalism against shipments that have displaced traditional Mexican suppliers.

Loading and unloading hazards arise not only at pickup and delivery, but also at any intermediate shipment points. In particular, trucks may be unloaded for inspection at the US-Mexico border, and then transferred to a Mexican trailer a few miles later.

A transportation professional can advise on any special packaging needs that arise from a the transportation chain chosen for any particular shipment.

Shipment Marking



The purpose of shipment markings is to identify the shipment and the type of goods it contains. This enables the transportation company to route it correctly, and it also expedites customs clearances. Content markings also help to ensure proper handling and storage. Old marks, advertising and other extraneous information confuse this function and should be removed. All markings should be large, clear and in waterproof ink. Where possible, stencils should be used.

Unless shipping direct to the consumer or in large quantities in pallet loads, the shipping container should not be the container that goes onto the shelf. Packaging graphics, used to catch the customer's attention, are not usually compatible with shipping instructions. If shipping cartons must be used at the point of sale, the customer data should be on one face, and shipping information on another. In this case, the point-of-sale information should not include complex graphics.

Self-adhesive labels can be purchased with all the standard cautionary symbols, and special labels can be printed with the appropriate shipping information for quantities of 500 or more. Written markings should be in English and Spanish.

Coded marks that refer to descriptions on shipping documents are a good way to reduce theft. This avoids attracting attention to popular brand names or high-value items.


Translations of Common markings	
English	Spanish
Handle with Care	<i>Maneje con Cuidado</i>
Glass	<i>Vidrio</i>
Use No Hooks	<i>No Se Usen Ganchos</i>
This Side Up	<i>Este Lado Arriba</i>
Fragile	<i>Frágil</i>
Keep in Cool Place	<i>Manténgase En Lugar Fresco</i>
Keep Dry	<i>Manténgase Seco</i>
Open Here	<i>Abrase Aquí</i>


Product Labelling

PACKAGING

Minimum Requirements for Spanish Labels

- ↻ name of product or good
- ↻ name and address of importer
- ↻ country of origin
- ↻ net contents (e.g. NOM 030-SCFI-1993)
- ↻ warnings or precautions
- ↻ instructions for use, handling, preservation




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Any product being exported to Mexico must have labels designed for the Mexican market. This means translating existing labels and ensuring they meet Mexican regulations. The labelling regulations have been in a state of disarray since early 1994, and exporters are advised to verify the specific requirements for their products in consultation with their customers.

In part, product labelling in Mexico is governed by the *Ley de Protección al Consumidor*, Consumer Protection Act. Article 34 of that law required that all information contained on a product or its labels, containers and packages must be in Spanish. The same requirement applied to product advertisements. Nonetheless, the labelling decree of June 19, 1987 allowed “pre-packaged” goods to enter Mexico with foreign labels, as long as minimum Spanish labelling was added by affixing stickers. Pre-packaged goods have been defined as those that are packaged without the consumer present.

In addition to these generic requirements, many products have long been subject to specific standards, known as *Normas Oficiales Mexicanas (NOMs)*. Compliance with the *NOM* certification and labelling requirements has, until recently, been the responsibility of the importer. Clothing and textiles, leather products, electrical appliances, medical equipment and supplies, foods and beverages, and pesticides are among the products subject to these specific labelling requirements.

In the past, Canadian exporters of most consumer products were able to satisfy both the generic requirements and those specified in *NOMs* by arranging to have Spanish stickers applied to the original English/French labels by the Mexican importer or agent after importation and prior to resale.

An Executive Decree on labelling was issued on March 7, 1994. This was not the subject of consultation as required by the NAFTA, because the Mexican government took the position that it merely formalized existing regulations that had not been previously enforced. The decree stated that effective immediately, both the generic labelling requirements and those set out in the *NOMs* would be enforced at the border. This means that compliance has effectively become the responsibility of the Canadian exporter. The decree contained so many ambiguities and errors that it had to be modified by a series of letters of clarification later that month. There were serious delays at the border because of confusion over the requirements.

Three months later, in June 1994, the government issued a new set of draft labelling regulations. Under Mexico's legal system, these were subject to a 90-day public consultation period. Among other things, it required full Spanish labelling to be affixed at the point of origin as well as several additions to the information to appear on product labels. These regulations were originally expected to come into force in 1995. There was, however, considerable debate about these regulations within Mexico and there were submissions from Canada and the US under the terms of the NAFTA. As a result, the draft regulations were never implemented.

In addition, a new labelling regulation for textile and apparel products (*NOM-004-SCFI-1994*) was published on November 22, 1995 and became immediately effective. There were strenuous objections to it and it was withdrawn one month later on December 22, 1995.


The Mexican government subsequently re-considered all of its labelling regulations and on January 24, 1996, it issued three major new regulations. These are subject to an implementation period ranging from six months to one year. Although some provisions are not effective until 1998, most are scheduled to come into force on November 1, 1996. But on the basis of past experience, it cannot be assumed that all of these requirements will be implemented on schedule or exactly as originally issued.


The following section describes the labelling laws as they existed in August 1996. This is followed by a description of the new regulations, most of which will come into force in November, 1996 or later.

PACKAGING

New Labelling Requirements

- ↪ full Spanish labelling from origin
- ↪ more detailed instructions
- ↪ warranties
- ↪ nutritional properties
- ↪ sizes by General System of Measures
- ↪ importer detail (including *RFC*)
this can be on separate label



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General Labelling Requirements

The new regulations apply to all goods intended for sale to consumers, with certain exceptions outlined below. All such products must be labelled in Spanish when they arrive at Mexican customs. The label must contain specific information identifying the product, the importer and the exporter, as well as instructions for use and care.

The labels must be legible, and must be “attached to the product, container or package, depending on the circumstances of the product and how it is to be marketed”. Normally, the label will be affixed to each individual package offered for sale to consumers. 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.

A letter of clarification dated March 10, 1994 says that the requirement for the label to include the country of origin was “mistakenly” included in the Executive Decree. Nonetheless some authorities believe that it is still required since the decree did not repeal the relevant stipulations in other laws. Until a revised decree is formally published, exporters would be wise to include this information, in addition to the other requirements set out in the Executive Decree.

Minimum Requirements for Spanish Labels — All Consumer Products

- Name of the product or good (including a product description, if not described in the name of the product or good).
- Name or trade name and address of the importer (this information may be displayed on a separate label and may be added after importation).
- Country of origin of the product.
- Net contents in accordance with its official Mexican standard, NOM 030-SCFI-1993.
- Warnings or precautions in the case of dangerous products.
- Instructions for use, handling and/or preservation of the product.

Source: Government of Canada translation of Article Five of the March 7, 1994 Decree, as amended by letters of clarification from the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development.

Labelling Requirements for Food and Beverage Products

Labelling requirements for food and beverage products have been established by the *Secretaría de Salud (SS)*, Secretariat of Health. Food and beverage labels must include the following:

- product description
- date of expiration
- list of ingredients
- nutritional content (if nutritional quality is claimed)

These requirements are in addition to the requirements for generic product labelling.

Additional Labelling Requirements

Products for which the *Normas Oficiales Mexicanas (NOMs)*, official Mexican standards, have been issued must be tested in Mexico and a compliance certificate 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.

Some of the *NOMs* include special labelling requirements, which are now enforced at the border. As of January 13, 1995, all products subject to *NOMs* must show the *NOM* logo on the product in a visible place, either on a label, sticker or decal. Exporters of these products should obtain a copy of the *NOM* for each relevant product to learn about any

special labelling regulations. The onus is on the Canadian exporter to determine the requirements and ensure that the product is properly labelled before it leaves Canada.

Some Products that are Subject to Special Requirements

Mexico's product labelling regulations contain special treatment for textile and leather products, electrical and electronic products and refrigerators that differ from the general and *NOM*-based regulations described above. New requirements can be imposed at any time, and exporters should check their status with the importer prior to shipment.

Textiles, Clothing and Leather

Textiles, clothing and accessories and leather, shoes and leather products, are covered by *NOM-020-SCFI-1994*. They must meet specific labelling requirements that are specified in the labelling decree and enforced at the border. But they do not have to be accompanied by a certificate of compliance, even though they are subject to *NOMs*. For these products, labels must be affixed to the product and not just to the packaging.

Minimum Labelling Requirements for Textile and Clothing Products

- *NOM-004-SCFI-1994*;
- brand name;
- content (percentages in descending order);
- size;
- handling instructions (symbols are permitted, in this case, provided that they do not require legends); and
- country of origin.

Source: Government of Canada translation of Article Four (I) of the March 7, 1994 Labelling Decree from the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development.

Minimum Labelling Requirements for Leather Products

- NOM-020-SCFI-1993;
- name of exporter;
- materials (general or specific definition and, if applicable, finishing);
- country of origin;
- name and address of importer; and
- federal taxation registration number of the importer and/or registration number of the chamber of commerce to which he or she belongs.

Source: Government of Canada translation of Article Four (II) of the March 7, 1994 Labelling Decree from the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development.

Electronic and Electrical Products

In a letter of clarification issued on March 10, 1994, *SECOFI* announced that electronic and electrical products, as well as household appliances are not subject to the general requirements. Instead, *SECOFI* stated that product labels must contain instructions for use and care. The reason is that such products are already subject to *NOM-024-SCFI-1993*, which requires instructions and warranties to be provided at the point of sale.

Refrigerators

Refrigerator labels must comply with several very specific requirements including adherence to certain energy-efficiency regulations in addition to all of the requirements for textiles and leather. The label must show the refrigerator's type, size in cubic meters, the model number, the estimated average energy consumption and the annual energy cost.

Meat Products

Meat products are covered by emergency *NOM-EM-003-ZOO-1994*. This *NOM* was due to expire on June 27, 1995. As it has already been extended once, exporters should assume that it is effective unless advised otherwise by the importer.

This emergency *NOM* requires that all meat products be labelled in Spanish with the following information: country of origin, producer's name and address, product name and description, lot number and net weight. The label must also include *manténgase en refrigeración o congelado* (keep refrigerated or frozen) legends.

Exemptions

The Executive Decree (Article Six) lists several categories of goods that are exempted from both the labelling and certification provisions. A number of other exclusions have been established by letters of clarifications. The following goods are exempt:

- a maximum of three units submitted to the relevant Mexican authorities for the purpose of obtaining a certificate of compliance with an official standard;
- goods that are part of accompanied passenger luggage on international flights;
- goods that are part of the household effects of persons domiciled in Mexico;
- goods imported by educational, scientific and non-commercial organizations including any organizations authorized to accept donations under the Income Tax Act;
- samples with no commercial value;
- temporary imports for repair or in-bond assembly;
- goods that are new, one-of-a-kind or highly specialized and involve a security risk, may be imported up to a maximum of 25 items per customs declarations. They must be accompanied by a contract that assigns risk to the recipient and that states that the items are not for sale to the public;
- capital and intermediate goods, provided that a written statement of final use accompanies the goods;
- bulk goods, except where included in a *Norma Oficial Mexicana (NOM)*, official Mexican standards, defined as goods that “must be weighed or measured in the presence of the consumer at the time of sale”; and
- packages shipped by courier and valued at less than US \$1,000.

The exclusion of capital and intermediate goods is established by a letter of clarification from *SECOFI*, dated March 10, 1994. It states that this intended use must be demonstrated by a sworn statement. Capital goods, however, are not exempted from certification requirements, if any are applicable. Exporters can apply to *SECOFI* for authorization to ship unlabelled products under exceptional circumstances, but such exemptions are unusual.

New 1996 Labelling Regulations

On January 24, 1996, the Government of Mexico published three major new labelling regulations. They included a new generic labelling law, that will replace the March 7, 1994 Executive Decree, as well as new regulations for textiles and apparel as well as for food and non-alcoholic beverages. All three regulations are revisions of drafts that had been published earlier and that had been the subject of public consultation.

Most of the provisions are slated to go into effect on November 1, 1996. However, their exact status remains unclear because the implementation process has been delayed several times in the past. Some of the provisions of the January 24 regulations include provisions that were objected to by both Mexican and foreign companies. The following sections describe the general thrust of the new provisions — but they are not definitive.

Generic Products

The new regulations include the final revisions of a new *norma*, official standard, *NOM-050-SCFI-1994*, which outlines the minimum commercial information that must be provided on product labels. The new rules will apply to all products not covered by another *NOM* or regulation.

Under the new rules, Spanish-language labels will have to be “included from origin” and they must be affixed so they will not come off under normal conditions. This will formally eliminate the practice of affixing Spanish stickers to English labels. The labels may include other languages as well, and must meet metric system requirements. There is also a new provision that the name and address of the producer must be included on the label.

The most important changes in the proposed rules are requirements for instructions and warranties. The instructions may be on the label or in a separate booklet, and there must be an accompanying notice advising the consumer to read the instructions. These must include instructions for use and assembly, if applicable.

Warranties must be in accordance with the *Ley Federal de Protección al Consumidor*, Consumer Protection Act. They must also specify the location of service centres in Mexico. During the term of warranties, manufacturers or importers will be required to replace “any damaged piece or component” free of charge. Instructions, manuals and warranties must be “incorporated to the product” before sale, but they will not be required for customs clearance.

The new regulations will also broaden the range of products excluded from the labelling requirements to include the following:

- products imported by duty free shops
- imports into border cities and zones
- live animals
- books, magazines and newspapers

The new regulations also formalize exemptions for a number of other products, such as courier packages, presently included in "letters of clarification".

These regulations will be enforced by a new government entity called *Unidad de Verificación*, Verification Unit. This organization has not yet been established.

Food and Beverages

Food and beverages are presently covered by specific *NOMs* or by other regulations issued by the *Secretaría de Salud (SS)*, Secretariat of Health. Proposed general regulations (*NOM-051-SCFI-1994*) were published in June 1994, covering all food and beverage products, except those sold in bulk. The final version of this standard was published on January 24, 1996.

The regulations require that the labels be in Spanish and that they be affixed at origin. In addition to the present regulations for generic products, food and beverage labels will have to include a list of ingredients, the lot number, the expiry date and special instructions for preservation. A "best before" date is optional.

The name and address of the manufacturer must be included on the label, and this information must also be provided to *SECOFI*. Outside packages or wrappers must contain all of the required information, or must allow for the visibility of inside labels. If inside packages do not contain all required information, they must be labelled "not for individual sale" and must include lot and expiry information.

The new regulations also specify certain claims that may not be made on a food or beverage label. These include claims that a balanced diet does not supply adequate nutrition, claims that cannot be proven, and claims that contravene the *Ley General de Salud*, Public Health Act. There are new requirements for nutritional information, but implementation of this provision will be delayed until January 1, 1998.

Textiles, Clothing and Accessories

Draft amendments for textiles, clothing and accessories which were issued in 1994 (NOM-004-SCFI-1994) have been formalized in new regulations published on January 14, 1996. These now demand that the importer's Mexican taxation registration number appear on the label. The amendments also specify that sizes must be in Spanish, according to the general system of measures. In addition, instructions for product care will have to include the following information:

- washing: hand, machine wash, dry cleaning or special process; water temperature; use of soaps and detergents; any prohibitions;
- drying: sunlight; wring out, hanging, horizontal; use or prohibitions of special equipment; special recommendations;
- ironing: warm, hot or steam; or no ironing; any special conditions;
- bleaching; and
- special recommendations.

The new rules will apply to all textiles, clothing and accessories including linen, towels, curtains and rugs. There is an implementation period of one year for the sizing requirement. There are provisions for labelling information to be provided to *SECOFI* prior to importation, and these have been subject to strenuous objections. It is not yet clear how implementation will proceed.

Notes:

Logistics

What is in this Section?

This section covers the logistical issues involved in physically shipping products to Mexico. This includes insurance, credit and Mexican customs procedures, as well as warehousing and distribution within Mexico. The section concludes with a discussion of the issues involved in selecting a logistics company.

The term logistics comes from the military term for the science of moving and quartering troops and supplies. As transportation firms have gradually broadened their offerings of sophisticated services, some of them have begun calling themselves “logistics companies”. Some integrate the services otherwise available from insurance agents, customs brokers, forwarding agents and transportation carriers. Other firms, such as customs brokers and freight forwarders, tend to be more specialized, but they may also offer a wide range of services, even though they retain their traditional designations. To avoid any suggestion that one type of company is preferable to another, the terms “transportation professional” and “logistics company” are used in this manual to describe providers of all types of logistical service. Some exporters may choose to deal with more than one transportation professional.

Insurance

Many exporters limit their exposure to risk during transportation by shipping to the US-Mexico border, for example “CIP Laredo, Texas”. That way, the buyer takes title to the goods on the American side of the border and assumes all the risks that occur within Mexico.


If the Mexican buyer insists on carriage and insurance paid to (CIP) a Mexican destination however, the exporter has to deal with the fact that insurance covering transit in Mexico must be purchased from a Mexican insurance company, unless goods are on a through bill of lading (B/L). There is no difficulty in purchasing insurance that is valid in both Canada and the United States. But the regulations governing insurance in Mexico are substantially different. Shippers should consult their transportation professional about the differences and the ability to collect for loss or damage.


Types of Insurance

LOGISTICS

Types of Insurance

- ✦ cargo insurance
- ✦ contingency insurance
- ✦ legal liability error and omissions
- ✦ charter's liability
- ✦ political risk
- ✦ limitation of risk clauses
"FPA", "with average", "all risk"



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Shipping

There are five basic types of insurance that may be involved in an export shipment, depending on the risks to be insured against:

1. cargo insurance
2. contingency insurance
3. legal liability error and omissions (LL, EE and O)
4. charter's liability
5. political risk insurance

Limitation of Risk Clauses

Three Institute of Marine Cargo clauses are used to specify the degree of risk within a particular type of coverage:

1. **Free of Particular Average (FPA).** This is the most restrictive form of cargo insurance. An FPA policy covers goods only against total loss.
2. **With Average:** This type of policy offers slightly broader coverage than FPA and covers partial loss.
3. **All Risk:** This policy offers even broader coverage. As the name suggests, it covers all transportation risks. The loss must be physical and not consequential in nature, and it must have resulted from a fortuity or accident in transit. An all-risks policy will not cover loss

of market or loss or damage caused by delay, inherent vice of goods, war, strikes, riots and civil disturbances, unless specifically included. Some policies add clauses for these specific risks as well as for labour disruptions.

Coverage and Duration

Shipping insurance can be purchased for a single shipment, but many companies hold blanket policies for all their shipments. Normally, the policy covers the entire transportation period from door-to-door, but it may not apply if movement is abnormally interrupted.

Maximum Liabilities of Carriers

Air:	US \$20/kg
Rail:	US \$0.92/lb
Truck:	C \$2.00/lb (Canada) US \$1.50/lb (USA)
Courier:	As per transport document
Ocean:	US \$500/parcel*
Others:	As per signed transport documents

*In ocean claims, a container could be considered a parcel.

Example of a Cost Calculation

Dollar amount per \$100 of value

Calculate on the value

carriage and insurance paid to (CIP) + 10%

Example:

Premium	\$0.25/\$100
Value	\$10,000
Transport and Insurance	+\$2,000
CIP	\$12,000
CIP + 10%	\$13,200

$$\mathbf{\$13,200} \div \$100 = 132$$

$$\mathbf{\$0.25} \times 132 = \$33$$

Claim Procedures

If there is a claim for damage to an export shipment that was delivered in Mexico, the exporter will have to work with the customer to ensure that the claim is properly documented. If the shipment was CIP Mexican border, this will be done by a transportation professional at the border.

The person receiving the goods must take the following actions:

- examine shipments as soon as they arrive before signing clean delivery receipt;
- check container seal numbers and make sure they match documents;
- keep a copy of the delivery receipt;
- make goods available to the surveyor;
- notify carrier(s) and other involved parties; and
- locate all related documents and hold for insurance company.

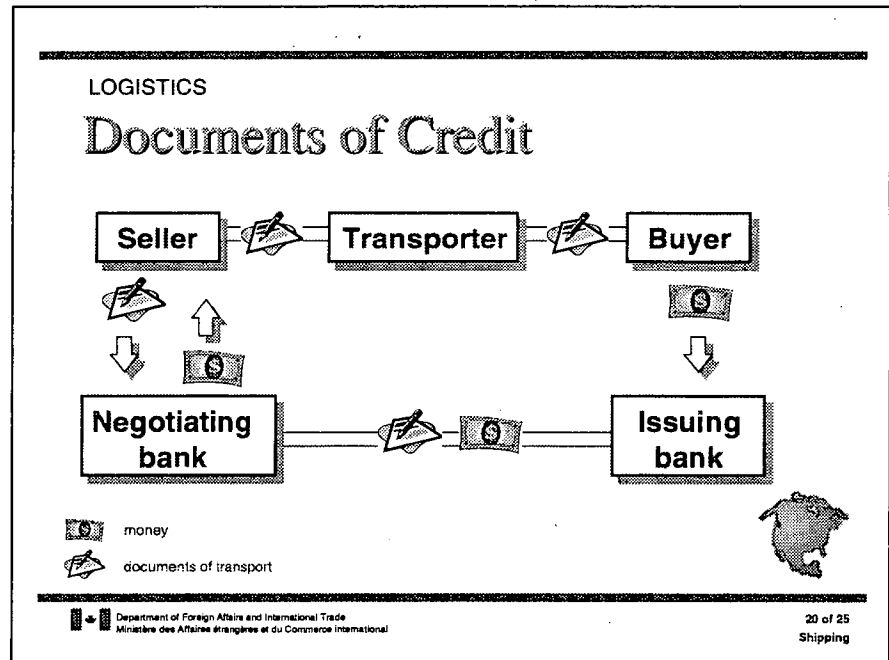
Once notified of the claim, the shipper should ask the insurance underwriter for instructions.

Claim Limits

Transportation insurance policies include time limits for filing claims. There are separate limits for filing a claim and taking legal action.

Time Limits on Claims			
Mode	Convention/Law	Notice of Claim	Suit Time
Ocean	Carriage of goods by Water Act	3 days	1 year
Air	Carriage of goods by Air Act	7 days	2 years (Hague-Visby Rules)
Rail	* COTIF/CIM, Article 57, 58	7 days	1 year
Rail	Railway Traffic Liability Regulation	4 months	n/a
Road	** CMR, Article 30, 32	7 days	1 year
Road	Trucking Transportation Act (Ontario)	60 days	9 months
All	Quebec Civil Code	not set	3 years
All	CIFFA STC	45 days	9 months
All	Multimodal UNCTAD/ICC	6 days	9 months
All	Multimodal Transport B/L	Upon delivery	9 months
* In case of willful acts: two years.			
** In case of willful acts of negligence, the time limit is three years.			

Credit



Canadian exporters may extend credit terms to trusted Mexican customers, but new business is usually done using a document of credit. This document, often referred to as a letter of credit (L/C), is an engagement made in writing by a bank on behalf of an applicant (usually the buyer), which is addressed to another person (usually the exporter or beneficiary). The document undertakes to pay the seller within a prescribed period of time under specific conditions. This is considered a transportation logistics issue, because the conditions of payment include the presentation of specific transportation documents.

The usual document used in exporting to Mexico is the irrevocable letter of credit. Once issued, it may not be amended or cancelled without the consent of both parties. The credit must explicitly state that it is irrevocable, or it is deemed to be revocable. Revocable credits may be amended or cancelled at any time, without prior notice to the beneficiary. For this reason they are rarely used.

The letter of credit is issued by the buyer's bank in Mexico. The letter specifies the event or events that will trigger the payment process. Typically, this is proof that the goods were shipped from Canada, but it could also be receipt of the goods by the customer in Mexico, receipt by the customer's customs agent at the border, or by some other event. The seller presents the letter of credit, plus the required documentary evidence of shipment to the negotiating bank in Canada to receive payment.

Types of Documentation used for Letters of Credit	
Instructions	Documentation
Expiry date	Bill of lading (B/L)
Shipping date	Air waybill
Mode of transport	Document of transport
Respect of flag	Packing list
Name of carrier	Certificate of origin
Transit time	Certificate of insurance
Transshipment	Certificate of analysis
Partial shipments	Certificate of inspection
Incoterms	Certificates (others)
Port of loading	Commercial invoice
Port of discharge	Bank draft

Typical Letter of Credit Process

1. The buyer issues a letter of credit (L/C) through the issuing bank in Mexico.
2. The issuing bank advises the negotiating bank in Canada.
3. The negotiating bank advises the seller.
4. The seller examines the letter of credit with a transportation professional.
5. The seller prepares and obtains all the documents except the transport document.
6. The seller remits the merchandise to the carrier.
7. Once on board, the carrier issues a document of transport.
8. The merchandise leaves for the port of destination.
9. The seller obtains all required documents and hands them to the negotiating bank.
10. The negotiating bank verifies the documents and pays the funds to the seller.
11. The negotiating bank remits the documents to the issuing bank.
12. The buyer takes the documents from the issuing bank.
13. The merchandise arrives at destination.
14. The buyer presents original documents of transport to the carrier (ocean only).
15. The carrier remits the merchandise to the buyer.


Mexican Customs


LOGISTICS

Mexican Customs Clearance

Importer: pays duties, taxes and fees,
is responsible for errors

Exporter: provides name, *RFC* etc. for
buyer, name of Mexican customs
broker, shipping documents




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A Mexican customs broker must clear all goods entering into Mexico. If the goods arrive by truck, a forwarding agent or logistics company takes possession on the American side of the border, usually at Laredo or Brownsville, Texas.

In most cases, a transportation and exportation (T&E) bond will have been issued by an American broker at the Canada-US border. The American broker closes the T&E at the US-Mexico border. The Mexican broker notifies the importer and arranges for payments of duty and taxes. Ideally, payment will have been pre-arranged. Once the transfers of funds by the broker or importer is made to Mexican customs, the broker issues a *pedimento advanal*, import petition.

Food or agricultural products will be inspected by the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (SAGAR)*, Secretariat of Agriculture, Livestock and Rural Development, on the American side of the border. The health and phytosanitary certificates will be checked before officials issue a "certificate of import". This must be attached to the *pedimento* before clearing customs. There is an extra fee for this certificate.

Although Canadian tractors are allowed to travel a short distance into Mexico, it is often more convenient to transfer the trailer to a "drayage" tractor, which hauls it over the bridge into Mexico. The broker's dispatcher meets the tractor at Mexican customs and arranges the clearance into Mexico.

About one truck in ten is randomly selected by computer and gets a red light, pulling it off for a customs inspection, which means unloading the trailer.

In some cases, the Canadian trailer is transferred to a Mexican tractor when it reaches the Mexican side of the border. Some trucking companies do not allow their trailers to travel in Mexico, and the goods are unloaded and reloaded into a Mexican truck. Shipments arriving at the border usually clear customs the next day, but with early-morning arrivals same-day clearances is possible, provided that the documentation has been prepared in advance.

Rail shipments are similar to truck shipments, except that American rolling stock can now enter Mexico and the goods are not normally unloaded and/or reloaded. Shipments arriving by sea are unloaded at government docks and kept in a customs warehouse until they are cleared.

Air shipments must initially enter a bonded storage area in the airport, normally operated by the air carrier or a customs broker. Customs clearance from either customs warehouses or airport-bonded storage are otherwise similar to the procedures described for trucks.

Importer Responsibilities

The importer is responsible for the payment of all duties, taxes and fees, and is ultimately accountable for any errors. Seemingly minor mistakes can lead to serious delays, and severe penalties. There is no allowance for human error, and any irregularities are automatically assumed to be misrepresentations.

Only companies or individuals holding a *Registro Federal de Causantes (RFC)*, taxation registration number, may import into Mexico. This number must be sent in advance to the local Mexican customs officials, where the shipment will cross the border for approval and inclusion in the importer database that is maintained at each port of entry.

Exporter Responsibilities

The following information must be submitted to the Canadian logistics company:

- name of the Mexican customer with telephone and fax numbers as well as the contact person;
- the importer's *Registro Federal de Causantes (RFC)*, taxation registration number;
- confirmation of the importer's registration with the Mexican authorities for shipments greater than US \$1,000;
- name of the Mexican customs broker with telephone and fax numbers; and
- all documents required for the shipment.

Warehousing

A growing number of Mexican companies now offer public bonded warehousing services in Mexico, often in partnership with American firms. These facilities make it possible for exporters to ship full truckloads to the warehouses, and avoid the cost of less-than-truckload (LTL) shipping. This arrangement also makes carriage and insurance paid to (CIP)-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.

Moreover, once the goods are in the bonded warehouse, they are immune to any subsequent limitations on imports or changes in customs regulations. For the purpose of assessing import duties, the value of the merchandise is frozen when the merchandise enters the warehouse. Any subsequent devaluation of the Mexican currency does not increase the dutiable value in pesos.

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.

Distribution

Distribution requires that the exporter establish a relationship with an importer. Under Mexican law, goods may be imported only by a person or company that has a *Registro Federal de Causantes (RFC)*, taxation registration number.



The importer must have a business address in Mexico. Canadian companies can establish a Mexican office to import their own products. Most companies, however, choose to use the services of an agent or a distributor, or else sell directly to a large retailer.


Agents

LOGISTICS

Agents

- ↻ region covered
- ↻ product lines handled
- ↻ knowledge of product
- ↻ track record
- ↻ size and quality of sales staff
- ↻ after-sales service
- ↻ reputation
- ↻ commission required


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An effective approach to selling in Mexico is to develop a relationship with an agent. Agents solicit business and enter into agreements on behalf of their principals but do not take title to the goods. Factors that should be considered when choosing an agent are:

- region covered
- product lines handled
- knowledge of product
- track record
- size and quality of sales staff
- after-sales service
- reputation
- commission required

The use of an agent is a good way to get a product into the Mexican marketplace, especially for capital goods, machinery, equipment or components for assembly. Care should be taken, however, that the exporter-agent arrangement is not construed as an employer-employee relationship, because this could have consequences under Mexican tax and labour regulations.



To supply goods or services to a government agency or to a *paraestatal*, state-owned company, the exporter must first register as a supplier with the agency involved. This is effectively done through an agent. Government entities often require that the agent have the power to make commitments on behalf of the exporter.


Distributors

LOGISTICS

Distributors

- ↪ relationships with local governments
- ↪ relationship with buyers
- ↪ condition of facilities
- ↪ willingness and/or ability to maintain inventory
- ↪ relationships with banks


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A distributor usually handles an exporter's product line on an exclusive basis, but unlike an agent, the distributor takes title to the goods. The choice of a distributor is an important task, especially since Mexican distribution channels are less well-defined than those in Canada. As well, there are many regional variations. When choosing a distributor, take into account the same factors as when choosing an agent, but also consider the following:

- relationships with local governments;
- relationship with buyers;
- condition of facilities;
- willingness and/or ability to keep an inventory; and
- relationships with banks.

Retailers

LOGISTICS
Retailers

- ↳ *Grupo CIFRA*
- ↳ *Comercial Mexicana*
- ↳ *Grupo Gigante*

often purchase privately-branded merchandise in substantial quantities



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Larger retail chains and discount stores are playing an increasing role in the distribution of products to consumers in Mexico, and many of them import directly from foreign manufacturers. Mexico's largest retail chain is *Grupo CIFRA* with approximately US \$2 billion in annual sales. Other major retail chains include *Comercial Mexicana* and *Grupo Gigante*. These large retailers often purchase privately-branded merchandise in substantial quantities.

Logistics Companies

LOGISTICS
**Typical Logistics Company
 Service Package**

International Network	Transborder Service
Truck service	Packing and crating
Train service	Warehousing & distribution
Air freight service	Small packages
Ocean freight service	Special projects
Intermodal	Customs brokerage
Consolidation	Customs consulting
Documentation	Drawbacks
Insurance	Letters of credit
Surveying	Dangerous goods planning
Charters	Licences and certificates



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 Shipping

“Logistics company” is the term used here to describe companies that provide integrated transportation services. Some refer to themselves as freight forwarders. Regardless of the name, such companies usually have a worldwide network of experts in the logistics of international movements of goods, and they offer a wide range of transportation services. Especially for new exporters, they can be indispensable as they can simplify the overall business of exporting to Mexico.

The logistics company or forwarder can provide complete advice regarding the technical and economic issues involved in any international shipment. The company can help to select modes, routes and shipping configurations that meet the needs of both the Canadian exporter and the Mexican importer. Once those choices have been made, the logistics company handles the shipping documents and supervises the shipment until it arrives at its destination.

Choosing a Logistics Company

Typical Service Package of a Logistics Company	
International Network	Transborder Service
Truck service	Packing and crating
Train service	Warehousing and distribution
Air freight service	Small packages
Ocean freight service	Special projects
Intermodal	Customs brokerage
Consolidation	Customs consulting
Documentation	Drawbacks
Insurance	Letters of credit
Surveying (SGS)	Dangerous goods planning
Charters	Licences and certificates

Selecting a Logistics Company

While the logistics company can provide complete service, exporters should involve themselves in the planning of all the transportation factors associated with exporting to Mexico. They should also consider alternative companies and ask them for details about their services. Here are some suggested questions:

- What are your customs procedures at the Canada-US border?
- What are your customs procedures at the US-Mexico border?
- Who is your Mexican corresponding agent?
- How extensive is your network?
- How long have you been in business?
- What are the transit times?
- What commodities do you specialize in?
- What kind of physical facilities do you have? Do they include secure areas for high-value commodities and dangerous goods?
- What are the language requirements on documentation and who takes care of Spanish documentation?
- Who are the company contacts?
- Can you provide references from other shippers?
- What experience do you have in moving goods to and within Mexico?

With this information the exporter can determine whether a logistics company can provide the needed services at a competitive price.

Once a logistics company has been selected, effectively it becomes a partner in your business. It is not a good practice to try to bypass the forwarder and try to do things yourself, even if it could cut costs on a particular occasion. The concept of integrated services is the logistics company's greatest strength.

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

The Latin America and Caribbean Branch 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.

Mexico Division

Latin America and Caribbean Branch

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

International Trade Centres have been established across the country as a convenient point of contact to support the exporting efforts of Canadian firms. Co-located with the regional offices of the Department of Industry (DI), 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, PE C1A 7M8
Tel.: (902) 566-7400
Fax: (902) 566-7450
- Nova Scotia** International Trade Centre
P.O. Box 940, Station M
1801 Hollis Street
Halifax, NS B3J 2V9
Tel.: (902) 426-7540
Fax: (902) 426-2624
- New Brunswick** International Trade Centre
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
Seventh Floor
Montreal, PQ H3B 2G2
Tel.: (514) 496-4636
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
 330 Portage Avenue
 Eighth Floor
 Winnipeg, MB R3C 2V2
 Tel.: (204) 983-4540
 Fax: (204) 983-2187

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

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
 300 West Georgia Street
 Suite 2000
 Vancouver, BC V6B 6E1
 Tel.: (604) 666-0434
 Fax: (604) 666-8330

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 23,000 Canadian exporters. To register on WIN Exports, call (613) 996-5701, 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.

Support is provided for certain types of government-planned activities, such as outgoing trade missions of Canadian business representatives and incoming missions to Canada of foreign business persons and officials who can influence export sales. For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance, 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) 995-7251
Fax: (613) 943-1100

Technology Inflow Program (TIP)

Managed by DFAIT and delivered domestically by the National Research Council, TIP is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. The Department of Industry (DI) 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.

Investment Development Program

The Investment and Technology Bureau (TID) promotes Canada as an attractive, competitive destination for business investment to potential foreign investors. It actively encourages investments that take the form of new plant and equipment, joint ventures or strategic partnerships. The Bureau is especially interested in attracting investment that introduces new technology into Canada, which is key to creating new jobs and economic opportunities. It also helps Canadian companies to find international investment partners and to access international sources of capital and technologies. TID provides support to the chief executive officers of Canadian subsidiaries of multinationals which are seeking to attract manufacturing and R&D mandates to Canada. It also monitors and analyzes investment trends and perceptions of Canada as an investment site. TID works closely with the "geographic" branches of DFAIT and the investment counsellors at Canadian missions around the world, as well as with provincial and municipal authorities, and professional and business organizations. For more information, contact:

Investment and Technology Bureau (TID)

Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel.: (613) 995-4128
Fax: (613) 995-9604

Department of Industry (DI)

DI 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 DI 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. DI also promotes and manages a portfolio of programs and services.

The following are areas in which DI 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.

For more information, call (613) 941-0222.

Business Service Centre

Department of Industry
235 Queen Street
First Floor, East Tower
Ottawa, ON K1A 0H5
Fax: (613) 957-7942

NAFTA Information Desk

Department of Industry
235 Queen Street
Fifth Floor, East Tower
Ottawa, ON K1A 0H5
Fax: (613) 952-0540

The Business Opportunities Sourcing System (BOSS)

BOSS is a computerized databank that profiles over 25,000 Canadian companies. It lists basic information on products, services and operations of use to potential customers. The system was established in 1980 by the Department of Industry (DI) in cooperation with participating provincial governments. BOSS was originally established so that trade commissioners posted around the world by DFAIT could find Canadian companies that might be able to take advantage of foreign market opportunities. Today, more than 11,000 domestic and international subscribers use the system, not only to locate Canadian suppliers, but also to obtain market intelligence and identify market opportunities. The majority of subscribers are Canadian companies. For more information, call (613) 954-5031.

Market Intelligence Service (MIS)

MIS provides Canadian businesses with detailed market information on a product-specific basis. The service assists Canadian companies in the exploitation of domestic, export, technology transfer and new manufacturing investment opportunities. The intelligence is used by Canadian businesses in decisions regarding manufacturing, product development, marketing and market expansion. A request for information can be custom-tailored to meet each client's particular need. Previously-published customized reports are also available on request. The database is updated quarterly and annually. MIS is offered free of charge by fax, letter or telephone. For more information, contact:

Strategic Information Branch

Department of Industry
235 Queen Street
First Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 954-5031
Fax: (613) 954-1894

Revenue Canada

Revenue Canada, Customs Program Branch provides a NAFTA Help Desk telephone line with service available in Spanish. Revenue Canada publications and customs notices are available by calling or faxing the NAFTA Information Desk. For more information, contact:

NAFTA Spanish Help Desk

Tel.: (613) 941-0965

NAFTA Information Desk

Revenue Canada, Customs Programs Branch
191 Laurier Avenue West
Sixth 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 (CIDA/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) 997-7905/7906
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

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. 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 is a customer-driven, financial services corporation dedicated to helping Canadian businesses succeed in the global marketplace. EDC provides a wide range of risk management services, including insurance, financing and guarantees to Canadian exporters and their customers around the world.

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. Exporters can call (613) 598-2860 for more information.

Smaller exporters, with annual export sales under C \$1 million, should call the Emerging Exporter Team at 1-800-850-9626.

Exporters in the information technology sector can call EDC's Information Technologies Team at (613) 598-6891.

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) 237-2690

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
**office also serves
 Manitoba and
 Saskatchewan*
 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

Canadian Commercial Corporation (CCC)

The 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.

The 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. The CCC's participation in a sale provides Canadian suppliers with the tangible backing of their own government. This enhances their credibility and competitiveness in the eyes of foreign customers, which can often lead to the negotiation of more advantageous contract and payment terms.

The CCC offers a range of useful tools to provide access to specialized markets such as the U.S. Department of Defence. It can also assist exporters in their transactions with foreign private-sector buyers.

The Corporation's services, as well as the credibility it offers, are of particular benefit to Canadian small- and medium-sized enterprises (SMEs), many of whom are less-known internationally. In 1993 to 1994, nearly 70 percent of the Corporation's suppliers were SMEs. The CCC's recently introduced Progress Payment Program will make it easier for SMEs to obtain pre-shipment financing.

The Progress Payment Program was developed in co-operation with Canada's financial institutions. It makes pre-shipment export financing more accessible to small- and medium-sized exporters. The program allows exporters to draw on a special line of credit, established by their 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.

This program aims to get the exporter, its bank and the CCC working together to complete a successful export. The process usually is as follows:

- First, CCC will work with the company to determine whether the CCC can participate in the deal. The CCC assesses risks and the structure of the proposed contract. The customer's method of payment must be acceptable to the CCC.

- A positive assessment leads to preapproval by the CCC and the exporter's financial institution for pre-shipment financing. Negotiations can then begin with the customer, within parameters agreed to by the exporter and the CCC.
- The CCC will normally assume the role of prime contractor in the transaction to provide the performance assurance on which progress payment financing is based.
- Once a deal is in place, the CCC will work with the exporter, monitoring progress in completing the contract. The exporter's financial institution will release progress payments according to the progress of the work as well as the incurred project costs.
- The CCC will collect from the exporter's customer and remit payments to its financial institution.

For more information about the CCC, please contact:

Head Office

Canadian Commercial Corporation
 50 O'Connor St., 11th Floor
 Ottawa, Ont.
 K1A 0S6
 Tel.: (613) 996-0034
 Fax: (613) 995-2121
 Telex: 053-4359

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 Council also manages the Canada Institute for Scientific and Technical Information (CISTI) database.

The IRAP network supports the process of developing, accessing, acquiring, implanting and using technology throughout Canadian industry. IRAP has been in existence for 50 years and has acquired a reputation as one of the most flexible and effective federal programs. IRAP takes advantage of an extensive network of more than 190 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) 993-1770
Fax: (613) 952-1086

Canada Institute for Scientific and Technical Information

National Research Council
Montreal Road
Building M-55
Ottawa, ON K1A 0S2
Tel.: (613) 993-1600 or 1-800-668-1222
Fax: (613) 952-9112

**Business and Professional
Organizations in Canada**

**Canadian International Freight Forwarders Association
(CIFFA)**

Box 929
Streetsville, ON L5M 2C5
Tel.: (905) 567-4633
Fax: (905) 542-2716

Canadian Society of Customs Brokers (CSCB)

111 York Street
Ottawa, ON K1N 5T4
Tel.: (613) 562-3543
Fax: (613) 562-3548

The Canadian Trucking Association

130 Slater Street
Suite 1025
Ottawa, ON K1P 6E2
Tel.: (613) 236-9426
Fax: (613) 563-2701

Railway Association of Canada

800 René Lévesque West
Suite 1105
Montreal, PQ H3B 1X9
Tel.: (514) 879-8555
Fax: (514) 879-1522

Air Transportation Association

25 Albert Street
Suite 1100
Ottawa, ON K1P 6A9
Tel.: (613) 233-7727
Fax: (613) 230-8548

Canadian Association of Logistics Management

610 Alden Road
Suite 201
Markham, ON L3R 9Z1
Tel.: (905) 513-7300
Fax: (905) 513-1248

**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 the immigration regulations related to 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

810-1139 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), Banco de Comercio (Bancomer), and Banca Serfin are 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

Banco de Comercio (Bancomer)

The Royal Bank Plaza
South Tower
Suite 2915
P.O. Box 96
Toronto, ON M5J 2J2
Tel.: (416) 956-4911
Fax: (416) 956-4914

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

**Canadian Government
Departments and Services
in Mexico**

***Commercial Division
The Embassy of Canada in Mexico***

The Commercial 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.

Note: to telephone Mexico City, dial 011-52-5 before the number shown. For contacts in other cities in Mexico, consult the international code listing at the front of your local telephone directory for the appropriate regional codes.

Commercial Division
The Embassy of Canada in Mexico
Schiller No. 529
Apartado Postal 105-05
Col. Polanco
11560 México, D.F.
México
Tel.: 724-7900
Fax: 724-7982

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

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

Quebec House

Representing the Government of Quebec, the office deals with a wide range of issues. On the commercial side, it promotes Mexican business opportunities with Quebec firms and helps to prepare them for the Mexican marketplace.

Quebec House

Taine No. 411
 Col. Bosques de Chapultepec
 11580 México, D.F.
 México
 Tel.: 250-8208
 Fax: 254-4282

The Canadian Chamber of Commerce in Mexico

The Canadian Chamber of Commerce in Mexico — *La Cámara de Comercio de Canadá en México* — brings together Canadian business people working in Mexico. Its main objective is to provide information and contacts to Canadian firms interested in doing business in Mexico.

The Canadian Chamber of Commerce in Mexico

c/o Bombardier
 Paseo de la Reforma No. 369, Mezzanine
 Col. Juárez
 06500 México, D.F.
 México
 Tel.: 729-9903, 207-2400
 Fax: 208-1592

**Mexican Federal
Government Departments**

Secretaría de Comercio y Fomento Industrial (SECOFI)

This department of the Mexican federal government is responsible for developing the country's industry and its foreign and domestic trade. It administers supply and price policies, establishes industrialization, distribution and consumption policies for agricultural, livestock, forestry, mining, and fisheries products. *SECOFI* also promotes Mexico's foreign trade, and defines tariffs and sets official prices. It studies and determines the fiscal incentives needed for industrial promotion. *SECOFI* offices pursue investment throughout Mexico and encourage trade by local industry. They can be important sources of information.

Secretariat of Commerce and Industrial Development

Secretaría de Comercio y Fomento Industrial (SECOFI)
Sub-Secretaría de Promoción de la Industria y el Comercio
Insurgentes Sur No. 1940-P.H.
Col. Florida
01030 México, D.F.
México
Tel.: 229-6560/6561, 229-6100
Fax: 229-6568

**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. Fuentes de Tecamachalco
53950 Tecamachalco, Estado de Mexico
México
Tel.: 729-9300
Fax: 729-9477

Other Government Departments

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.: 584-0786/0271/6288
Fax: 584-2699

Secretariat of Communications and Transportation

Secretaría de Comunicaciones y Transportes (SCT)

Av. Universidad y Xola, Cuerpo C, P.B.

Col. Narvarte

03020 México, D.F.

México

Tel.: 530-3060, 538-5148/0450

Fax: 519-9748

Secretariat of National Defence

Secretaría de la Defensa Nacional (SDN)

Blv. Avila Camacho y Av. Industria Militar

Col. Lomas de Sotelo

11640 México, D.F.

México

Tel.: 395-6766, 557-8971

Fax: 557-1370

Secretariat of Energy

Secretaría de Energía (SE)

Insurgentes Sur No. 552

Col. Roma Sur

06769 México, D.F.

México

Tel.: 564-9789/9790, 584-4304/2962

Fax: 564-9769, 574-3396

Department of the Federal District

Departamento del Distrito Federal (DDF)

Plaza de la Constitución

Esquina Pino Suárez, Piso 1

Col. Centro

06068 México, D.F.

México

Tel.: 518-1100, 782-2088/3000

Fax: 542-1429

Secretariat of Finance and Public Credit

Secretaría de Hacienda y Crédito Público (SHCP)

Palacio Nacional

1er. Patio Mariano

Col. Centro

06066 México, D.F.

México

Tel.: 518-5420 through 29

Fax: 542-2821

Secretariat of the Environment, Natural Resources and Fisheries

Secretaría del Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP)

Periférico Sur No. 4209
Col. Jardines en la Montaña
14210 México, D.F.
México
Tel.: 628-0602/0605
Fax: 628-0643/0644

Secretariat of Foreign Affairs

Secretaría de Relaciones Exteriores (SRE)

Ricardo Flores Magón No. 1, Piso 19
Col. Guerrero
06995 México, D.F.
México
Tel.: 782-3660/3765
Fax: 782-3511

Secretariat of Health

Secretaría de Salud (SS)

Lieja No. 8, Piso 5
Col. Juárez
06600 México, D.F.
México
Tel.: 553-7670/7940
Fax: 286-5497

Secretaría de Salud (SS)

Dirección General de Control Sanitario de Bienes y Servicios
Donceles No. 39
Col. Centro
06010 Mexico, D.F.
México
Tel.: 518-3696
Fax: 512-9628

Secretaría de Salud (SS)

Dirección General de Control de Insumos para la Salud
Mariano Escobido No. 373, Piso 6
Col. Chapultepec Morales
11570 Mexico, D.F.
México
Tel.: 254-0962/2525
Fax: 254-6962

Secretaría de Salud (SS)
Dirección General de Salud Ambiental
San Luis Potosí No. 192, Piso 4
Col. Roma
06700 Mexico, D.F.
México
Tel.: 584-6745
Fax: 558-5260

Secretariat of Planning and Budget
Secretaría de Programación y Presupuesto (SPP)
Palacio Nacional, Patio de Honor, Piso 4
Col. Centro
06740 México, D.F.
México
Tel.: 542-8762/8763
Fax: 542-1209

Secretariat of the Interior
Secretaría de Gobernación (SG)
Abraham González No. 48
Col. Juárez
06699 México, D.F.
México
Tel.: 566-8188/3132, 592-1141
Fax: 546-7388

Secretariat of Labour and Social Welfare
Secretaría del Trabajo y Previsión Social (STPS)
Periférico Sur No. 4271, Edificio A
Col. Fuentes del Pedregal
14140 México, D.F.
México
Tel.: 645-3715/5466
Fax: 645-2595

Secretariat of the Navy
Secretaría de Marina (SM)
Tramo H. Escuela Naval Militar 861
Eje 2 Oriente No. 861
Col. Cipreses
04830 México, D.F.
México
Tel.: 684-8188
Fax: 684-8188 ext. 4328

Secretariat of Public Education

Secretaría de Educación Pública (SEP)

Argentina No. 28, Piso 2

Col. Centro

06029 México, D.F.

México

Tel.: 510-2557, 512-0358, 328-1000/1067

Fax: 518-4350, 5218293

Secretariat of Tourism

Secretaría de Turismo (SECTUR)

Presidente Masaryk No. 172, Piso 8

Col. Polanco

11587 México, D.F.

México

Tel.: 250-8171/8228

Fax: 254-0014

Secretariat of Social Development

Secretaría de Desarrollo Social (SEDESOL)

Av. Constituyentes No. 947

Edificio B, Planta Alta

Col. Belén de las Flores

01110 México, D.F.

México

Tel.: 271-8481/1616

Fax: 271-8862

Secretariat of the Comptroller General

*Secretaría de Contraloría y Desarrollo Administrativo
(SECODAM)*

Insurgentes Sur No. 1735 – P.B.

Ala Norte, Oficina 22

Col. Guadalupe Inn

01020 México, D.F.

México

Tel.: 662-2762/3263, 663-3636

Fax: 662-4511

Mexican Foreign Trade Commission

Banco Nacional de Comercio Exterior (BANCOMEXT)

Av. Camino a Santa Teresa No. 1679

Piso 12, Ala Sur

Col. Jardines del Pedregal

01900 México, D.F.

México

Tel.: 652-8422/8620, 327-6000

Fax: 652-9408

Other Agencies and Organizations

Mexican Investment Board — *Consejo Mexicano de Inversión (CMI)* is a non-profit joint venture of the Government of Mexico and the private financial sector. It was created to assist foreign investors. Information on how the Board assists investors can be obtained from the Mexican Embassy or from consular offices operated by *Bancomext* in Vancouver, Toronto, and Montreal.

Mexican Investment Board
Consejo Mexicano de Inversión (CMI)
Paseo de la Reforma No. 915
Col. Lomas de Chapultepec
11000 México, D.F.
México
Tel.: 202-7804
Fax: 202-7925

National Chamber of Manufacturing Industry — *Cámara Nacional de la Industria de Transformación (CANACINTRA)* offers a wide range of services to companies wishing to do business in Mexico. It offers information on government regulations and procedures as well as advice on trade, financial incentives, industrial parks, and joint ventures. A separate division of the Chamber prepares studies of Mexico's economic situation while the international affairs division focuses on trade promotion.

National Chamber of Manufacturing Industry
Cámara Nacional de la Industria de Transformación (CANACINTRA)
Av. San Antonio No. 256
Col. Ampliación Nápoles
03849 México, D. F.
México
Tel.: 563-3400
Fax: 563-5381

Financial Institutions

Mexico's Central Bank
Banco de México
Tacuba No. 4, Piso 1
Col. Centro
06059 México, D.F.
México
Tel.: 512-5817, 237-2378
Fax: 237-2370

National Development Bank — *Nacional Financiera (NAFIN)*
provides financing for small- and medium-sized enterprises and promotes economic and regional development. To support business development in Mexico, it will offer venture capital to foreign entrepreneurs involved in joint ventures as well as domestic businesses.

National Development Bank
Nacional Financiera (NAFIN)
Insurgentes Sur No. 1971, Piso 13
Col. Guadalupe Inn
01020 México, D.F.
México
Tel.: 325-6000, 661-7165/4044
Fax: 325-6042, 661-8418

Bancomer — *Banco de Comercio* specializes in financing small- and medium-sized companies. It will also handle the Mexican financing for joint ventures. Its officers can serve as intermediaries between foreign investors and Mexican partners.

Banco de Comercio, S.A. (BANCOMER)
Av. Universidad No. 1200
Col. Xoco
03339 México, D.F.
México
Tel.: 621-3301/3302, 621-0034
Fax: 621-3988

Mexican Stock Exchange
Bolsa Mexicana de Valores
Reforma No. 255
Col. Cuauhtémoc
06500 México, D.F.
México
Tel.: 208-8174
Fax: 591-0534

National Banking Commission
Comisión Nacional Bancarías y de Valores
Insurgentes Sur No. 1971
Col. Guadalupe Inn
01020 México, D.F.
México
Tel.: 724-6900/6000
Fax: 724-7364, 661-3608

**Major Business and
Professional Organizations
in Mexico****Associations of Customs Brokers**

*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 Acapulco, Guerrero

Morelos No. 9, Despacho 6 y 7
3300 Acapulco, Guerrero
México
Tel.: 2-1997, 3-1870

*Asociación de Agentes Aduanales del Aeropuerto Internacional
de la Ciudad de México*

Av. Revolucion No. 1005
Col. Mixcoac
03910 México, D.F.
México
Tel.: 611-2943/8749
Fax: 563-9018

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 Hidalgo, Chiapas

2a. Calle Oriente No., 6-F
30840 Ciudad Hidalgo, Chiapas
México
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26000 Piedras Negras, Coahuila
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Despachos 403/7

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Fax: 82-4573

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Constitucion No. 288

91700 Veracruz, Veracruz

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Asociación Mexicana de la Industria Automotriz, A.C. (AMIA)

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Col. Condesa

06100 México, D. F.

México

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Fax: 272-7139

National Association of Importers and Exporters of the Mexican Republic

Asociación Nacional de Importadores y Exportadores de la República Mexicana (ANIERM)

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Col. Roma

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México

Tel.: 564-8618/9218

Fax: 584-5317

Mexican Business Council for International Affairs

Consejo Empresarial Mexicano para Asuntos Internacionales (CEMAI)

Homero No. 527, Piso 7

Col. Polanco

11570 México, D.F.

México

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Fax: 531-1590

Mexican Confederation of Employers

Confederación Patronal de la República Mexicana

Insurgentes Sur No. 950, Piso 1 y 2

Col. del Valle

03100 México, D.F.

México

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Fax: 536-2160

Mexican Confederation of National Chambers of Commerce

*Confederación de Cámaras Nacionales de Comercio
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Balderas No. 144, Piso 3

Col. Centro

06079 México, D.F.

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Tel.: 709-1559

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National Chamber of Commerce of Mexico City

*Cámara Nacional de Comercio de la Ciudad de México
(CANACO)*

Paseo de la Reforma No. 42

Col. Juárez

06030 México, D.F.

México

Tel.: 592-2677/2665

Fax: 705-7412, 592-3571

National Chamber of the Construction Industry

Cámara Nacional de la Industria de la Construcción (CNIC)

Periférico Sur No. 4839

Col. Parques del Pedregal

14010 México, D.F.

México

Tel.: 665-0424, 424-7400

Fax: 606-6720

National Chamber of the Apparel Industry

Cámara Nacional de la Industria del Vestido (CNIV)

Tolsá No. 54

Col. Centro

06040 México, D.F.

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National Institute for Statistics, Geography and Informatics

Instituto Nacional de Estadística, Geografía e Informática (INEGI)

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