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OPPORTUNITIES IN MEXICO:
SAFETY AND SECURITY
PRODUCTS AND SERVICES



Department of Foreign Affairs and International Trade
Ministère des Affaires étrangères et du Commerce international
Latin America & Caribbean Bureau

M A R K E T P R O F I L E - M E X I C O

Opportunities in Mexico: Safety and Security Products and Services was developed jointly by the Department of Foreign Affairs and International Trade (DFAIT) and Prospectus Inc.

This market profile is designed to provide an overview of the market for safety and security products and services in Mexico. Although efforts have been made to avoid errors and inaccuracies in this document, it is not intended to be used as the only source of market information on this sector. We encourage the reader to use this publication as one of several resources for commercial dealings with Mexico.

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SAFETY AND SECURITY PRODUCTS AND SERVICES

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THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of close to 361 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of more than \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico was just under \$6.5 billion in 1995 and is expected to exceed \$8 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from \$452 million in 1992 to over \$1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However, it is not exhaustive. The differing circumstances, interests and needs of individual companies will influence their strategies for the Mexican market.

Further assistance can be obtained by addressing requests to the International Trade Centres (see Where To Get Help) or contact the InfoCentre at:

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

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AN EMERGING SECURITY CONSCIOUSNESS

Although crime has traditionally been the main force driving Mexico's safety and security market, a broader safety consciousness is beginning to emerge.

Mexicans have not traditionally enjoyed the standards of safety and security that Canadians are accustomed to, either at work or in their personal lives. It is difficult to demonstrate the differences precisely because Mexico's official statistics do not reflect the full extent of the hazards people face. But there is little debate that those hazards are severe and that they have become more threatening over the past few years. In particular, criminals have become more violent and more daring. Public resources for crime and fire fighting have been strained by the recent economic crisis. This has forced individuals and corporations to take action to protect themselves. At the same time, the North American Free Trade Agreement (NAFTA) has put pressure on the Mexican government to improve its occupational health and safety record. These trends are creating a new interest in methods of improving safety and security.

Personal security has long been a serious concern in Mexico, especially for the relatively affluent. Income disparities are much greater than they are in Canada, which tends to make wealth more conspicuous. This problem has been greatly magnified by the economic crisis that swept Mexico following the devaluation of the peso in December 1994. Rates of theft and robbery soared as more than a million people were thrown out of work. For example, in the Federal District, the number of automobile thefts involving violence rose from 35 per day in 1994 to 59 per day in 1995. Over the same one-year period, violent robberies of homes rose by 36 percent. These are official police statistics, which probably understate the problem. Many crimes go unreported because of a general lack of confidence in the police and the justice system.

Mexico's occupational health and safety standards are not as comprehensive as Canada's and they are not as well enforced. Mexican labour unions tend to concentrate on economic benefits: they have not been as aggressive as their Canadian counterparts in pressing for health and safety improvements. In fact, health and safety clauses in collective agreements are most often proposed by management. The main impetus for improved standards is coming from government. This is partly a result of NAFTA, which included a "side agreement" on labour, the North American Agreement on Labor Cooperation (NAALC), calling upon all three governments to guarantee safer and cleaner working environments. Rising premiums for workers' compensation are another force motivating safer work practices.

Fire safety is difficult to evaluate because of the lack of reliable statistics. Many fires are not reported. Official statistics on the incidence and consequences of fires are classified as confidential by the *Secretaría de Seguridad Pública del Distrito Federal (SSP)*, Secretariat of Public Security of the Federal District. The United States Department of Commerce has estimated that an average 1,300 Mexicans lose their lives and that 5,200 are injured annually in fires. The economic crisis has reduced public spending on fire safety, placing greater onus on owners of homes and businesses to provide their own fire abatement systems.

There has been a sharp rise in demand for personal security devices. But growing concern over occupational health and safety as well as fire safety have not yet created substantial new demands for imported products and services. This is partly because a "prevention culture" is developing only very slowly. Also, the December 1994 devaluation of the peso nearly doubled the prices of imported goods and services. Most industry observers believe that demand for imported safety and security products will grow steadily as the economy improves and the perceived need for prevention becomes more deeply ingrained.

Canadian companies, especially those with niche technologies, usually find that partnering with a Mexican firm is the most effective strategy for entering the safety and security market. Mexican suppliers understand the market and do not face the cultural barriers that foreign suppliers do. But Mexican companies lack technical sophistication and are strapped for capital. Canadian companies that can fill these gaps will find attractive long-term opportunities in the Mexican market.

THE SAFETY AND SECURITY SECTOR

Local manufacturers are focused mainly on low-technology products; consulting services are provided mainly by distributors of imported goods.

The safety and security sector includes companies that supply equipment and services for the prevention of personal injury and property damage from occupational crime and fire hazards. The sector includes manufacturers of protective products and technologies, as well as distributors of imported products who also advise on system design, maintenance and operation.

Mexican companies dominate the low-technology end of this sector, but they are mostly dependent on imports for advanced technologies. Although the Spanish word *seguridad*, means both safety and security, Mexicans regard these as two separate markets. Security refers to protection from crime and fraud, sometimes being referred to as *protección* or *vigilancia*. Safety means protection from accidents, sickness and acts of God. In the occupational context, it is known as *seguridad e higiene*.

In Canada, this sector is more fully developed and, therefore, includes more specialized producers. Canadian suppliers to Mexico tend to be small- to medium-sized enterprises focused on niche markets. It is, therefore, useful to divide the Mexican market into three subsectors:

1. **Protection from crime** includes companies that provide security services including consulting and system design as well as on-site security-guard services. It also includes suppliers of a wide range of personal and vehicle protective devices. Mexican firms are strong in the services market, but imported products claim more than three-quarters of the equipment market.
2. **Protection from occupational hazards** includes consultants as well as providers of a wide range of personal protective equipment, testing instruments and monitoring gear. Mexican firms account for more than three-quarters of this market.
3. **Protection from fire** includes companies providing systems to prevent and detect fires as well as equipment to extinguish them. Mexican firms claim about two-thirds of this market.

The market shares shown here are estimates based on interviews with industry participants. There are no reliable statistics to show either the size of the Mexican safety and security market or the penetration of imported products. The published trade statistics do not adequately distinguish between safety-related products and other types. For example, although the harmonized trade

classification system (HS) provides a separate classification for protective goggles for "workers employed in hazardous work," the Mexican government does not report its import statistics at that level of detail.

According to estimates by the United States Department of Commerce, the American share of the import market is about two-thirds for personal security products and more than three-quarters for fire and occupational safety equipment. By those estimates, Canada has a 3 percent share of the fire abatement equipment market and a 1.4 percent share of the market for personal security equipment.

OCCUPATIONAL HEALTH AND SAFETY

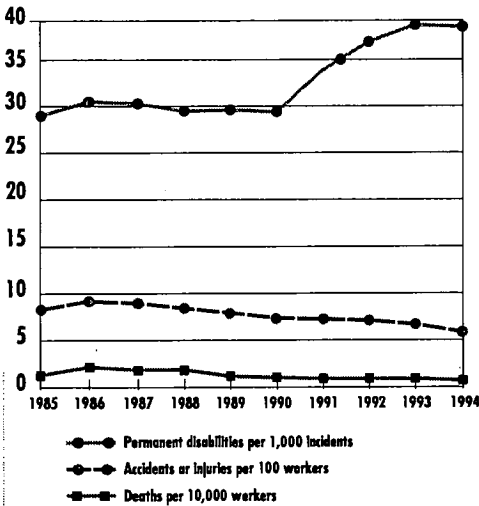
Mexico's industrial accident rate has fallen steadily over the past several years, but the concept of controlling hazards at their source rather than with personal protective equipment is still new.

According to official government statistics, there were more than 437,000 occupational accidents and illnesses in Mexican private-sector workplaces during 1995. Total lost time was 11 million days. These include only incidents within the jurisdiction of the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, which covers private-sector workers. Public-sector employees are covered by the *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, Institute of Security and Social Services for Public Sector Employees. It reported only 1,335 accidents during the first eight months of 1995.

Data published by the *IMSS* indicates that Mexican workplaces have been gradually getting safer. Between 1986 and 1995, the average number of accidents per 100 workers declined from 9.1 to 5.0. This trend may be partly due to changes in industrial coverage over the period, and many industries have much higher rates. However, over the same period, the rate for accidents causing permanent disability rose from 30.9 per 1,000 workers to 39.8. These statistics are not considered very reliable by many observers, and the true rates are probably a great deal higher.

A large proportion of Mexican workers are employed in the "informal" economy and are not covered by the social security system. They are self-employed or work for small unregistered companies, many of which are family-based. For example, it has been estimated that as much as half of all construction-industry employment is in the informal sector. Nationally, the insured private work-force was only 8.8 million in 1995, only about 9 percent of the population. In an interview, officials from the *Secretaría del Trabajo y Previsión Social (STPS)*, Secretariat of Labour and Social Welfare, suggested that overall, Mexico's industrial accident rate is about 25 percent higher than most industrialized countries.

INDUSTRIAL ACCIDENT AND INJURY RATES



Source: *Coordinación de Salud en el Trabajo*, Coordination Committee for Health in the Workplace, 1995.

Worker health and safety is regulated under the Mexican constitution and under the *Ley Federal del Trabajo*, Federal Labour Law. Article 123 of the constitution places an onus on employers to protect the health and safety of workers. Chapter 9 of the labour law sets out a number of specific requirements and also gives force to regulations called *Reglamento General de Seguridad e Higiene en el Trabajo*, general regulations on security and hygiene in the workplace. The law requires the establishment of joint worker/employer/government committees in each workplace with 20 or more workers. The committees, known as *comisiones de seguridad e higiene*, are comparable in many ways to Ontario's Joint Health and Safety Committees. They are expected to ensure that the law is complied with and that workers properly use personal protective equipment. The *Secretaría del Trabajo y Previsión Social (STPS)*, Secretariat of Labour and Social Welfare, has overall responsibility for administration of the law.

The government has programs in place to support the activities of health and safety committees. In particular, the *Dirección General de Seguridad e Higiene en el Trabajo*, Safety and Hygiene Division of the *STPS*, operates a program called *Programa de Consolidación Operativa para Comisiones de Seguridad e Higiene en el Trabajo*, Program to Consolidate the Operations of the Health and Safety Commissions. This is a two-phase program. A 25-hour workshop trains committee members to carry out their duties. Then there is a follow-up phase, which provides continuous advice by tracking the quarterly meetings of the committee.

Notwithstanding the activities of these joint committees, most observers agree that government regulation is the principal force driving the market. Mexican unions have not been nearly as aggressive as their Canadian counterparts in pursuing health and safety objectives. Although notoriously lax, enforcement has been stepped up in recent years. The implementation of the Agreement for Labor Cooperation (NAALC), under the NAFTA labour "side agreement" has also had an important impact.

In spite of an increased emphasis on enforcement, the devaluation of the peso has put the government in a position where rigorous enforcement could lead to job losses. As a result, enforcement efforts have been focused mainly on larger firms, especially those with export earnings. Government officials say that recent budget cuts allowed the inspection of only 5 percent of Mexico's 670,000 registered companies in 1995.

Engineering controls for health and safety hazards are a relatively new concept in Mexico, and the emphasis is still on personal protective equipment for workers. The regulations include detailed requirements for a wide variety of protective clothing and equipment. In the past, many companies have tried to avoid the expense of safety equipment, and worker reluctance to use such equipment has

made this fairly easy. But workers' compensation fees levied by the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, are tied to industry average accident rates. This has prompted some industry associations to run safety promotion and training programs. Many individual companies are following suit because they must demonstrate that they fit within the norms of their industry or else face additional levies.

Collective bargaining proposals for new health and safety equipment and work procedures are usually an employer demand. Inclusion in the collective agreement gives management the right to dismiss employees who are found not using the required equipment. For the most part, unions are more interested in obtaining premium wages for dangerous work than in reducing the hazards.

In addition to personal protective equipment and clothing, there is growing demand for safety signs and warning devices as well as first-aid kits. As the restructuring of the Mexican economy proceeds, more and more companies can be expected to deal with safety hazards at their source. Occupational health is recognized in terms of basic industrial hygiene, and there is a demand for monitoring equipment and other systems for workplace assessment. But health problems resulting from exposure to workplace hazards are not necessarily recognized as occupational. In 1994, for example, there were only 6,000 authorized absences from work due to occupational illness, in an insured workforce of almost 10 million.

According to estimates by the United States Department of Commerce, Mexican suppliers, including subsidiaries of multinational corporations, claim about 80 percent of the market for safety and industrial hygiene equipment. The market for related consulting and training services is not well defined, but observers believe that foreign companies dominate the market, at least for the more sophisticated solutions.

By law, Mexican companies must belong to at least one specialized industry association. A key association is the *Asociación Nacional de Fabricantes y Distribuidores de Equipo de Seguridad Industrial (Anfadesi)*, National Association of Manufacturers and Distributors of Industrial Security Equipment. This organization conducts regular safety seminars designed to introduce health and safety technologies. The *Asociación Mexicana de Higiene y Seguridad Industrial (Amhsac)*, Mexican Association of Hygiene and Safety, which has some 3,000 member companies, also sponsors training programs as well as a variety of other events.

PROTECTION AGAINST CRIME

Crime, especially violent crime, has soared as a result of the economic crisis spawned by the devaluation of the peso in December 1994.

Mexico's larger cities have always been relatively dangerous, and the economic crisis that was precipitated by the peso devaluation of December 1994 made the situation worse. With just over 2,000 murders per year for a population of some 10 million, the Federal District — including Mexico City — is still less dangerous than many large American cities. But its crime problems are much worse than Canada's. Criminals tend to be heavily armed and, in the absence of adequate police protection, they have become very bold. Armed robbery is the most threatening problem. Every day, almost 60 occupied cars are seized from their owners, typically at gunpoint. A total of 30,000 automobiles were stolen during 1995, and the number of violent robberies of homes rose by 36 percent. Crime against business has increased by similar proportions, and organized crime has become a growing threat.

These events have led to a rapid growth in the market for security products. According to United States Department of Commerce estimates, the market for personal security equipment was expected to grow by 15 percent to reach US \$54 million in 1996. About 80 percent of this equipment is imported.

This subsector is dominated by relatively small companies with specialized products and services. *Securat '96*, a trade show held in Mexico City in July 1996, included a vast array of products designed to protect businesses, homes, vehicles and persons from theft and robbery. The items attracting the most interest included self-protection sprays and electric shock devices, as well as all types of car theft protection systems. Devices designed to foil violent attacks on automobiles also attracted considerable attention. These included tempered glass to deter both window smashing and bullets, and a device that fills the vehicle with smoke. According to media reports, Mexico is the largest market in the world for armoured automobiles, with customers paying up to US \$65,000 for a conversion.

Products and services for business are in demand, especially closed-circuit television systems, and automatic detection systems and alarms. Systems that protect against armed robbery and shoplifting are in strong demand in the retail sector. There is also an emerging market for security consultants who are not tied to particular product lines.

The government recognizes the severity of the crime problem. President Zedillo recently acknowledged that "Mexico is undergoing a period of public insecurity." A five-year public security plan was unveiled in July 1996. Twelve thousand new police officers will be hired, and there have already been a number of publicly-

sponsored crime-fighting campaigns. An emergency phone system called *Sistema 08* (similar to 911 in Canada) has already been introduced in Mexico City. Government demand for security equipment during 1996 is estimated to be double the 1995 levels.

REPORTED CRIMINAL ACTIVITIES IN THE FEDERAL DISTRICT

	1994	1995
Murder	2,107	2,190
Rape	1,299	1,289
Other sexual offences	1,082	1,033
Violent robbery of residences	679	923
Violent robbery of businesses	6,737	8,784
Burglary of residences	4,826	6,822
Burglary of businesses	8,325	11,078
Theft from delivery personnel	10,412	17,752
Theft from transients	16,828	23,530
Automobile theft with violence	12,591	21,382
Automobile theft without violence	16,751	35,116
Automobile parts theft	2,029	2,929
All other theft	5,015	6,547
Assault	26,024	28,865
Trafficking in stolen goods	21,656	24,139
Looting	2,299	2,290
Fraud	11,441	10,594
Firearms possession	818	960
Kidnapping and unlawful confinement	447	439
Other	10,130	11,937
Total	161,496	218,599

Source: Procuraduria General de Justicia del Distrito Federal (PGJ), Attorney General for Justice for the Federal District.

FIRE SAFETY

In spite of the widespread use of masonry construction, Mexico has a serious fire problem, partly as a consequence of a dilapidated system of gas distribution.

Fire is a major concern for most Mexicans. In fact, this is one reason why wood is not used for structural components of buildings. Detailed fire statistics are not available, but the United States Department of Commerce has estimated annual fire casualties at 6,500, where approximately 20 percent are fatal.

FIRE DEPARTMENT SERVICES IN THE FEDERAL DISTRICT, 1995

Category	Number of Incidents
Control of gas leaks	9,685
Control and extinguishing of fires	6,022
Fire prevention services	2,351
Cutting of trees	1,738
Attention to vehicle collisions	972
Attention to short circuits	852
Flood control	385
Removal of fluid spills	112
Recovery work	76
Attention to landslides and collapses	73
Attention to explosions	45
Water supply services	35
Recovery and exhumation of corpses	32
False alarms	6,779
Total	29,157

Source: *Secretaría de Seguridad Pública del Distrito Federal (SSP)*, Secretariat of Public Safety for the Federal District.

Government purchases of fire-fighting equipment and fire-prevention systems for public buildings account for about two-thirds of the fire-safety market. Industrial and commercial enterprises are also major customers because they are forced to take strong preventive measures by insurance companies. Sprinklers, detectors and alarm systems are all in demand. The home fire-abatement market is limited mainly to smoke detectors and small fire extinguishers.

Fire departments are the responsibility of the state governments. Data from the Federal District are representative of the larger cities. Gas leaks exceed fires as causes for fire department mobilizations. The *Secretaría de Seguridad Pública del Distrito Federal (SSP)*, Secretariat of Public Safety for the Federal District, responded to a request for additional statistics on the incidence and severity of fires with a letter stating that this information is "confidential."

Mexicans are not typically as aware of fire hazards as other North Americans and they are generally lax in taking even the most basic precautions. A number of high-profile disasters have raised the public consciousness of fire safety and spawned public awareness campaigns. For example, in 1992 there was a massive explosion in the sewer system of Guadalajara. This was attributed to leaks from gas stations and gas pipelines. There was an immediate response from *Petróleos Mexicanos (Pemex)*, the national oil company, which owns the gas stations. A program calling for the re-vamping of gas stations was immediately put into effect and a privatization program was announced. Public awareness programs concerning the danger of gas leaks were launched. A gas leak hot-line was established in conjunction with the Guadalajara fire department.

CUSTOMERS

Mexican government entities, including police and fire departments, are currently the largest customers for safety and security products. However, individual consumers are the fastest-growing market segment.

Customers for safety and security equipment can be divided into four categories: industrial, institutional, commercial and individual. According to industry experts interviewed for this publication, the industrial and institutional sectors account for about 80 percent of the market.

COMMERCIAL ENTERPRISES

The commercial sector is exposed to both safety and security hazards. Almost 20 percent of all occupational injuries occur in commercial establishments, including restaurants and hotels. According to estimates from *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics, losses from crime tripled between 1995 and 1996. As a result, the commercial sector is an important customer for a wide variety of security equipment.

The most important consumers in this subsector are:

- banks and financial institutions
- large supermarket chains
- department stores and malls

Mexican security firms are also significant customers for a variety of products.

SUPERMARKETS

Mexican supermarkets have an unusually high accident rate. Employers blame poor worker education and high turnover rates. Observers add that the sector has done little to improve its worker safety. A notable exception is *Grupo Cifra*, which is training a selected number of employees in first aid and emergency response.

Shoplifting is the other major concern of supermarkets. The usual protection is by security guards but closed circuit television systems are increasingly popular.

DEPARTMENT STORES AND MALLS

Shoplifting is the major threat facing department stores and retail malls. In addition to closed-circuit television systems, a variety of stolen-merchandise detectors are in demand. Systems to prevent armed robbery are also needed.

Security services contracted by retailers to aid in the prevention of armed robberies, include guard services and watchdogs. The larger institutions train their own security or surveillance forces. This is creating a market for imported consulting and training services. Some of the larger retail chains, such as *El Puerto de Liverpool*, *Comercial Mexicana* and *Cifra* are very quality conscious and will pay higher prices for sophisticated technologies.

Truck hijacking is another serious problem in Mexico and vehicles belonging to retail chains are often targets. The larger chains have recently begun to equip their fleets with satellite tracking systems.

Building codes, expensive insurance and high public profiles of companies along with their products or employees make good customers for safety products. Fire prevention and detection systems, as well as alarms and evacuation route signs, are also key products.

FINANCIAL INSTITUTIONS

Financial institutions have been the largest victims of the recent crime wave. During a three-month period in 1995, banks were being robbed at the rate of two per day. The banks have their own police force that works in conjunction with local police. At a recent meeting, the banks acknowledged the "grave inefficiency" of their own security force, and called for total reform. As a result, new cars, arms and bullet-proof equipment have been ordered. Protecting clerks and clients is also a priority, creating increased demand for bullet-proof glass.

Bank robbers have grown increasingly sophisticated and daring. The banks have responded with technological solutions, which include closed-circuit television, systems for tracing money and perpetrators, and alarms and direct links to police stations. The demand for armoured trucks is also rising.

Industry observers note that the financial sector has been one of the first in Mexico to establish a "prevention and safety culture" within its managerial and administrative staff. Financial-sector buyers are recognized by distributors and agents as being demanding in terms of quality, guarantees and customer service. They are also regarded as punctual payers and the most susceptible to marketing and publicity. Financial institutions tend to prefer foreign brand names and like dealing with prestigious companies. Most of the safety-related goods in this sector come from the United States, Israel, Germany, Japan and France.

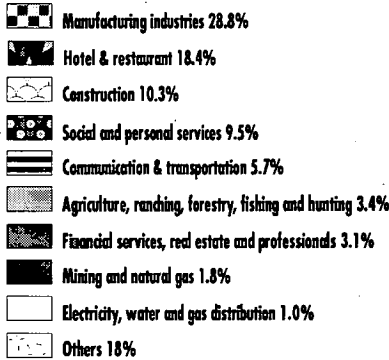
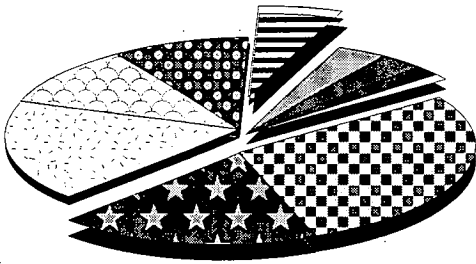
INDUSTRIAL ENTERPRISES

All types of industrial corporations are potential customers for safety and security products. The most important industries are construction, mining, oil and gas, chemicals and the manufacturing sector. While security from theft is always a problem, worker health and safety presents the biggest challenge.

Industrial companies in Mexico are less likely than their commercial counterparts to have adopted a "prevention culture". Personal protective equipment is still the largest market component. The primary driving force is government regulations, which require specific safety apparel and equipment in individual industries.

According to data provided by the *Dirección General de Seguridad e Higiene en el Trabajo, Secretaría del Trabajo y Previsión Social (STPS)*, the Safety and Hygiene Division of the Secretariat of Labour and Social Welfare, industrial accidents cost more than \$25 billion Mexican pesos and 89 million hours of lost working time in 1995. In spite of these losses, the industrial sector as a whole has been slow to invest in worker safety.

ACCIDENTS AND INJURIES BY SECTOR, 1995



Source: *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security; *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, Institute of Social Security and Services for Public Employees; *Petróleos Mexicanos (Pemex)*, the national oil company; and the *Secretaría del Trabajo y Previsión Social (STPS)*, Secretariat of Labour and Social Welfare.

The demand for engineering solutions to health and safety hazards is concentrated mainly in the larger multinational companies. Many of them apply corporate-wide standards based on practices in their home companies. They generally exceed the requirements of Mexican law. But industry experts say that these companies are the most likely to be held liable for observing industry-specific and safety-related standards. Some accuse the government of biasing the safety statistics by focusing on "clean" multinational operations that are not representative of industry as a whole.

But multinational enterprises are not necessarily good customers for Canadian safety technologies, since they tend to have established sources in their home countries. Mexican companies are generally open to new cost-effective solutions, but so far have not been subjected to the same level of regulatory scrutiny. They are also more likely than multinationals to engage in corrupt practices. Even when they manufacture under licence to foreign companies, Mexican firms do not necessarily follow foreign safety standards. The recent economic crisis has made labour cheaper and more available, further reducing the incentives for improvement.

Although this market so far has been slow to develop, it is expected to expand over the medium term. In particular, the use of accident-prevention training and systems for monitoring the work environment are likely to increase as enforcement becomes more aggressive, partly as a result of the North American Free Trade Agreement (NAFTA).

Industry experts note that despite the recent crime wave, industrial losses related to theft and organized crime have remained stable at between \$7 and \$12 billion Mexican pesos per year. Most of these losses involve fraud and theft by employees. Other thefts and robberies occur during product distribution, and this is usually the responsibility of the commercial sector. For this reason, vertically integrated groups are the best customers within the industrial sector for security mechanisms and equipment.

CONSTRUCTION

The construction industry has the highest accident rate in Mexican industry with an annual accident rate of 38 per 100 workers, or about 10 percent of all workplace accidents. The figure would be much higher if the "informal" sector were included. The most common accidents are falls or injuries from falling objects.

As in other countries, the impermanent nature of construction projects makes it difficult to apply engineered hazard controls. So far, the lack of a "prevention culture" has limited the use of preventative measures other than personal protective equipment. Unqualified workers are found throughout the industry and the amount of safety training is far below Canadian standards.

The situation is different in some of the larger construction companies. Their visibility and association with high-profile projects makes them more image-conscious and their international connections give them access to sophisticated solutions. *GUTSA Construcciones* and *Empresa ICA* are two of the most important construction firms in the country. Both have stated that quality is the only consideration when purchasing safety products. Industry observers note that the larger Mexican companies promote their high safety standards when trying to outbid foreign competitors on high-profile projects.

MINING

The mining industry is now Mexico's largest consumer of safety-related products. It has an accident rate of about 17 per 100 workers, which ranks it as the third most hazardous industry, behind construction and the sugar/methanol industry. Mining is a relatively small employer, with about 25,000 workers, but it has not been badly hurt by the peso devaluation. Therefore, it has not cut back on equipment purchases as have some other industries. The participation of foreign partners in many of the larger mining ventures has also served to promote international standards. The presence of Canadian mining companies in Mexico may create a foothold for Canadian suppliers. The systems required for mine safety are sophisticated and specialized, and Canadian companies have developed many applicable niche products.

CHEMICALS

According to official statistics, the chemical industry is not particularly dangerous, but it has serious health risks that are very poorly monitored. The low reported accident rate may be due to the fact that health effects of chemical exposure are often not recognized as occupational injuries.

These health threats are real, however, and, as the government begins to take action, a market for a wide range of monitoring and assessment tools is likely to emerge. Multinational companies and large Mexican *grupos* are already major customers for industrial hygiene products. The leading international firms include BASF, Bayer, Exxon, and Ciba. *Grupo CYDSA* is one of the top Mexican firms.

ENERGY

Two government-owned enterprises dominate the energy sector. *Petróleos Mexicanos (Pemex)*, the national oil company, has a monopoly over all petroleum production. The *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, has the exclusive right to produce electricity sold to the public. Recently, parts of both companies have been privatized or awarded to private-sector companies. Government-owned corporations are large buyers of safety and health products, especially safety clothing and hygiene equipment. Private-sector concessions tend to be very cost-conscious.

Traditionally, *Pemex* has been a difficult company for new suppliers to approach because of its arcane purchasing system and network of insiders. But the purchasing system is now being decentralized, which will create new opportunities. Unofficial estimates indicate that the *Pemex* regional offices will be able to deal directly with foreign suppliers sometime in 1997.

MANUFACTURING

Except for construction and mining, of all the industries rated in *IMSS* Category 5, the most dangerous are manufacturing industries. The highest accident rates are found in the metalworking, furniture and rubber industries. The majority of accidents involve the misuse of equipment or inadequate use of safety equipment. According to statistics from the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, the most common accidents are inhalation of toxic fumes and lacerations.

The manufacturing sector is also vulnerable to crime. The most commonly reported crimes are theft of merchandise and industrial plans or blueprints for products. Much of this theft is perpetrated by employees. Under Mexican labour law, dismissing an employee for theft is quite difficult. As a result, industries are using more closed-circuit television systems. According to some reports, companies are also using extended probation arrangements to assist with internal security issues. The extended probation gives employers a longer period of time during which to assess the employee. The employer also retains its flexibility in terms of hiring and dismissal during the probationary period; once the employee moves from probation to full time employment, it becomes much more difficult to dismiss them, even if security leaks are suspected.

INDUSTRIAL ACCIDENT RATES PER 100 WORKERS, 1992

Industries	Per Year
Construction, except public **	37.88
Sugar & industrial ethyl alcohol, manufacturing **	21.52
Mining & quarrying of nonmetallic minerals	16.68
Metallic structures & tanks, repairing & manufacturing	15.33
Railroad & light rail transportation	14.98
Iron, steel & nonferrous metals production	13.66
Motor vehicle equipment, manufacturing & assembling	13.30
Furniture manufacturing, except metal & plastic	11.53
Metal furniture & accessories, manufacturing & assembling	11.46
Metallic products manufacturing, not included before	11.21
Manufacturing of tools and articles for agriculture, hardware & cattle farming	11.07
Rubber products manufacturing & processing	10.63
Soft drinks & carbonated waters, processing, bottling & canning	10.50
Metal curtains, doors, windows & accessories, manufacturing & repairing	10.49
Plastics manufacturing	9.70
Non-woven textiles manufacturing	9.22
Paper & cardboard products manufacturing	8.51
Construction materials, sales & transportation	8.48
Installation of sanitary facilities, electricity, gas & air conditioning	7.99
Electric power generation, transmission & distribution	7.27

** not including temporary workers

Source: Instituto Mexicano del Seguro Social (IMSS), Mexican Institute for Social Security.

GOVERNMENT INSTITUTIONS

Government institutions are large users of safety and security products. They are responsible for public safety and are also more likely than most private companies to comply with official standards and regulations. Government institutions include schools, banks and hospitals as well as a wide variety of public-administration operations.

Government entities must comply with Mexico's public purchasing law, and each has its own procurement procedures within that framework. They are also required to comply with official standards for hygiene, personal protective equipment, fire abatement and fire prevention. Government financial institutions have additional security needs. The most important customers are public hospitals and clinics, universities, financial institutions, police forces and fire departments.

The government announced a new five-year public security program known as *Programa Nacional de Seguridad Pública 1995-2000*, National Public Safety Program 1995-2000. The program focuses on revamping the police and the judicial sector. It is part of the government's broader economic development plan, the *Plan Nacional de Desarrollo 1995-2000*, National Development Plan 1995-2000, which calls for increased funding to public safety, security and emergency response systems. This program is expected to substantially increase demand for goods and services by police forces. Other important customers include hospitals and universities that are part of the government's disaster response programs.

POLICE

The police and the army have their own purchasing policies, which are generally subject to public bidding. In 1996, the federal police force is expected to spend 8 percent of its budget on arms, 19 percent on communications equipment, 36 percent on vehicles, and 15 percent on riot gear. The 1995 budget was \$282 billion Mexican pesos. Representatives of the army and navy declined requests for information about their requirements.

HOSPITALS AND CLINICS

Mexican public hospitals and clinics are operated by the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, and the *Instituto de Seguridad y Servicios Sociales para los Trabajadores del Estado (ISSSTE)*, the Social Security and Services Institute for Government Workers. The *IMSS* has more than 20,000 medical attention units of which 5,200 are large clinics and hospitals. This institute has over 60 million users including family members of registered users. The *ISSSTE* has approximately 12.4 million users.

The strain on the medical system is enormous and the government is eager to obtain less expensive products that meet the minimum quality standards set down in the *Cuadro Básico* of the Mexican Red Cross. This is a list of qualified products. If a product is accepted into this *Cuadro*, it is virtually guaranteed sales. However, getting on to the *Cuadro* is difficult and observers report that corrupt practices are widespread.

UNIVERSITIES AND SCHOOLS

Mexican public universities and schools are important buyers of safety and security products. The *Universidad Nacional Autónoma de México (UNAM)*, National Autonomous University of Mexico, is the best example. It provides education to more than 250,000 students across the country and is directly involved with about half of all Mexican scientific research. Along with the *Secretaría de Educación Pública (SEP)*, Secretariat of Public Education, it is responsible for setting down safety requirements for every school in the country.

Every school is required to have a first-aid kit. These are rarely bought prepackaged, because they must contain a specific list of items. Most schools are forced to assemble them on their own.

The *UNAM* also has its independent security force. Local police are not allowed to operate within university jurisdiction. However, *UNAM* security forces are even more poorly equipped than the regular Mexican police. *UNAM* schools are now under pressure from the local municipalities in which they operate to increase funding so as to purchase new cars, electronics and other equipment.

FIRE DEPARTMENTS

Fire departments are the responsibility of Mexico's 31 states and the Federal District. By far the largest fire department is in the Federal District, which includes Mexico City and its surroundings. The *Secretaría de Seguridad Pública del Distrito Federal (SSP)*, Secretariat of Public Safety of the Federal District, employs more than 10,000 fire fighters, supplemented by a large auxiliary force. The fire departments have an ongoing demand for a variety of equipment ranging from fire trucks and other vehicles to fire retardation gear and protective equipment for fire fighters. Virtually all of this equipment is imported, with local manufacturers being limited mainly to hoses, axes and fire extinguishers. Fire departments usually import directly and do not pay duty on their purchases. Most of them have established ties with suppliers in the United States.

INDIVIDUAL CONSUMERS

Individual Mexicans are bearing the brunt of Mexico's security crisis. Individual workers have little influence over their employers' health and safety policies, and are not significant customers in that market. But individuals possess a strong incentive to protect themselves from fire and crime, and thus are open to marketing efforts. In fact, the recent surge in crime, and advertising of crime prevention equipment has led to soaring sales in this market. Individuals need to protect themselves, their homes and their vehicles.

At home, intrusion alarms are the most popular product, but the huge increase in violent assaults on residences is also creating demand for security bars and products that allow visitors to be screened before entry.

For automobiles, anti-theft alarms, steering-wheel locking devices, and systems that disable the vehicle during an attempted theft are very popular. Anti-theft devices for auto accessories are also in demand. It is not uncommon for expensive equipment such as car CD players to be stolen again, as soon as they are replaced. Tempered glass is seen as the principal protection against violent attacks on automobiles. Affluent Mexicans go further. According to industry experts, more than 800 cars were armoured in 1995 alone.

Personal protection is a more complex matter, because not all of the methods in use are legal. Firearms are, in theory, stringently controlled by the government. Nonetheless, a leading newspaper recently estimated that one in five Mexicans owns an unregistered gun. Mace® is another example. Pepper spray is legal because it is made of natural products which are not controlled by the police or army. In theory, sales of Mace® and similar products are controlled by the police, but these products are readily available, because some people prefer them to pepper spray. Electric shock weapons, such as the Air Taser® are not specifically prohibited, and company promotional literature claims that they can be used without a permit.

The recently published national safety plan calls for a revamping of legislation to allow citizens to more freely protect themselves. Suppliers of personal security products take this to mean new legislation permitting the sale of previously restricted products. It is unlikely that the new laws will affect restrictions on firearms.

For most personal security products, the consumer is looking for reliability before affordability. Demand is expected to diminish in the medium term as Mexicans become more used to daily crime, and as government measures to reduce the crime rate have their intended effect.

COMPETITORS

Mexican companies dominate the market for low-technology products and services, but more sophisticated products are almost entirely imported.

Canadian suppliers of safety and security products face competition from both Mexican and foreign companies. In general, Mexican manufacturers dominate the low-technology end of the market. They are highly competitive for such products as fire extinguishers, locks and basic protective gear such as shoes, gloves and hats. The more sophisticated the product, the more likely it is to be imported. A notable exception are bullet-proof vests, which are produced and distributed by *Mantenimiento y Comercialización Industrial (Macoisa)*.

Mexican distributors are very active in this sector, especially where imported products are involved. Some of them also provide consulting services. This gives them a good understanding of customer needs for new products. They are especially influential in guiding purchase decisions for smoke detectors and sprinkler systems, along with home alarms and security devices.

Professional safety and security consulting companies are fairly new to the market and are mainly foreign. Large commercial and industrial buyers have shown interest in signing contracts with consulting specialists with international experience. Foreign consultants include International Security & Defense Systems Ltd., of Israel. This company has sold protective services for refineries and other installations to *Pétroleos Mexicanos (Pemex)*, the national oil company; it also features training programs for VIP protection.

Government agencies provide security advice as well. The *Sistema Nacional de Protección Civil*, National Civil Protection System, provides consulting services to individual home builders and construction companies regarding fire and earthquake protection. General contractors are obliged to follow city building codes and to respect federal guidelines for the distribution of liquid gas. Fire departments provide assistance only for federal buildings or private buildings with fire alarm networks that are directly linked to the fire department.

The *Secretaría del Trabajo y Previsión Social (STPS)*, Secretariat of Labour and Social Welfare, provides a health and safety consulting service. It sets minimum safety standards and operates watch-dog committees through *STPS's Dirección General de Seguridad e Higiene en el Trabajo*, Safety and Hygiene Division. Each company is responsible for adhering to the minimum standards and registering compliance with the *Dirección General de Seguridad e Higiene en el Trabajo*, but there are no significant consulting companies that could help them.

The big retailers tend to prefer American-made products, partly because of their prestigious brand names. Products from Israel, Germany, Japan and France are also regarded as sophisticated and of high quality. Canada has not yet established a significant foothold in this market.

MAJOR SUPPLIERS OF SAFETY AND SECURITY EQUIPMENT

Product	Suppliers
Fire engines	Dina de México
Fire-fighting equipment	Direct imports from 58 US firms
Fire extinguishers	Kondor México, SICISA, Fielding, Grinnell
Firefighters' clothing and protective gear	Direct imports: Morning Pride / Little Force, Ranger / Serbus, Fire Pel, Bristol
Fire detectors and alarm systems	Ultra Alarma, Central de Alarmas, Grupo Alarmas.
Fire hydrants	Grupo Nanda Devi
Fire prevention systems	Ansul de México
Smoke detectors	Control, FMI
Car alarms and anti-theft devices	Directed Electronics, Inc. (Viper, Sony), Safe Windows de México
Intrusion alarms	Honeywell, Alarmtech de México, Alarmas Guardian, Helmix, Mousse
High-security locks	Diebold México, Philips, Lucky-Lock
Electric fences	Grupo de Lor
Pepper spray, chemical spray, electric shock guns	Operadora Trebol, Dispositivos Químicos Atómicos de Seguridad
Bullet-proof glass	Industrias Nader
Industrial security systems,	Panasonic, Sony, Pelco, Burle, Aiphone, Oris, Alarmas de México
Security services	SIS Corp., SYSE
Batons, nightsticks, bullet-proof vests	Mantenimiento y Comercialización Industrial (Macoisa)
Portable radio transceivers	Motorola, Kenwood, Sony
Occupational personal protective equipment	MSA de México, INFRA, Industrias Arda, RESI International, Mind Safety Appliances de México, American Optical

Source: Interviews.

TRENDS AND OPPORTUNITIES

The devaluation of the peso in December of 1994 doubled the cost of imported products and services. But it also triggered a wave of violent crime that is driving a strong demand for many security products.

THE PESO CRISIS

No sector of the Mexican economy has escaped the consequences of the abrupt devaluation of the peso that occurred in late December 1994. Within a matter of days, the peso fell to about half of its previous value relative to the US dollar. This doubled the price of imports and triggered a sudden drop of about 10 percent in gross domestic product (GDP). The devaluation occurred three weeks after the new government of President Ernesto Zedillo came to power. The economic disruption exacerbated the normal period of uncertainty that accompanies changes of government in Mexico. Economic hardship pushed up the rate of street crime. And, at the same time, political instability created an opening for the expansion of organized crime.

The rise in crime, combined with the inability of the government to do anything about it, reduced even further the faith that Mexican citizens and businesses place in the forces of law and order. This fostered a huge increase in the demand for commercial, home, automobile, and personal protective products and services.

Demand cannot be satisfied by Mexican manufacturers, so imports are filling the gap, in spite of their high peso prices. Economic conditions, however, have led to an influx of cheaper consumer products that do not meet basic needs. Recent media stories showed, for example, how some car steering locks can be broken in a few seconds.

Despite financial constraints, the commercial sector is continuing to purchase state-of-the-art equipment. Department stores are placing satellite tracking devices on their delivery trucks. Large companies are providing sophisticated personal protection for their senior employees and giving them allowances for home-security devices. Unfortunately, some of the most exposed sectors cannot afford to invest in security. Taxi cabs are a good example. The cost of installing impact-resistant plastic barriers is more than most owner-drivers can afford, and more than most fleets are willing to spend. Furthermore, the barriers are not effective against bullets, and robberies are almost always committed with firearms.

The need for increased security has been recognized by both the federal government and the Federal District administration. In July 1996, the government announced its *Programa Nacional de Seguridad Pública 1995-2000*, National Public Safety Program. The program allows for greatly increased expenditures by the police forces and for the modernization of the judicial sector. The Federal District has recently installed an emergency phone system, similar to Canada's 911 services, and it has sponsored a number of anti-crime public education campaigns.

THE COMMISSION FOR LABOR COOPERATION

As part of the North American Free Trade Agreement (NAFTA) negotiations, separate "side agreements" on labour and the environment were signed. The labour agreement is called The North American Agreement on Labor Cooperation (NAALC). It set out a number of signatory obligations and established the Commission for Labor Cooperation. The commission includes a ministerial council and a secretariat located in Dallas, Texas, with staff drawn equally from the three NAFTA countries.

Under the NAALC, signatory countries are obliged to promote compliance with, and effective enforcement of, their own labour laws. They must also ensure access, transparency and due process of law, and provide public information.

Much of the responsibility for Mexico's poor health and safety record falls on lax enforcement rather than inadequate standards. For this reason, it has been anticipated that the activities of the commission would put pressure on the Mexican government to increase enforcement efforts.

Industry experts in Mexico who were interviewed for this publication do not believe that the NAALC has, so far, had a significant effect. They note that during 1994, before the commission was set up, there was a brief flurry of attention to health and safety issues. But this sensitivity to foreign observation was quickly swamped by economic concerns after the peso crisis. Nonetheless, over the medium term, the commission's activities are likely to call increasing attention to health and safety problems and ultimately spur increased enforcement. Health and safety is one of the issues that can be taken to international arbitration under the NAALC. But media attention to case studies developed by the commission will have a more immediate impact. So far, the high-profile cases have concerned freedom of association and the right to organize. Commission staff say that future cases will call attention to health and safety issues.

The commission has also been active in promoting technical exchanges between Canada, the US and Mexico. For example, in July 1995, the Canadian Centre of Occupational Health and Safety conducted a seminar in Mexico City. About 25 participants attended, including representatives of the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, and the *Secretaría de Trabajo y Previsión Social (STPS)*, Secretariat of Labour and Social Welfare. There was also good participation at a construction health and safety study tour held in Dallas in November 1995.

PRODUCT OPPORTUNITIES

Recent trends have created a number of product and service opportunities. These vary greatly by subsector and are discussed separately in the following sections.

PROTECTION AGAINST FIRE

Education is the most important element of fire prevention and there may be opportunities for companies with experience in conducting public awareness campaigns. Textile, electric lighting, Christmas tree and toy companies are becoming more aware of consumer safety and are looking for fire-retardant materials.

Fire detection has traditionally been limited to large corporations, especially those directly linked to the fire department. There is an emerging market for low-cost smoke detectors for residences.

Fire extinguishers are the leading fire suppression product in Mexico. The carbon dioxide type is the most popular but all types are in demand. Sprinkler systems are increasingly in demand as companies become more aware of the benefits of quick response. Fire departments have ongoing demands for a wide range of fire-fighting equipment.

PROTECTION AGAINST BURGLARY AND ARMED ROBBERY

Burglary in Mexico is increasingly being replaced by armed robbery as criminals become bolder and better armed. Window bars and upgraded locks provide protection against both. Guard dogs are also popular, although few are properly trained. Higher-income families are increasingly using closed-circuit television systems, interphones with video, and electric fencing.

Urban demographics have created many enclosed residential areas. Entrances to residential compounds are typically controlled by private guard services that are connected to the central police. Equipment to support such systems is in demand.

PROTECTION AGAINST THEFT OF VEHICLES AND CONTENTS

The most popular products for vehicle protection are car alarms, steering-wheel locking devices, and digital door locks. Such devices are proving inadequate, especially because of the rise in vehicle hijackings. Frequently, wealthy occupants of vehicles are kidnapped for ransom. The thieves are usually heavily armed and often belong to organized crime groups. This trend has created a demand for tracking devices, smoke-emitting devices, delayed-response alarms, tempered glass and armoured vehicles.

PROTECTION AGAINST PERSONAL ASSAULT

Mexican law does not allow citizens to carry a firearm without a permit and so there is a demand for legal self-defence weapons. The law concerning the use of weapons by civilians has many vague points and it will be liberalized under the government's new public security program. The main criterion is whether a weapon causes permanent effects. On these grounds Mace® and tear-gas related products are not permitted. Pepper spray, on the other hand, is regarded as a natural product causing no permanent damage, and is permitted. Electric-shock guns may or may not cause secondary effects and there are no specific laws regulating their use in Mexico. Traditionally, the marketing of these types of products has been targeted at middle-class women.

PROTECTION AGAINST SHOPLIFTING

As the consumer market has become more sophisticated in Mexico, retail businesses have implemented more elaborate anti-shoplifting measures. Besides the standard guard services, false mirrors and closed-circuit television systems, stores are increasing their use of magnetic, electromagnetic, and radio-frequency sensors on merchandise.

PROTECTION AGAINST INDUSTRIAL THEFT

Industrial theft is most often perpetrated by employees. This is an area of increasing sensitivity, and large potential demand. The most popular products are closed-circuit television systems, metal detectors and electronically-controlled doors, but there are major opportunities for other cost-effective solutions.

There is an emerging market for computer software to protect access to sensitive information. The leading company in this field is OmniGuard de Axent Technologies Inc., represented in Mexico by *Insys*.

SECURITY CONSULTING

There are few specialized security consulting companies operating in Mexico. Consulting services are provided mainly by security equipment distributors and public agencies. This suggests opportunities for Canadian security specialists who could form joint ventures with Mexican companies already in the market. The best opportunities will be for companies with knowledge of high-technology solutions.

THE REGULATORY ENVIRONMENT

The federal and state governments are heavily involved in public safety and security. Occupational health and safety is also subject to extensive regulation.

WORKER HEALTH AND SAFETY

Policy concerning occupational health and safety is defined and enforced by the *Secretaría del Trabajo y Previsión Social (STPS)*, Secretariat of Labour and Social Welfare, through its *Dirección General de Seguridad e Higiene*, Safety and Hygiene Division, and in accordance with the *Ley Federal del Trabajo*, Federal Labour Law.

The *Dirección General de Seguridad e Higiene (STPS)*, Safety and Hygiene Division of the *STPS*, controls the *comisiones de seguridad e higiene*, safety and health commissions, in each company. These are mandatory joint committees which, except for the participation of government representatives, are similar to those mandated under Ontario's Occupational Health and Safety Act. Any company with more than 20 employees must have such a commission, and they are regulated by the *Normas Oficiales Mexicanas (NOMs)*, official standards, *NOM-019-STPS-1993*. Each company is responsible for designing and setting-up training courses for all employees every year. The commission in every company is responsible for supervising these procedures and reporting to the Safety and Hygiene Division of the *STPS*.

The commissions are formed with equal representation from the employer and the workers. Typically, worker representatives are union leaders. The size of the commission is based on the number of employees in the company. Quarterly meetings are mandatory.

The *Dirección General de Seguridad e Higiene, STPS*, is also responsible for drafting *NOMs*, which detail specific requirements for each work environment. There are six separate *NOMs* governing personal protective equipment and several more concerning other workplace elements such as air quality, noise and vibration. Most of them were issued in 1993 and 1994, and new standards are constantly under development.

As of November 1994, Mexican companies that have workers registered in the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security, are obliged to classify the risks their employees are exposed to according to a published list of criteria. The purpose of this list is to establish the insurance premiums the company will have to pay to the *IMSS*. There are five ratings for increasing levels of risk, from 1 to 5. These risk ratings also affect compensation levels, because organized labour generally seeks higher pay for jobs with higher levels of risk.

The *IMSS* is responsible for the workers' compensation system covering most private-sector employees. The *Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)*, Institute of Social Security and Services for Public Employees, runs its own program for public-sector employees. *Petróleos Mexicanos (Pemex)*, the national oil company, has its own compensation system, and the *STPS* covers a small number of miners.

Cámaras and other industry associations often draft their own industry guidelines and publish them as *Normas Mexicanas*, voluntary requirements, that have had to be replaced with *NOMs* and government regulations in many cases.

PUBLIC SAFETY

The *Secretaría de Gobernación (SG)*, Secretariat of the Interior, through the *Sistema Nacional de Protección Civil*, National Civil Protection System, is responsible for setting safety standards for homes, offices and public buildings. It also organizes emergency reaction programs and public-health campaigns. In 1995, it published *Guía Técnica para la Implementación de Programas Internos de Protección Civil*. This is a technical guide to setting up emergency response programs for use by larger organizations.

WEAPONS

The *Ley Federal de Armas de Fuego y Explosivos*, Federal Firearms and Explosives Law, regulates the use of firearms, defining which are of civilian, military and police use. The law does not permit private guard services to carry guns, except by authorization of the *Secretaría de la Defensa Nacional (Sedena)*, Secretariat of Defence. By law, the *Tolete (PR24)*, a baton, is also exclusively reserved for use by police forces. In theory, tear gas is reserved for use by the military. Many private security companies violate these regulations. A tear gas made in the United Kingdom is widely used, and many companies also issue firearms.

The law does not specifically cover personal protective products such as pepper spray and electric-shock guns. This lack of definition has created a market for such products. An informal market has emerged, not so much because the products are illegal, but because it is often street-merchants, who do not pay taxes, who sell them. An illegal black-market exists for firearms.

PRODUCT STANDARDS

Many security and safety products are covered by Mexico's *Normas Oficiales Mexicanas (NOMs)*, system of official standards. In these cases, prior to importation a *NOM* certificate must be obtained from the *Secretaría de Comercio y Fomento Industrial (Secofi)*, Secretariat of Commerce and Industrial Development. Products must be tested by an accredited Mexican laboratory, although under a phase-out provision, Canadian laboratories will be able to do this in the future.

Technically, these requirements apply to the importer, but as a practical matter the onus is on the exporter because the certificate of compliance is required before the goods can cross the border. The list of products subject to this requirement is constantly being revised, and prospective exporters should depend on their Mexican customers or distributors to keep them informed of the requirements. They include a wide variety of fire detection and fire-fighting products, as well as personal protective equipment.

MARKET ENTRY STRATEGIES

Partnering with a Mexican company is the most popular way for small-to medium-sized Canadian companies to enter the Mexican market.

Canadian companies wishing to sell their products in Mexico usually find that establishing a local presence is an essential first step. This is especially important in the safety and security market because prestige is an important purchasing factor. Buyers and distributors who were interviewed for this publication said that Canadian products meet the quality and image requirements to become leaders in the market. As they see it, the main problem is that Canadian companies have too low a profile and have not aggressively promoted their products.

PARTNERING

An effective way of establishing a presence in the market is to form strategic alliances or partnerships with Mexican distributors or agents. Distributors compete by offering wider and better product lines to their clients. Free technical assistance, consulting services and training are other important selling features. Canadian technology can help local distributors to meet these requirements and, in return, they can offer access to the local market.

Mexico has a complex industrial structure and it is in a state of rapid reorganization as a result of trade liberalization and the peso crisis of December 1994. To establish a strong local presence, Canadian companies must often look for several agents and distributors who can cover different sectors and different parts of the country.

GOVERNMENT PROCUREMENT

In most cases, government institutions do not have centralized purchasing departments. As decentralization of key sectors such as education, energy and social security becomes a growing trend, companies must be informed of where to find information. Personal sales and contacts may help. Checking the *Diario Oficial*, National Gazette, especially since the new security plan came into effect, is a good way to identify and possible public tenders. This information is also available in Canada through the open bidding service (OBS).

TRADE SHOWS

In order to make themselves known, many Canadian companies participate in trade shows and industry conferences. Three annual events are of special interest:

- *Seguexpo* The *Asociación Mexicana de Higiene y Seguridad Industrial (Amhsac)*, Mexican Association of Hygiene and Security, has an annual trade show for their members and other interested companies.
- *Securat* is organized every summer by *OM Comunicación*. *Securat '97* will take place at the World Trade Centre in Mexico City, May 7 to 9, 1997.
- *TecnoExpo '97* will take place at Exhibimex April 22 to 25, 1997.

WHERE TO GET HELP

CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN CANADA

DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE (DFAIT)

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

InfoCentre
Tel.: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink:* (613) 944-4500
InfoCentre Bulletin Board (IBB):
Tel.: 1-800-628-1581 or (613) 944-1581
Internet: <http://www.dfait-maeci.gc.ca>

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

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

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

INTERNATIONAL TRADE CENTRES (ITCs)

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

Newfoundland	International Trade Centre P.O. Box 8950 Atlantic Place 215 Water Street Suite 504 St. John's, NF A1B 3R9 Tel.: (709) 772-5511 Fax: (709) 772-2373
Prince Edward Island	International Trade Centre P.O. Box 1115 Confederation Court Mall 134 Kent Street Suite 400 Charlottetown, PE C1A 7M8 Tel.: (902) 566-7443 Fax: (902) 566-7450
Nova Scotia	International Trade Centre P.O. Box 940, Station M 1801 Hollis Street Fifth Floor Halifax, NS B3J 2V9 Tel.: (902) 426-7540 Fax: (902) 426-2624
New Brunswick	International Trade Centre P.O. Box 1210 1045 Main Street Unit 103 Moncton, NB E1C 1H1 Tel.: (506) 851-6452 Fax: (506) 851-6429

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

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

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

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

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

Alberta
**Edmonton office is
also responsible for
Northwest Territories*

International Trade Centre
Canada Place
9700 Jasper Avenue
Room 540
Edmonton, AB T5J 4C3
Tel.: (403) 495-2944
Fax: (403) 495-4507

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

British Columbia
**Vancouver office is also
responsible for the Yukon*
International Trade Centre
P.O. Box 11610
300 West Georgia Street
Suite 2000
Vancouver, BC V6B 6E1
Tel.: (604) 666-0434
Fax: (604) 666-0954

WORLD INFORMATION NETWORK FOR EXPORTS (WIN EXPORTS)

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

PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)

PEMD is DFAIT's primary export promotion program. It supports a variety of activities to help Canadian companies expand into export markets.

PEMD shares up to 50 percent of eligible expenses. Program financial assistance is a repayable contribution, not a grant, and must be approved in advance. Funded activities include:

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

For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance through this program, call the International Trade Centre nearest you. In Quebec, PEMD is administered by the 13 regional offices of the Federal Office of Regional Development (FORD Q), listed separately below.

INTERNATIONAL FINANCING

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

International Financing Division

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

TECHNOLOGY INFLOW PROGRAM (TIP)

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

HUMAN RESOURCES DEVELOPMENT CANADA

Occupational Safety and Health Programs

Human Resources Development Canada
Place du Portage
Phase II
165 Hôtel de Ville Street
Hull, Quebec K1A 0J2
Tel.: (819) 953-0212
Fax: (819) 953-4830

Fire Protection Services

Human Resources Development Canada
Place du Portage
Phase II
165 Hôtel de Ville Street
Hull, Quebec K1A 0J2
Tel.: (819) 997-1306
Fax: (819) 997-6795

INDUSTRY CANADA (IC)

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

- develop, implement and promote national policies to foster the international competitiveness of industry; the enhancement of industrial, scientific and technological development; and the improvement in both the productivity and efficiency of industry;
- promote the mobility of goods, services, and factors of production within Canada;
- develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses;
- develop and implement national policies and programs respecting industrial benefits from procurement of goods and services by the Government of Canada; and
- promote and provide support services for the marketing of Canadian goods, services and technology.

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

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

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

Business Service Centre

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

NAFTA Information Desk

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

STRATEGIS

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

Strategis

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

REVENUE CANADA

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

NAFTA Information Desk

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

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)

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

enterprises to establish mutually beneficial collaborative arrangements for the transfer of technology and the creation of employment in Mexico.

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

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

ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)

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

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

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

THE FEDERAL OFFICE OF REGIONAL DEVELOPMENT (QUEBEC), (FORD Q)

FORD Q is a federal regional economic development organization. Through its commitment to provide services tailored to its clients, FORD Q supports the development of the economic potential of all regions of Quebec and the creation of viable jobs by promoting a business climate in which small- and medium-sized enterprises (SMEs) can grow and prosper. FORD Q uses the relevant and sought-after expertise of the federal government to work with the entrepreneurial spirit of Quebecers in every region and improve their competitive position. It also seeks, through strategic activities and partnerships in the community, to improve the business climate, an essential factor in the growth of SMEs.

FORD Q provides one-stop access to federal services and programs aimed at SMEs, particularly with regard to innovation, research and development (R&D), design, market development and entrepreneurship. Through its 13 Small Business Access Centres, FORD Q provides access to Team Canada export services and programs in the areas of awareness, export preparation, information, networking, advice and counselling, funding and access to funding.

In terms of access to funding, PEMD, with the exception of the component on preparing projects for submission, is delivered through the Small Business Access Centres. IDEA-SME, a FORD Q program, can also support firms during the export process. In addition, through alliances with banks, Small Business Access Centre advisors can facilitate access to funding for foreign marketing strategy projects.

Small Business Access Centre
Abitibi/Témiscamingue
906 5th Avenue
Val d'Or, PQ J9P 1B9
Tel.: (819) 825-5260
Fax: (819) 825-3245

Small Business Access Centre
Bas Saint-Laurent/Gaspésie/Îles-de-la-Madeleine
212 Belzile Street
Suite 200
Rimouski, PQ G5L 3C3
Tel.: (418) 722-3282
Fax: (418) 722-3285

Small Business Access Centre
Bois-Francis
Place du Centre
150 Marchand Street
Suite 502
Drummondville, PQ J2C 4N1
Tel.: (819) 478-4664
Fax: (819) 478-4666

Small Business Access Centre
Côte-Nord
701 Laure Boulevard
Suite 202B
P.O. Box 698
Sept-Îles, PQ G4R 4K9
Tel.: (418) 968-3426
Fax: (418) 968-0806

Small Business Access Centre
Estric
1335 King Street West
Suite 303
Sherbrooke, PQ J1J 2B8
Tel.: (819) 564-5904
Fax: (819) 564-5912

Small Business Access Centre
Île de Montréal
800 Place Victoria Tower
Suite 3800
P.O. Box 247
Montreal, PQ H4Z 1E8
Tel.: (514) 283-2500
Fax: (514) 496-8310

Small Business Access Centre
Laval/Laurentides/Lanaudière
Tour du Triomphe II
2540 Daniel-Johnson Boulevard
Suite 204
Laval, PQ H7T 2S3
Tel.: (514) 973-6844
Fax: (514) 973-6851

Small Business Access Centre
Mauricie
Immeuble Bourg du Fleuve
25 des Forges Street
Suite 413
Trois-Rivières, PQ G9A 2G4
Tel.: (819) 371-5182
Fax: (819) 371-5186

Small Business Access Centre
Montréal
Complexe Saint-Charles
1111 Saint-Charles Street West
Suite 411
Longueuil, PQ J4K 5G4
Tel.: (514) 928-4088
Fax: (514) 928-4097

Small Business Access Centre
Nord-du-Québec
800 Place Victoria Tower
Suite 3800
P.O. Box 247
Montreal, PQ H4Z 1E8
Tel.: (514) 283-5174
Fax: (514) 283-3637

Small Business Access Centre
Outaouais
259 Saint-Joseph Boulevard
Suite 202
Hull PQ J8Y 6T1
Tel.: (819) 994-7442
Fax: (819) 994-7846

Small Business Access Centre
Quebec City/Chaudière/Appalaches
905 Dufferin Avenue
Second Floor
Quebec City, PQ G1R 5M6
Tel.: (418) 648-4826
Fax: (418) 648-7291

Small Business Access Centre
Saguenay/Lac-Saint-Jean
170 Saint-Joseph Street South
Suite 203
Alma, PQ G8B 3E8
Tel.: (418) 668-3084
Fax: (418) 668-7584

WESTERN ECONOMIC DIVERSIFICATION CANADA (WD)

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

WD's "New Directions" program will work to enhance the export position of western companies by boosting their competitiveness in domestic and global markets.

The Department no longer provides repayable loans to individual companies, but seeks new innovative partnerships within both the public and private sectors. These partnerships will address the needs of small- and medium-sized enterprises for information, business services and capital, particularly for high growth industries critical to Western Canada's economic diversification.

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

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

EXPORT DEVELOPMENT CORPORATION (EDC)

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

EDC's products fall into four main categories:

- export credit insurance, covering short- and medium-term credits;
- performance-related guarantees and insurance, providing cover for exporters and financial institutions against calls on various performance bonds and obligations normally issued either by banks or surety companies;
- foreign investment insurance, providing political risk protection for Canadian investments abroad; and
- export financing, providing medium- and long-term export financing to foreign buyers of Canadian goods and services.

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

Base and Semi-Manufactured Goods Team:
Tel.: (613) 598-2823
Fax: (613) 598-2525

Consumer Goods Team:

Tel.: (613) 597-8501

Fax: (613) 598-2525

Emerging Exporters Team:

Tel.: 1-800-850-9626

Fax: (613) 598-6871

Financial Institutions Team:

Tel.: (613) 598-6639

Fax: (613) 598-3065

Forestry Team:

Tel.: (613) 598-2936

Fax: (613) 598-2525

Engineering and Professional Team:

Tel.: (613) 598-3162

Fax: (613) 598-3167

Industrial Equipment Team:

Tel.: (613) 598-3163

Fax: (613) 597-8503

Information Technologies Team:

Tel.: (613) 598-6891

Fax: (613) 598-6858

Transportation Team:

Tel.: (613) 598-3164

Fax: (613) 598-2504

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

Ottawa Export Development Corporation
151 O'Connor Street
Ottawa, ON K1A 1K3
Tel.: (613) 598-2500
Fax: (613) 598-6858

Vancouver Export Development Corporation
One Bentall Centre
505 Burrard Street
Suite 1030
Vancouver, BC V7X 1M5
Tel.: (604) 666-6234
Fax: (604) 666-7550

Calgary Export Development Corporation
510-5th Street S.W.
Suite 1030
Calgary, AB T2P 3S2
Tel.: (403) 292-6898
Fax: (403) 292-6902

Winnipeg

Export Development Corporation
330 Portage Avenue
Eighth Floor
Winnipeg, MB R3C 0C4
Tel.: (204) 983-5114
Fax: (204) 983-2187

Toronto

Export Development Corporation
National Bank Building
150 York Street
Suite 810
P.O. Box 810
Toronto, ON M5H 3S5
Tel.: (416) 973-6211
Fax: (416) 862-1267

London

Export Development Corporation
Talbot Centre
148 Fullarton Street
Suite 1512
London, ON N6A 5P3
Tel.: (519) 645-5828
Fax: (519) 645-5580

Montreal

Export Development Corporation
Tour de la Bourse
800 Victoria Square
Suite 4520
P.O. Box 124
Montreal, PQ H4Z 1C3
Tel.: (514) 283-3013
Fax: (514) 878-9891

Halifax

Export Development Corporation
Purdy's Wharf, Tower 2
1969 Upper Water Street
Suite 1410
Halifax, NS B3J 3R7
Tel.: (902) 429-0426
Fax: (902) 423-0881

NATIONAL RESEARCH COUNCIL (NRC)

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

The IRAP network, working primarily with small- and medium-sized Canadian firms, supports the process of developing, accessing, acquiring, implementing and using technology throughout Canadian industry. IRAP has a 50-

year history of providing technical advice and assistance to Canadian firms and has acquired a reputation as one of the most flexible and effective federal programs. IRAP takes advantage of the advice of industrial technology advisors who are situated in more than 165 different locations within approximately 90 communities across Canada, including numerous provincial technology centres, the NRC's own laboratories and research institutes, federal government departments, and technology transfer offices in Canadian universities. For further information, contact:

Industrial Research Assistance Program

National Research Council

Montreal Road

Building M-55

Ottawa, ON K1A 0R6

Tel.: (613) 993-1790

Fax: (613) 952-1079

CANADIAN COMMERCIAL CORPORATION (CCC)

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

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

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

For more information about CCC and its programs, contact:

Canadian Commercial Corporation

50 O'Connor Street

Eleventh Floor

Ottawa, ON K1A 0S6

Tel.: (613) 996-0034

Fax: (613) 995-2121

KEY CONTACTS IN CANADA

BUSINESS AND PROFESSIONAL ASSOCIATIONS

Commission for Labor Cooperation

One Dallas Centre

350 N. St. Paul

Suite 2424

Dallas TX 75201-4240

USA

Tel.: (214) 754-1109

Fax: (214) 754-1199

Canadian Labour Market Productivity Centre

55 Metcalfe Street

Suite 1500

Ottawa, ON K1P 6L5

Tel.: (613) 234-0505

Fax: (613) 234-2482

Canadian Council for the Americas (CCA)

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

Canadian Council for the Americas

Executive Offices

360 Bay Street

Suite 300

Toronto, ON M5H 2V6

Tel.: (416) 367-4313

Fax: (416) 367-5460

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

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

The Canadian Chamber of Commerce
55 Metcalfe Street
Suite 1160
Ottawa, ON K1P 6N4
Tel.: (613) 238-4000
Fax: (613) 238-7643

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

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

Open Bidding Service
P.O. Box 22011
Ottawa, ON K1V 0W2
Tel.: 1-800-361-4637 or (613) 737-3374
Fax: (613) 737-3643

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

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

MEXICAN GOVERNMENT OFFICES IN CANADA

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

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

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

OTHER MEXICAN CONSULATES GENERAL IN CANADA

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

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

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

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

MEXICAN BANKS WITH OFFICES IN CANADA

Banco Nacional de México (Banamex), *Banca Serfin* and *Banca Confia* 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

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

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

CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN MEXICO

TRADE AND ECONOMIC DIVISION THE EMBASSY OF CANADA IN MEXICO

The Trade and Economic Division of the Canadian Embassy in Mexico can provide vital assistance to Canadians venturing into the Mexican market. The trade commissioners are well-informed about the market and will respond in whatever measures possible to support a Canadian firm's presence in Mexico.

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

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

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

KEY CONTACTS IN MEXICO

MEXICAN GOVERNMENT DEPARTMENTS

Secretariat of Labour and Social Welfare
Secretaría del Trabajo y Previsión Social (STPS)
Dirección General de Medicina y Seguridad en el Trabajo
Calzada Azcapotzalco-La Villa No. 209, Edif. D
Col. Santo Tomás
02020 México, D.F.
México
Tel.: (52-5) 394-2940/4010
Fax: (52-5) 394-2644

Mexican Institute for Social Security
Instituto Mexicano del Seguro Social (IMSS)
Jefatura de Servicios de Seguridad en el Trabajo y Clasificación de las Empresas
Villalongín No. 117, Anexo A, 1er. Piso
Col. Cuauhtémoc
06500 México, D.F.
México
Tel.: (52-5) 703-1333, ext. 13751, 705-4188/1095
Fax: (52-5) 703-3125

Institute of Security and Social Services for Public Sector Employees
Instituto de Seguridad y Servicios Sociales de los Trabajadores del Estado (ISSSTE)
Av. de la República, No. 154
Col. Tabacalera
06030 México, D.F.
México
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Asociación Mexicana de Higiene y Seguridad Industrial (Amhsac)

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Asociación Nacional de Fabricantes y Distribuidores de Equipo de Seguridad Industrial (Anfadesi)

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National Hygiene Institute

Instituto Nacional de Higiene

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Fax: (52-5) 534-7134

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