

MEXICO

Overview

Although strong economic fundamentals bode well for Mexico's long term economic outlook, the recent financial crisis and resulting austerity programs have lowered projected GDP growth and low inflation. However, closer economic and political ties arising from NAFTA and a growing security relationship with the U.S. will provide a good market for U.S. firms in the medium to long term.

Defense Industry Environment

Mexico faces no external threats. The only current "threat" is from internal sources, namely the insurgents in Chiapas. Mexico does not publish defense budget information for reasons of national security. The Mexican military is very small - 125,000 men. Funds are officially budgeted only for troop and base maintenance. Any purchase of hardware is requested by the defense ministries (Army and Navy) directly to the president, who appropriates money from a discretionary fund.

The Mexican defense industry is fairly active producing "soft" items: manuals, uniforms, etc. The "Industria Militar" (owned by the government) produces uniforms and other supplies, and small arms, including G3 machine guns. No equipment such as tanks, aircraft, etc., is manufactured and there are no known plans to produce this type of equipment.

Other than the Industria Militar mentioned above, the U.S. is the largest defense equipment supplier to Mexico. Mexico does, however, buy from many sources as a result of a decentralized purchasing system. It has bought helicopters from Canada and France, transports from Spain, fixed wing aircraft from Israel, and trainer aircraft from Finland. Other foreign suppliers include Belgium, Brazil, Chile, and Russia.

Defense Opportunities

Because of the small size of the Mexican military, upgrades, parts, and maintenance are usually provided through a package negotiated at the time of the sale of the hardware or weapons system. Base maintenance and upgrades are performed entirely by the military using Mexican sources. Logistics are not as sophisticated as in the U.S., since the military is so small and there are few troop movements because of the absence of external threats.

The U.S. Embassy Military Liaison Office (MLO) estimates that Mexico will spend about \$1 billion soon on various hardware. Mexico must replace its aging C-130A transports, and its ground vehicles also need updating. Its Air Force consists of obsolete F-5's. Its helicopter fleet also needs updating, and its naval fleet dates from World War II. It has very few blue water ships

and will likely purchase more in order to protect its fishing grounds. The Mexican military also has requirements for ground radars, satellite communications, as well as night vision equipment.

Defense Procurement Process

The defense industry has a very decentralized and informal purchasing system. There are no formal public bids, and no written procurement regulations. Most requirements are sent out through informal channels, and it is necessary to be plugged into the largely hidden, word-of-mouth information network. For these reasons, most sales go through well-know Mexican companies which represent U.S. agents and companies in Mexico.

The Ministry of National Defense and the Navy decide what they need and talk to various providers as necessary. They will almost always call the MLO at the U.S. Embassy, who will then contact U.S. suppliers. Once they decide (through a process totally internal to the ministry), they merely request funds from the President of Mexico and buy what they need.

There are two ways to sell to the Mexican defense industry. The preferred way, particularly when there is one U.S. source for the product, is to work through the MLO at the U.S. Embassy. MLO personnel have strong contacts throughout the Mexican military and they are knowledgeable of pertinent rules, regulations, policies, and procedures. They are aware, as much as anyone can be in the shrouded procurement system, of what the military is looking for. They are uniquely qualified to assist the U.S. businessperson when dealing with the Mexican Defense Industry and they can provide invaluable assistance in access and advocacy. The defense ministries can also be approached directly, but this is not recommended.

Contacts:

Ministry of National Defense
Avila Camacho e Industria Militar
Lomas de Sotelo
11640 Mexico, D.F.
Enrique Cervantes Aguirre, Secretary
Gen. Rafael Paz del Campo (in charge of acquisitions)
Tel:(011-525) 557-4500

This ministry serves the Army and the Air Force, which is run by the Army. It is a cabinet-level department, and conducts its own purchasing.

Ministry of The Navy
Revillagigedo Num. 11
06050 Mexico, D.F.
Jose Ramon Lorenzo Franco, Secretary
Rear Admiral Tiburcio Rodriguez Flores (in charge of acquisitions)
Tel:(011-525) 512-2451

The Ministry of the Navy is also a cabinet-level department and conducts its own purchasing.

Diversification/Commercial Opportunities

Privatization

Mexican defense policies are generally not public information. While the Mexican government has undertaken an extensive program to privatize state-owned industries, defense facilities have never been mentioned.

Mexico has privatized virtually every state-owned industry of any importance except for PEMEX (the national oil company), Commission Federal de Electricidad (Federal Electricity Commission (CFE), the national electricity monopoly), and Ferrocarriles Nacionales de Mexico (National Railroads of Mexico (FNM), the railroad monopoly). No other government-owned industry would be of interest to defense firms. These three industries are discussed in further detail below.

Many opportunities exist for sales of dual use goods and services, both within and outside the military. The Mexican military is a reflection of the general Mexican society. Military base infrastructure is poor. Streets, housing, sewage, electricity, telephones, etc. are all in need of repair and upgrading. As far as military hardware is concerned, new equipment is needed real but funding is not available.

For non-defense or dual use technologies, equipment, and services, the government and private sector must be separated. Non-military opportunities are far more extensive. The following is a listing of some of these opportunities:

Aircraft

Mexico's aircraft fleet is in need of both expansion and updating. Several new passenger companies, both regional and national, have sprung up in recent years. The number of passengers has been growing in excess of 7 percent per year. This is expected to accelerate as the economy expands and Mexico continues to develop. The two largest carriers, Aeromexico and Mexicana, are in a period of consolidation as they absorb recent aircraft purchases and resolve financial problems, but they should resume substantial purchases in the next few years. TAESA, the third largest and fastest growing airline, will continue to purchase aircraft, as will the growing number of regional carriers.

Air cargo is also showing significant growth - 14 percent in 1992, and 7.4 percent in 1993. Growth is expected to accelerate. There are no exclusively air cargo companies in Mexico. Mexicana and Aeromexico have only four cargo jets between them but move the vast majority of domestic air cargo tonnage. International air cargo exceeds domestic air cargo by some 50 percent. Most of this cargo is moved by non-Mexican carriers. The courier market is still quite small, but has great potential, accounting for only 3.5 percent of the 218,000 tons of air cargo in

1993.

Executive air transport is another segment with promise. About 60 companies conduct roughly 230 operations per day. Tariff and tax laws encourage private companies to use or establish separate companies for these services. As the number of companies with the requisite financial capacity grows, executive transport will expand.

Air Traffic Control

Mexico is building, expanding, and refurbishing many airports. The financial crisis of the 1980's caused a backlog of infrastructure projects which the government is now trying to address, and airports are no exception. The Mexico City airport will either be expanded, or an entirely new facility will be built outside of Mexico City. Major airports in Monterrey and Guadalajara also need expansion, and airports in many smaller cities have obsolete facilities.

Medical/Diagnostic Equipment

The health system is large but relatively unsophisticated. The government, through the social security system, universities, and military, provides 80 percent of services. Its hospitals are antiquated and enjoy far less equipment than customary in the U.S. The government is increasing social spending, and will be updating its medical facilities. Private hospitals have much more extensive and sophisticated equipment, but are not expanding as rapidly as might be expected due to the tendency of wealthy individuals to travel to the U.S. for treatment and the primitive state of medical insurance in Mexico.

Environmental Technologies and Projects

This is one of the most rapidly expanding industries in Mexico. There are vast needs in every area of pollution control and remediation. The government increased its spending on the environment from US \$95 million in 1988 to an estimated US \$2.5 billion in 1994, with further very large increases expected. In addition, new regulations governing industry will force enormous private sector expenditures on air pollution control, effluent containment and treatment, and hazardous waste containment and disposal. For example, current hazardous waste disposal sites accommodate only 10 percent of such waste generated. States and municipalities are only now beginning to construct sewage treatment plants. Mexico has a so-called "Hundred Cities" program to provide funding for and promote such plants. Localities are turning to investor-financed build-operate-transfer projects to meet the need without funding projects out of their own meager resources. This activity will create outstanding opportunities for environmental products. It also will require foreign expertise in terms of environmental design and engineering services.

Despite Mexico's relatively small economy and restricted financial resources, funding should be available for a wide array of environmental projects. The World Bank and Inter-American Development Bank have committed many billions of dollars for such projects, and the newly-authorized North American Development Bank is expected to make environmental projects

its centerpiece.

A great deal of information on environmental advocacy projects has been made available. These projects (discussed below with values in dollars) are actively being tracked. Also, the TPCC Working Group, in coordination with the TPCC Advocacy Coordination Committee, has a worldwide Environmental Project Advocacy Calendar.

Border Environmental Programs. A \$368 million World Bank loan was authorized during the second quarter of 1994 to improve environmental conditions at the U.S./Mexico Border. Consulting Services and technical assistance will be required. SEDESOL and the Mexican Bank of Public Works (BANOBRAS) are managing these projects.

Municipal Waste Water Projects. Ex-Im Bank has reached an agreement with BANOBRAS to provide financing for procurement of U. S. goods and services to qualified municipal wastewater treatment projects. Mexican Government officials estimate that over 100 municipal wastewater treatment facilities will be built or upgraded during the next five years.

Hazardous Waste Treatment Storage and Disposal Facility for the Valley of Mexico. The Metropolitan Commission for Pollution Prevention and Control has undertaken a \$250 million project to manage and treat hazardous waste produced by the Valley of Mexico's 30,000 manufacturing industries. The U.S. Trade and Development Agency, which partially funded a \$500,000 feasibility study for a hazardous waste facility for the Valley of Mexico, estimates that \$115 million worth of U. S. exports could result from the project. In addition to engineering and construction management services, equipment for incineration and air pollution control, chemical stabilization, and waste and ash disposal cells will be needed.

Lake Guadalupe Wastewater Project. The U.S. Trade and Development Agency funded a \$589,000 grant for a feasibility study of this water/environmental supply project, the total value of which is estimated at \$327 million. The plant will produce 400 million gallons of portable water a day and process wastewater at a daily rate of 40 million gallons. The project, which is scheduled to start in 1995, will require equipment, e.g., filters, collection lines, and pumps, as well as dredging, installation, and design/construction services.

Portable Water Supply and Sanitation. A \$350 million World Bank loan was authorized during the second quarter of 1994 to provide investment support to local water utilities and strengthen the National Water Commission's (CNA) and BANOBRAS' capabilities to evaluate and supervise the implementation of sub-projects, manage water resources and provide institutional support for the preparation of master plans and environmental impact assessments. Consulting services and technical assistance will be required.

Sanitation Project. A \$269 million Inter-American Development Bank (IDB) Loan was authorized during the third quarter of 1993 (Project No. 810-OC-ME) to assist the CNA to support sanitation programs in poor municipalities in the southern states. CNA and BANOBRAS are responsible for this project. Consulting services and technical assistance will be required.

Solid Waste Collection, Transport and Disposal. A \$200 million World Bank loan was authorized during the second quarter of 1994 for a comprehensive program to improve the efficiency and coverage of municipal solid waste services in approximately 30 cities through institutional strengthening. There is also investment support for implementation of integrated solid waste management plans and for resettlement and training of scavengers. SEDESOL and BANOBRAS are responsible for this project. Consulting services and technical assistance will be required.

Water Supply for Rural and Agricultural Areas. A \$200 million World Bank loan was authorized during the first quarter of 1994 (Project No. 3704) to increase the water supply capacity and to modernize the irrigation systems in the poorest agricultural areas of cities in the northern states of Mexico. The CNA and Mexican Bank of Development (NAFIN) are in charge of the project. Consulting services and technical assistance will be required.

Electrical Power

Demand for electricity has been growing at an annual rate of 7 percent, and is straining capacity. Mexico's master plan for the sector calls for adding 20,000 megawatts by the year 2000 to its current 27,000 megawatt capacity. Most high technology or high capacity equipment such as generators, transformers, relays, and turbines must be imported.

The Mexican government has been giving various signals that significant moves toward privatization of electricity are imminent. The Comision Federal de Electricidad (Federal Electricity Commission, or CFE) has been the sole authorized generator and distributor of electricity in Mexico, but recent legal changes have authorized cogeneration, and negotiations are underway for the first investor-financed generating facilities. The changes seem likely to foster independent power producers working under pure project financing frameworks. Major U.S. companies such as GE, Bechtel, and Fluor Daniel are already in the market.

Petroleum

PEMEX controls exploration, refining, and distribution of all petroleum in Mexico, pursuant to a constitutional article which reserves such functions to the government. Some of PEMEX's activities have been privatized. For example, gas stations are now franchised and production of all but eight "basic" petrochemicals has been privatized.

PEMEX's core operations have not yet been touched, and operations need to be expanded or modernized. This could provide opportunities in the near future for the engineering and construction of new facilities. For example, much unleaded gasoline is still imported.

Even if the government does not explicitly privatize PEMEX's core operations, it almost certainly will have to allow some private participation. Since the beginning of the economic crisis in 1982, Mexico has done very little oil exploration. It may become a net exporter by the end of the decade if action is not taken.

The distribution system also needs improvement particularly for natural gas. In order to fight pollution, Mexico is trying to substitute natural gas for the fuel oil now burned in many industries, but the pipeline system is inadequate. The same goes for its electrical generation infrastructure. For example, the proposed Merida power generation plant is to run on gas, but a pipeline is necessary. Again, there will be opportunities for engineering design and construction.

Telecommunications

Mexico's telecommunications infrastructure needs substantial improvement. For example, there are only 9 telephone lines for each 100 inhabitants, compared to 55 or so for developed countries. AT&T has formed a joint venture to challenge TELMEX (the recently privatized telephone company which has a monopoly on long distance service until 1996), which has formed a joint venture with Sprint and is partially owned by Southwestern Bell. Many companies are building their own internal systems. Switching equipment, paging and trunking equipment, and satellites, as well as other telecommunications equipment, will be in high demand in coming years as the economy develops.

Mexican Government Contacts

The following is a listing of useful Mexican government agencies. Because of the recent change in presidential administration, some of the agency contacts may have changed.

- Secretaria de Comunicaciones y Transporte (Secretariat of Communication and Transportation, SCT)

Airports and equipment
Highway construction
Railroads and equipment
Telecommunications, including satellites, repeaters, ground stations

Av. Universidad y Xola
Cuerpo "C", piso 1
Col. Narvarte
03028 Mexico, D.F.
Tel: (011-525) 538-0610, 519-8266
Contact: Ing. Manuel Rodriguez Morales, Subsecretario de Infraestructura
(Undersecretary for Infrastructure)

- Lic. Federico Canovas Theriot
Direccion General de Aeronautica Civil (General Directorate of Civil Aviation)
Providencia 807, piso 6
Col. Del Valle
03100 Mexico, D.F.
Tel: (011-525) 523-6642
Contact: Ing. Jaime Corredor Esnaola, Direccion General, Aeropuertos y

Servicios Auxiliares (General Directorate, Airports and Auxiliary Services)
Av. 602 No. 161

This is the regulatory authority for civil aviation. While it has no purchasing function, it has influence by virtue of its regulatory power. For example, this area was instrumental in the decision to move all general aviation from the Mexico City International Airport to the Toluca Airport.

Col. San Juan de Aragon
15620 Mexico, D.F.
Tel: (011-525) 571-4545, 571-4911

This area oversees concessions of airport services throughout Mexico.

Ing. Roberto Kobeh Gonzalez
Direccion General
Servicios a la Navegacion en el Espacio Aereo Mexicano
(Services to Navigation in Mexican Air Space)
Blvd. Puerto Aereo 485

Col. Moctezuma, 2da Seccion
15500 Mexico, D.F.

Tel: (011-525) 571-3968, 762-5877 ex. 110

This agency handles such things as air traffic control.

Ing. Luis Enrique Bracamontes
Direccion General
Instituto Mexicano de Transportes
(Mexican Transportation Institute)
Periferico Sur 3453, piso 11
10200 Mexico, D.F.

Tel: (011-525) 595-7033 ex. 179, 595-7510 ex. 181

This agency conducts studies on transportation issues for the government. They would be contacted for consulting contracts.

Secretaria de Salud (Health Secretariat, or SS)
-Medical equipment
-Hospitals
-Health industry regulation

Direccion de Adquisiciones

(Purchasing Directorate)
Reforma 506, piso 18
Col. Juarez
06600 Mexico, D.F.
Tel: (011-525) 553-7230
Fax: (011-525) 553-1787

Lic. Mario Medina Gomez, Director
Direccion General de Control de Insumos para la Salud
(General Directorate of Health Products Control)
Mariano Escobedo 373, piso 6

Col. Chapultepec Morales
11570 Mexico, D.F.
Tel: (011-525) 254-2525
Fax: (011-525) 254-7995

Dr. Luis Monroy Valdez, General Director
Instituto Mexicano de Seguro Social (Mexican Social Security Institute, or IMSS)
Public sector hospitals and doctors
Durango 323, piso 6

Col. Roma
06700 Mexico, D.F.
Tel: (011-525) 211-4828
Fax: (011-525) 211-4828

Lic. Juan Jose Martinez Elizondo
Purchasing Manager for Capital Goods
Reforma 476, piso 6
Col. Juarez
06600 Mexico, D.F.
Tel. and Fax: (011-525) 211-3538

Lic. Alejandro Espejel Vargas
Purchasing Manager for Medical Consumibles
Jefe del Departamento de Control Instrumental Medico
Mariano Escobedo 373
Col. Chapultepec Morales
01570 Mexico, D.F.

Contact: Dr. Ernesto Vidrio Sande
Tel: (011-525) 254-0948 X-157
Fax: (011-525) 254-2538

Secretaria de Desarrollo Social (Secretariat of Social Development, or Sedesol). This agency now includes environmental regulation and pollution control and remediation. Such functions will be transferred to a separate environmental secretariat sometime in 1995, possibly in January. At this time, we do not know which functions will be transferred or who will be named to key positions. Our best information is that the following functions will be transferred to the new secretariat:

- Environmental regulation
- Standards development
- Development of remediation projects
- Direction of government environment projects

The following are the contacts as they are currently, but these will change early in the new year:

Secretaria de Desarrollo Social-Sedesol
(Secretariat for Social Development)
Av. Constituyentes No. 855
Col. Belem de las Flores
01110 Mexico, D.F.
Tel:(011-525) 277-2298; 271-2940
Fax:(011-525) 272-0143

Contact: Mr. Manuel Barroso, Director for Acquisitions

This division is responsible for providing information on international bids for environmental equipment under the NAFTA Government Procurement Agreement.

Lic. Miguel Limon Rojas
Attorney General
Environmental Protection
Blvd. Pipila No. 1
53950 Tecamachalco, Edo. de Mexico
Tel:(011-525) 589-8983/4345
Fax:(011-525) 589-7983

Secretaria de Desarrollo Social (Sedesol)
National Institute of Ecology
Av. Rio Elba 20, piso 20
Col. Cuauhtemoc
06500 Mexico, D.F.
Tel: (011-525) 553-2977
Fax: (011-525) 286-8559

Mr. Gabriel Quadri, Director General for Norms and Regulations Commission Metropolitano

para el Control y Prevencion de la Contaminacion del Medio Ambiente, Departamento del Distrito Federal (Metropolitan Commission for the Control and Prevention of Pollution, Mexico City Government). This agency is responsible for pollution control, prevention, and remediation in greater Mexico City:

Plaza de la Constitucion 1, piso 3
Col. Centro
06068 Mexico, D.F.
Tel: (011-525) 582-8766
Fax: (011-525) 650-0390

Contact: Fernando Menendez Garza, Technical Secretary

Doing Business in Mexico

Mexican business and social culture differs substantially from the U.S. First and foremost, business is intensely personal. Relationships ordinarily must be cultivated carefully before business is forthcoming. A businessperson often finds him/herself in seemingly interminable and unproductive meetings, particularly meals which can go on for hours. Often business is only peripherally discussed; most of the discussion will center on background, family, and general discussions about culture and society. One must be careful to ask seemingly personal questions about such things as education, family members, etc. One good tip is to carry pictures of your family. Mexican counterparts often will show them to you.

There are many reasons for this. Unlike in the U.S., every company, from the mom-and-pop store to billion-dollar companies, is owned by one individual or family. Decision-making in Mexico is nearly always concentrated at the very highest levels of a company. Doing business thus becomes a very personal decision, making personal relationships crucial. Mexicans in general are more family oriented, and identify very closely with their families. Outsiders must gain their confidence.

This has an upside and a downside. It can be very difficult for those trying to break into a circle of suppliers, but once inside, it is more difficult to be dislodged, since one is likely to be seen as not just a supplier, but also as a friend.

The key is patience. Little may be accomplished initially in terms of sales, but the groundwork is being laid. It will take time before many Mexican businessmen feel comfortable enough with you personally to do business.

One must, however, be careful to distinguish between support and putting off. Mexicans do not like to say no--they often feel it is impolite. They will often find circuitous ways of saying no. They may say yes, but really mean not now, or perhaps when other things happen. One must be careful to follow up any verbal agreements with concrete actions or documentation.

Time is another factor. Mexicans simply do not place as high a value on time and

punctuality as Americans. It is not at all unusual to wait in an ante-room for up to an hour for a Mexican contact. This is not being rude by Mexican standards, so such waiting should not be interpreted as such.

Business hours are very different, particularly in government and financial services. This is changing slowly, and is less true in the north of Mexico where they are more influenced by U.S. practice. Many executives will not start work until 10:00 or 10:30. They then work until 2:00 or 3:00, take two to three hours for lunch (many go home for lunch since it is the main meal of the day), return to the office at 5:00 or 6:00, and work until 9:00 or 10:00. A business dinner may not begin until 9:00 or 10:00. In fact, except for coffee shop-type restaurants, it is often hard to get served in a Mexican restaurant before 8:00.

Be very careful about saying anything negative about Mexico. Mexicans can be very self-deprecating, but they are extremely nationalistic and very wary of what they think is stereo-typing and arrogance on the part of "gringos." Mexico, for all its faults (which they may acknowledge but of which they do not like to be reminded by foreigners), is absolutely the greatest place on earth to Mexicans.

Trade, Export, Laws, and Regulations

Import Licenses

Import licenses have been removed for all but military and police related goods, and certain psychotic drugs.

GATT

Mexico is a member of GATT, and complies with its agreements. The maximum tariff is 20 percent. American products enjoy substantial preferences under NAFTA. Many tariffs on U.S. products were removed entirely as of January 1, 1994. Most others will have tariffs reduced on schedules of five, seven, or ten years, although tariffs on a few sensitive items will be reduced over 15 years. Most products produced by defense industry contractors in the U.S. saw their tariffs eliminated, since they are high technology products not produced in Mexico. However, special rules and tariffs apply to apparel and to automotive products. NAFTA contains provisions allowing the Mexican Auto Industry Decree, which contains several important provisions regarding market access, to be phased out over time.

Foreign Investment

Foreign investment has been greatly liberalized, and it is expected that it will be liberalized even further. Investment is permitted in most sectors of the economy without government approval. Some sectors, mostly extractive and utility type, are still protected. Exploration, recovery, and distribution of oil and gas are reserved to PEMEX, the state-owned oil company, along with eight primary petrochemicals. Downstream products such as gasoline are still controlled by PEMEX concession. Electricity generation, transmission, and distribution are still reserved to the government utility, Comision Federal de Electricidad (Federal Electric

Commission, or CFE), although this appears to be changing, with negotiations underway for independent producers to generate and sell electricity to CFE. Mining companies must be at least 51 percent Mexican owned. Financial services are highly regulated by the government, and are covered under NAFTA. Investments of up to US \$300 million in other industries are permitted. Applications must still be submitted, but approval is automatic unless explicitly rejected within 30 days. In practice, the application is little more than a secondary registration procedure.

Technology Transfer

There are no technology transfer regulations, except on military technology, nuclear technology, and transfer of technology covered under agreements not to re-export, such as required by the U.S. for certain sensitive technologies. Mexico is happy, indeed anxious, to receive foreign technology.

Joint Ventures and Labor Laws

There are virtually no restrictions on joint ventures, other than those mentioned above and adherence to Mexico's commercial code, which is very similar to that of the U.S. Care must be taken, however, to ensure that agreements comply with Mexican law. All such documents should be reviewed by competent Mexican counsel. A particular area of concern is labor law. Contrary to popular opinion and much of the NAFTA debate, Mexican labor laws, when enforced, are far more stringent than U.S. laws. Benefits are very extensive and expensive, and severance is onerous.

Intellectual Property Rights

These rights have been greatly strengthened, and the government has demonstrated that it intends to enforce them. A new Industrial Property Law became effective on October 1, 1994. This codifies into law agreements pursuant to NAFTA. This law cannot be explained in detail here, but it is fair to say that intellectual property rights, at least from a legal standpoint, are very close in nature to those in the U.S. Mexican legal counsel should be contacted for specific rules and procedures.

Trade Restrictions (noms)

At this time, Normal Oficiales Mexicanas (Mexican Official Standards, or NOM's) are the most important trade restrictions. Mexico requires a large and growing number of products to be tested in Mexican laboratories in order to be approved for import into Mexico. An importer must apply for the approval, although this is often skirted by using the tax ID number of someone like a Mexican attorney. At this time, there are relatively few (approx. 20) approved laboratories, most of which are operated by companies which may be competitors of U.S. companies. There is a program to set up independent laboratories (UL is active in this area), but it will take time to develop. Information on how to apply for a NOM can be obtained through the U.S. Department of Commerce NAFTA Flash Facts Hotline, tel. (202) 482-4464. The list of products requiring NOM's is in document 1302, and information on how to obtain a NOM is in Document 1301.

The contact in the Mexican government for information on NOM's is as follows:

Secretaria de Comercio y Fomento Industrial (Secretariat of Commerce and Industrial Development, or SECOFI)
Av. Puente de Tecamachalco 6 Piso 3
Lomas de Tecamachalo
53950 Naucalpan, Estado de Mexico
Tel.: (011-525) 580-8493, 520-8484
Contact: Lic. Javier Cuellar Hernandez, Director General de Normal (Director General of Standards)

Mexican Government Registration

Mexican governmental policy requires that foreign firms wishing to do business with Mexican government agencies and its parastatals have the following:

- A notarized copy in Spanish of its deed of incorporation or other corporate documents and any amendments. The documents may be notarized in the company's country of origin and legalized by the Mexican consul in that country.
- The company must present to the Mexican consul originals (copies are not acceptable) of its latest financial statements including a balance sheet and profit and loss statement, to be notarized by the Mexican consul. This document should present data no older than two months before the application date.
- A photo copy of any and all contracts or agreements between the foreign firm and local firms, including copies of purchase orders, translated into Spanish by an official translator. These documents should highlight dates and the full name of the local supplier firm.

These documents and information then must be made available to the government agency with which the foreign firm wishes to do business.

U.S. Government Points of Contact

The following is a list of useful points of contact for U.S. firms interested in entering the Mexican market.

U.S. Embassy

U.S. Commercial Service
Av. Paseo de la Reforma No. 305
Col. Cuauhtemoc
06500 Mexico, D.F.
Tel: (011-525) 211-0042
Fax: (011-525) 207-8938

Defense Attache Office:
Army Attache, X-3780
Air Force, X-3761
Navy Attache, X-3760

Military Liaison Office, X-4774

The U.S. Commercial Service assists American businessmen exporting to Mexico. Information available includes market information, organization of trade events, names of potential buyers, and local representatives. The Commercial Service has offices in Mexico City, Guadalajara and Monterrey.

Trade Associations

American Chamber of Commerce (AMCHAM)
Lucerna No. 78
Col. Juarez
06600 Mexico, D.F.
Tel: (011-525) 724-3800
Fax: (011-525) 703-2911, 703-3908
Contact: Victor Manuel Moncada, International Trade Director

This is a non-profit organization interested in helping American companies do business in Mexico.

Camara Nacional de la Industria Electronica y de Comunicaciones Electricas (National Chamber of the Electric and Electronic Communications Industries - or CANIECE)
Culiacan No. 71
Col. Hipodromo Condesa
06000 Mexico, D.F.
Tel: (011-525) 264-7531, 264-7591, 574-7485
Contact: Jaime Espinoza Nares, President

This is an industry association which groups manufacturers of fiber optic equipment. It also publishes a magazine covering the electronic, computer and telecommunication industries.

- Camara Nacional de Aerotransportes, (National Air Transportation Chamber - CANAERO)
Av. Paseo de la Reforma No. 76, piso 17
Col. Juarez
06600 Mexico, D.F.
Tel: (011-525) 559-4492, 592-4472
Fax: (011-525) 535-1458
Contact: Marcel Serieys, President.

- Consejo Nacional de Industriales Ecologistas (National Council of Industrial Ecologists)(CONIECO)
Gabriel Mancera 1121
Col. del Valle
03100 Mexico, D.F.
Tel: (011-525) 559-5600
Fax: (011-525) 575-2337
Contact: Carlos Sandoval, President

Groups manufacturers and industrial groups; provides environmental information to them.

- World Environmental Center (WEC)
Hamburgo 75, Piso 3
Col. Juarez
06600 Mexico, D.F.
Tel: (011-525) 208-7975
Fax: (011-525) 208-2855
Contact: Enrique Bravo Medina, Mexico Director

Has an environmental clearinghouse that provides industry and government with up-to-date information from numerous databases. Organizes training programs on risk assessment and environmental certification of engineers.

- Asociacion de Medicos Mexicanos (Mexican Doctors Association)
Dr. Vertiz 692
Col. Doctores
06720 Mexico, D.F.
Tel: (011-525) 519-9600