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Report of the

**CANADIAN STRUCTURAL STEEL FACT-FINDING
MISSION TO VENEZUELA, TRINIDAD AND
TOBAGO, PUERTO RICO AND MEXICO**

March 16 to 29, 1980



Government
of Canada

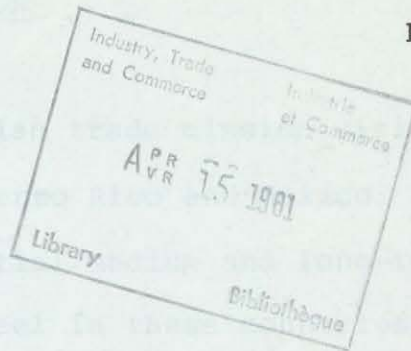
Gouvernement
du Canada

Industry, Trade
and Commerce

Industrie
et Commerce

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INTRODUCTION

In March of 1980 a Canadian trade mission visited Venezuela, Trinidad and Tobago, Puerto Rico and Mexico primarily to investigate the potential medium and long-term markets for Canadian structural steel in these countries. A secondary objective was to explore the opportunities for Canadian steel service centres. The mission was organized by the Department of Industry, Trade and Commerce in consultation with the Canadian Institute of Steel Construction.

The mission was made up of the following delegates:

Mr. Martin Archer-Shee
Regional Manager - Atlantic
Canadian Institute of Steel Construction
536 Roy Building
1657 Barrington Street
Halifax, Nova Scotia
B3J 2A1

Mr. G.A. Laurin
Sales Manager
Dominion Bridge Co. Ltd.
555, rue Notre Dame
Lachine, Québec

Mr. Norton Paish
Director of Marketing
Russelsteel Limited
420, rue Stinson
Montreal, Québec
H4N 2G2

Mr. S. Wilkinson
Purchasing Manager
Eastern Structural Division
Canron Inc.
100 Disco Road
Rexdale, Ontario
M9W 1M1

Mr. John Witts
Vice-president
Newman Steel Ltd.
P.O. Box 2130
Oakville, Ontario
L7J 5E5

R.G. Kemp
Assistant Chief
Iron and Steel Division
Resource Industries Branch (7E-52)
Department of Industry, Trade and Commerce
235 Queen Street
Ottawa, Ontario
K1A 0H5

The itinerary was as follows:

Wednesday, February 27.....Pre-mission briefing, Ottawa

Sunday, March 16.....Montreal and Toronto to
Caracas

Wednesday, March 19.....Caracas to Port-of-Spain

Sunday, March 23.....Port-of-Spain to San Juan

Tuesday, March 25.....San Juan to Mexico City

Saturday, March 29.....Mexico City to Montreal and
Toronto

SUMMARY OF CONCLUSIONS

Venezuela The priorities of the new government, which focus upon agriculture, health, education and the control of inflation, are having the effect of slowing down the economy, dampening particularly sectors associated with industrial expansion. Despite this near-term retrenchment it is expected that individual projects will continue to present opportunities in the structural steel field.

Trinidad Political stability, a favourable balance of payments, a national commitment to industrial development and a strong Canadian presence on the island contribute to a strong present and promising potential market for Canadian structural steel and other steel products. Firms doing business in Trinidad should be prepared to deal with rapidly escalating costs, an unreliable labour supply and fragile communications and transportation services.

Puerto Rico Political uncertainty and the island's dependence upon financial inflows from the U.S. mainland make it difficult to assess market

trends in Puerto Rico. Being Canadian is not an impediment to doing business on the island, and significant opportunities may appear with the next upturn in the American economy.

Mexico

The national planning bodies recognize that Mexico's ambitious development plans can be realized only with foreign assistance. Since Mexico has the will and the wealth to pursue these plans it would seem certain that there will be attractive opportunities for Canadian structural steel firms and steel suppliers in Mexico during the next ten years. Opportunities exist at this time and interested firms should register with the Mexican Ministry of Commerce (see Appendix E for procedures).

In General

Canadian firms wishing to develop business in these countries should make their interests known to the Canadian trade commissioners responsible for the areas. The addresses are:

ATLANTA

Canadian Consulate General
900 Coastal States Building
260 Peachtree Street
Atlanta, Georgia 30303
Tel: 577-6810 (Area Code 404)
Telex: 00542676 (DOMCAN ATL)
Territory: Alabama, Florida, Georgia,
Mississippi, North and South Carolina,
Tennessee, Puerto Rico, British and U.S. Virgin
Islands.

MEXICO

Commercial Division
Canadian Embassy
Apartado Postal 5-364
Melchor Ocampo 463, 7th Floor
Mexico 5, D.F., Mexico
Cable: CANADIAN
Tel: 533-0610 (Area code 905)
Telex: (Area code 22) 1771191
(DMCNME)

TRINIDAD AND TOBAGO

Commercial Division
Canadian High Commission
P.O. Box 1246
Huggins Building
72 South Quay
Port-of-Spain, Trinidad
Cable: DOMCAN PORT OF SPAIN
Tel: 62-34787, 62-37254-8
Telex: (Area code 294) 226 (226 DOMCAN WG)
Territory: Barbados, French Guyana, Guadeloupe,
Guyana, Haiti, Martinique

VENEZUELA

Commercial Division
Canadian Embassy
Apartado 62302
Edificio La Estancia
Avenida La Estancia No. 10
Caracas 106, Venezuela
Cable: CANADIAN
Tel: (Area code 2) 91-30-10/610/801/401
Night Line: 91-32-77
Telex: (Area code 31) 23377 (DOMCAN VE)
Territory: Netherlands Antilles, Dominican
Republic

Firms wishing to appoint agents in any of these
countries can discuss the subject with the

appropriate trade commissioners. Many countries have regulations protecting their nationals who act as agents for foreign companies. A résumé of Latin American Agency Regulations has been compiled by the Department of Industry, Trade and Commerce and is attached as Appendix B.

BACKGROUND

Signs began to appear in late 1979 that the strong demand for Canadian steel, both domestically and in traditional markets, would ease in the coming year. Although all Canadian steel mill products were on allocation -- and structural shapes were in particularly short supply -- it became evident that the economic downturn, expected in 1979, would materialize early in 1980. Among the first signs of slackening activity were the pessimistic forecasts for automobile sales.

At the same time the steel industry in the United States, Canada's principal export market, was becoming increasingly sensitive to import competition. The trigger price mechanism no longer satisfied the U.S. producers and it was widely feared that the U.S. Administration might not be able to resist the demand for greater protection for this industry, particularly in a presidential election year.

An amendment to the U.S. Surface Transportation Act, passed in 1979, introduced a "Buy American" clause which has had the effect of limiting the amount of Canadian structural steel and fabrication work in projects funded by the U.S. federal government. In several individual state legislatures "Buy American" legislation was instituted. The "Buy American" sentiment in New York State has culminated in

state legislation particularly threatening to Canadian structural steel business.

Unfortunately, the economic slowdown will coincide with the start-up of new Canadian steel capacity. The first new green-field project in North America since the early 1900s, in Nanticoke, Ontario, will add 1.2 million ingot tonnes per year to the output of the Steel Company of Canada in 1980. Dominion Foundries and Steel have a half-million-tonne expansion under way. The Algoma Steel Corporation's plans call for a 25 per cent increase in steelmaking capacity in the 1980s and several of the non-integrated electric furnace steelmakers also have new capacity coming on stream.

Under these circumstances it is appropriate that the Department of Industry, Trade and Commerce assist the Industry in the exploration of new export opportunities for Canadian steel and steel products. The circumstances are favourable for the cultivation of broader markets in the Americas since three factors have strengthened the Canadian competitive position at this time.

1) Price

With Canadian mills enjoying superior operating efficiencies and with the assistance of a dollar lower in value

Canadian steel can be sold in North or South America in competition with many of their world competitors.

2) Quality and technology

Canadian steel mills and fabricators are producing and using steel equal or superior to any in the world. In the structural field for instance, the Canadian standard of 44,000 p.s.i. yield-strength sections offers possibilities for significant cost-saving substitutions over ASTM A36 which is commonly used in the United States.

3) Political stability

Canada's reputation for political stability contributes to confidence that its forthright and essentially conservative commercial practices will not change unexpectedly.

The decision to focus this mission on structural steel was made after consultations with both the industry and with various trade posts in Latin America. The itinerary was chosen at the same time, taking into account the interests of prospective mission members and the ability of trade posts to accommodate a steel trade mission in March 1980. It had been planned to extend the mission into early April and include

two more countries. The mission's organizers were advised, however, that nothing could be accomplished in Latin America during Holy Week, which fell in the first week of April.

Participating structural steel companies were chosen in consultation with the Canadian Institute of Steel Construction. It was hoped also that the mission might get a preliminary assessment of the opportunities for Canadian Steel Service Centre activities in Latin America and to this end two member firms of the Canadian Steel Service Centre Institute were included in the mission, one of which is active in the structural field as well.

VENEZUELA

VENEZUELA

Venezuela is Canada's fifth trading market after the United States, West Germany, the United Kingdom and Japan. In 1978, Canadian exports to Venezuela amounted to 685 million dollars and preliminary estimates of our 1979 exports indicate that we will approach close to 700 million dollars. Venezuela is Canada's most important trading partner among Latin America and Caribbean countries.

Our traditional export item, auto parts, has maintained a growth rate of 5% per annum while Canadian exports have increased at a substantially higher rate of 20% (1977 to 1978). Currently, exports of auto parts make up approximately 52% of export sales to Venezuela. On the other side of the coin, we have been Venezuela's second best customer for its crude oil. In 1979, Canada imported 203,000 barrels per day. Venezuela is an important supplier of Canada's crude oil requirements.

We are currently exporting significant quantities of newsprint, wood pulp, zinc, self contained generating units, boilers and equipment to the petroleum industry. Canadian seed potatoes have been the major export item in the agricultural area. Canadian consulting firms have been active in the industrial sectors of agriculture, pulp and paper, steel and the petroleum industry, having enjoyed modest success in these areas.

This year Venezuela's economy will experience a major shift of priorities. During the previous five years, Venezuela's economic priorities were directed towards the development of its industrial capability. For example, the Guayana region of Venezuela received funds to develop the world's largest sponge-iron complex (output goal of 4.8 million tonnes per year by the end of 1984). Other projects such as the Uverito plantation (100,000 hectares of pines and eucalyptus), the Caracas Metro, the Guri hydroelectric project and the development of Venezuela's bauxite reserves were all initiated in the past five years.

These projects will continue. However, 1980 will not be the year where any new major industrial projects will be initiated. Instead, Venezuela's 1980 budget of 57 billion bolivars will concentrate on the areas of education, housing, urban development and agriculture.

Venezuela's major source of revenue is the petroleum industry. The petroleum sector accounts for roughly 30 per cent of GNP, 73 per cent of government revenue and 94 per cent of export earnings. The Venezuelan government has committed some of this petroleum revenue to

reducing public debt which was estimated to be about \$U.S. 20 billion for 1978. In order to reduce this debt, the government has set stringent priorities on its spending. As a result, Venezuela will probably face a period of mild recession. Most of the economic reporters are now forecasting an upswing by the end of 1980.

Although the government has had more success in controlling inflation (more than anywhere else in Latin America), it continues to be a nagging problem. In order to counteract the rapidly rising inflation rate the government has recently legislated a wage bill increasing salaries. These increases had a range of 10 per cent to 40 per cent.

1980 VENEZUELAN BUDGET
Announced October 16, 1979
\$ 1 CDN. = 3.65 bolivars

	<u>Bolivars</u>
INTERIOR	8.5 BILLION
EXTERNAL	315.0 MILLION
FINANCE	16.0 BILLION
DEFENCE	3.5 BILLION
DEVELOPMENT	131.0 MILLION
EDUCATION	8.6 BILLION
HEALTH	3.0 BILLION
AGRICULTURE	3.6 BILLION
LABOUR	433.0 MILLION
TRANSPORT AND COMMUNICATION	2.7 BILLION
JUSTICE	567.0 MILLION
ENERGY AND MINES	184.0 MILLION
ENVIRONMENT AND NATURAL RESOURCES	1.8 BILLION
URBAN DEVELOPMENT	2.6 BILLION
INFORMATION AND TOURISM	256.0 MILLION
YOUTH	918.0 MILLION
OTHER (INCLUDING FUNDS REQUIRED FOR MINISTERS OF STATE SUCH AS INTELLIGENCE, CULTURE, INVESTMENT FUND AND DEVELOPMENT OF THE EASTERN REGION)	3.9 BILLION

VENEZUELA

Economic Statistics

	<u>1977</u>	<u>1978</u>	<u>1979(1)</u>
Population	\$13 million	\$13.1 million	\$13.4 million
Urban population		75.4%	
Rural population		24.6%	
Inflation rate (official)	8.5%	9.5%	11.6%(1)
Gross domestic product (current \$U.S.)	\$36.8 billion	\$38.1 billion	Jan. to Nov. \$40.0 billion
Per capita	\$2,830	\$2,908	\$2,985
Central government revenues(2) (current \$U.S.)	\$12.1 billion	\$13.56 billion	\$13.86 billion
Central government expenditures(2)	\$12.4 billion	\$13.66 billion	\$13.90 billion
Imports:(3) % increase	\$ 6.4 billion 33.3%	\$ 6.9 billion 9%	\$ 7.4 billion 7.2%
Category of imports (%)			
Raw materials and auxiliaries		26.0%	
Machinery, accessories and tools		32.5%	
Transport materials		17.4%	
Construction materials		6.6%	
Foodstuffs		19.9%	
Exports(3)	\$10.1 billion	\$10.8 billion	N.A.
Category of exports (%)	6.9%	7%	
Petroleum and by-products		95.5%	
Iron ore		1.7%	
Coffee		0.3%	
Cocoa		0.4%	
Iron and steel products		0.1%	
Aluminum		0.1%	
Miscellaneous		1.9%	

(1) All 1979 statistics are estimates

(2) President of Central Bank Report Jan. 4, 1980: Unofficial estimates of inflation range from 16 to 22 per cent.

(3) CORDIPLAN

Mission Activity

During the morning of the first day in Venezuela the mission was given a detailed briefing at the Canadian Embassy. The mission was also received by Ambassador Rousseau who discussed some of the political, social and economic trends which are shaping Venezuela.

The Canadian Embassy had prepared a series of appointments for each member of the mission. Meetings had been arranged with fabricators of structural steel, with manufacturers of boilers and heavy industrial equipment, designers and manufacturers of steel buildings, with general contractors and with steel distributors. As a result of newspaper publicity arranged by the embassy (see exhibits 1 and 2) and groundwork laid at the time appointments were made, mission members were generally warmly received by persons well informed concerning the mission objectives.

Perhaps the most informative meeting was a morning spent (by the full mission) with ASOCIACION DE INDUSTRIALES METALURGICOS Y DE MINERIA DE VENEZUELA (the Metal and Mineral Manufacturers Association). Venezuelans attending were:

Dr. Esteban Godayol - President
(also President TALLERES HISPANIA)

Sr. Ramon D. Ledi - Vice-president
(also President EGOSUCA C.A.)

Dr. Luis Van Dam - Director
(Also President INDUSTRIAS METALURGICAS VAN DAM)

Dr. Julio Sitges - Director
(also President TANQUES PARA GAS)

Dr. Luis Cordova Brito - Executive Director

Ing. Pedro Hernandez - Engineering Department

Lic. Eleonora Pulido
Chief of Public Affairs

The group of Venezuelan entrepreneurs made it clear that they were uneasy about the presence of the Canadian steel mission. Obviously they see Venezuela as their private market and do not intend to welcome direct competition from outside the country. One could sense concern about the immediate economic future of Venezuela. These gentlemen obviously expected a slowdown in construction and industrial expansion generally. The new government's determination to control inflation by reducing the rate of growth of the money supply is already having an effect on the working capital position of many firms, and receivables are becoming increasingly difficult to collect. It was hinted that foreign firms doing business with the Venezuelan government are having to wait an extraordinary length of time for payment, one reflection of the government's efforts to improve the country's balance of payments (which has only recently become positive).

The association members were candid in expressing the opinion that the Andean Pact was not operating to the advantage of Venezuelan industry (or at least to the benefit

of their sector). They were convinced that other member countries were secretly importing industrial products -- unmarked as to origin -- which competed directly with Venezuelan goods. The problem was compounded by the fact that in many sectors Venezuelan productivity is deteriorating -- too little output for high wages. The statement was made that the new president "would like to get out of the Andean Pact".

The Venezuelan group was inquisitive about the Canadian Institute of Steel Construction (C.I.S.C.), wanting to know if it was truly independent of government and how it was funded. They were most interested in the ways the C.I.S.C. promoted steel in construction. It was stated that civil engineering teaching in Venezuela tended to stress concrete. Members of the association asked for further background information on the C.I.S.C.

The discussion of possible areas of co-operation between the Canadian and Venezuelan steel industries was not particularly fruitful. The Venezuelans talked about "mixed capital investment" which appeared to mean minority participation by a foreign firm, sweetened by technology contributions. And although the Canadians asked, it was not made clear just what kind of technology was in demand.

Visits of a "commercial intelligence" nature were made to the following Venezuelan companies:

ALBENGOA S.A.
Av. Romulo Gallegos
Edif. Torres de Ugor
Mezzannina, of. 3 y 4
El Marqués
Tel: 35.7649

Ing. Raul Peralba Fortuni
General Manager

Company products: Construction company, specializing in metal construction.

COMERCIAL NUNEZ
Calle Santa Ana, pasaje comercial
Boleita Sur,
Tel: 34.6143

Sr. Nunez

Company products: Stainless steel, steel, special steel importer.

CYPECA
Torre Phelps, piso 5,
Plaza Venezuela
Tel: 781.9634

Sr. Carlos Sosa Franco - President
Sr. Fidel Morales - General Manager

Company products: Steel buildings (fire resistant) and components.

The company has manufacturing facilities.

Capital: Bs. 1,000,000

INDUSTRIAS METALURGICAS VAN DAM
Av. Los Bucares, El Cementerio
Tel: 61.7911/13

Srs. Luis y Pablo Van Dam - Directors

Company products: Industrial and commercial structures (fabrication and erection), tanks, boilers, bridges, dam gates, heavy industrial projects.

Company has manufacturing facilities, export experience and also has another company as joint venture with Chicago Bridge Co.

Capital: Bs. 90,000,000

METALURGICA ELECTRO INDUSTRIAL C.A. - MEICA
C.C. Mata de Coco, Caracas
Tel: 33.0825

Sr. Alfredo Armenteros

Company products: Manufacturer of materials for electrical installations, transmission poles, etc.

O.M.N.I. METALURGICO
Tel: 81.1634
82.2434

Sr. Juan Negretti
Ing. Juan C. Vega

Company products: Industrial erection in general, industrial plants erection, steel mills, pipeline construction, etc.

SAESA
Av. Trieste, California Sur
Caracas
Tel: 22.3222
22.4932

Company products: Steel service centre, has
manufacturing facilities,
electrical installations, etc.

Capital: Bs. 2,000,000

SAMONTI - SOCIEDAD ANONIMA DE MONTAJES
Torre Phelps, piso 19, Plaza Venezuela
Tel: 781.1010
781.6868

Sr. Héctor F. Mayo - Manager

Company products: Steel erection in general,
industrial plant construction
(steel mills, chemicals,
petrochemicals), industrial
maintenance, pipeline
construction, etc.

Capital: Bs. 300,000`

SERVIACERO
Av. Libertador, Edif. Exa
piso 6, El Rosal
Tel: 31.2897
31.4687

Sr. John Mirowsky - President
Sr. Jorge Piedra - Vice-president

Company products: Steel service centre.

The company has a plant located at an industrial
area 200 miles from Caracas

Capital: Bs. 4,800,000

S.I.C.M.I. VENEZOLANA

Edif. Oficentro, 5to. piso
Av. El Parque con Av. Andres Bello
San Bernardino - Caracas
Tel: 52.5175
52.6498

Sr. Constantino Morello

Company products: Structural steel fabrication,
industrial installation and
construction, tanks, etc.

SOCIEDAD VENEZOLANA DE ELECTRICIDAD - SVECA

Edif. Nvo Centro, piso 6, Av. Libertador
Tel: 32,3906

Dr. Silvano Lemisa - Vice-president
Ing. Marcelo Monalli - Technical Manager

Company products: Structural steel for trans-
mission towers, electrical
substations, tanks, etc. The
company has manufacturing
facilities.

Capital Bs. 7,000,000

On Monday evening March 17, the Commercial Counsellor and Mrs. Lederman entertained some 200 guests for cocktails at their residence, in honour of the Structural Steel Mission. This was a most valuable opportunity to again meet some of the distinguished Venezuelans with whom the Canadian party had held discussions. Several matters left unclear at initial talks were resolved at this time. The reception also gave the mission the chance to talk with members of the commercial and diplomatic communities whom

they would otherwise not have encountered. (please see invitation list Appendix A)

Venezuela -- Observations and Conclusions

1. The new national priorities, which focus on agriculture, health, education and the reduction of inflation, are having the effect of slowing down the Venezuelan economy and are causing particular hardship in those sectors associated with industrial expansion.
2. A subsidiary national concern, that of maintaining a favourable balance of payments, may seem that the government will not be anxious to purchase goods and services abroad and may be slow to honour foreign commercial obligations.
3. Despite the commitment to fight inflation the Venezuelan government has not been able to resist the demand for higher wages. In late '79 legislation was introduced increasing wages and salaries as much as 40 per cent in some cases. One can anticipate that inflation will continue.

4. Because of the difficulty of finding workers for unattractive low-paying jobs the government has tolerated, if not encouraged, the "unofficial" inflow of unskilled labour from neighbouring less prosperous countries. These disadvantaged non-citizens create unfortunate pressures on housing peripheral to urban centres, much of which can only be described as slums. However, one notices that these shack areas are being supplied with electricity and bus service and it is evident that the authorities consider these communities semipermanent.
5. The primary mild steel industry is wholly owned by Sidor, a government agency which not only frames expansion plans but effectively controls imports. Present crude steel capacity is reported to be 2.3 million tonnes per annum with plans for expansion to five million tonnes by 1985 and 10 million tonnes by 1990.
6. Import licences for steel (we are led to believe) are reviewed by Sidor and approved only if the material cannot be supplied by Venezuelan production or from Sidor's inventory of imported steel. The review and approval process can take up to four months according to a steel distributor in Caracas.

7. A privately financed specialty steel plant under the corporate name Acelcar is proposed for Eastern Venezuela which will use direct reduced sponge-iron from Sidor. Although planning seems to have struck a financing difficulty, present intentions are to build a 363,000 tonne-capacity plant based on two-36 MVA electric furnaces, a degasification unit, continuous casting, a reheat furnace, continuous bar-and-rod mill and a Stelmor unit.

Import figures reveal that prior to 1979, the special steels market in Venezuela grew at an average of 20 per cent per annum, except in 1976, as seen in the chart below:

(Thousand tonnes/year)

	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>
Medium-carbon	12,000	10,500	17,200	23,800
High-carbon	26,300	22,100	27,200	32,600
Free-cutting	-	-	-	3,600
Alloy	<u>21,600</u>	<u>20,100</u>	<u>41,800</u>	<u>55,400</u>
TOTALS	59,900	52,700	85,200	115,300

8. Masonry and concrete are the popular building materials, with steel clearly taking second place. One could speculate however that there will be an accelerating growth of highrise, low-cost urban housing and that opportunities for structural steel orders may result.

9. Highway and transmission line construction, although not high on the present list of national priorities, will have to push ahead in the medium to long term. One can also expect continuing pressure to extend water and sewage systems.

10. Canadian firms proposing to do business in Venezuela, or in any Latin American country, should consider appointing an agent to unravel the regulatory tangle and to help develop the special social-commercial relationships which are often the basis of business in these communities. However, most Latin American countries have regulations protecting agents in cases of disagreement or termination of a contract (written or implied). Companies are urged to consult with Canadian trade posts both in selecting an agent or making an agreement. Please see Appendix B for a summary of Latin American Agency Regulations compiled in 1977 by the Latin American Division, Western Hemisphere Bureau of the Department of Industry, Trade and Commerce.

11. Required shipping documents and Customs regulations for Venezuela are outlined in Appendix C, compiled in 1978 by the Western Hemisphere Bureau of the Department of Industry, Trade and Commerce.

12. The mail system in Venezuela is slow and unreliable, even by Canadian standards, and is rarely used for important business.

TRINIDAD AND TOBAGO

TRINIDAD AND TOBAGO

The oil industry is the backbone of Trinidad's economy. Trinidad is a producer of crude oil and also an important regional refiner of oil and related products. The oil, natural gas and asphalt sectors, directly and indirectly, together account for roughly half of GDP and more than 90 per cent of export earnings. The oil industry itself employs about 20,000 workers. Renewed efforts are being made to locate new land-based oil reserves, but the increase in crude oil production during the present decade reflects the coming onstream of offshore discoveries. On-land production, in fact, fell from 21 million barrels in 1971 to 15 million barrels in 1975 before increasing to 16.5 million barrels in 1977. Marine production increased from 23 million barrels in 1971 to 67 million barrels in 1977. Total production was a record 83.6 million barrels in 1977, sharply up from the 77.7 million in 1976 when the slack international market for oil affected demand. This slack continues to handicap Trinidad's refining industry. Refinery capacity is roughly 168 million barrels a year but throughput in 1977 was only 98.8 million compared with 144.3 million barrels in 1972. Crude oil production is dominated by Amoco Trinidad Oil Co., Trinidad Northern Areas Ltd. and Texaco Trinidad Inc. Some two-thirds of refinery capacity is operated by Texaco Trinidad and the rest by the Trinidad and Tobago Oil Co. Oil imports for refinery throughput fell to 58 million barrels in 1975,

compared with 107 million barrels in 1972, but rose to 85 million barrels in 1975 before falling to 68.9 million barrels in 1977.

The manufacturing sector expanded rapidly in the 1960s encouraged by incentive legislation, of which the Pioneer Industries Ordinance of 1950 was the first example. These laws give tax relief, depreciation allowances and duty-free imports of raw materials, while protection is given in the form of import prohibition or quota restrictions. In 1959 the Industrial Development Corporation was set up as a special agency for industrialization policy. In the early 1970s growth was uneven but there has been an expansion of manufacturing output in recent years as a spin-off from Trinidad's oil wealth.

Trinidad's imports from Canada have been growing rapidly, increasing by 81 per cent in 1979 to \$125,780,000. The country continues to formulate new industrial plans and related infrastructure developments. In the major construction and construction-related projects Canadians have been active in:

- an integrated steel facility for the Iron and Steel Company of Trinidad and Tobago Ltd.
- pipe for a saltwater fire-fighting distribution network for Port-of-Spain

- the design and planning of a new \$100 million maximum security prison, a youth training facility and psychiatric hospital and associated administrative facilities

- the development of a master plan for Trinidad and Tobago's major airports

- the rehabilitation work on the present runways at Piaico and Crown Point airports which will be designed and supervised by Transport Canada

TRINIDAD

Economic Statistics

	<u>1970</u>	<u>1978</u>	<u>annual rate of increase</u>
Population	1.034 million	1.13 million	1.1%
37 per cent of population is under 15 years of age			

Distribution of Employed Labour Force, January-June 1978

	<u>'000</u>	<u>Employed % of total employed</u>
Agriculture, forestry and fishing	50.4	13.1
Mining, quarrying and manufacturing	75.4	19.6
Construction and public utilities	69.1	17.9
Commerce	65.7	17.0
Transport and communication	29.9	7.8
Services	94.6	24.5
Other	0.4	0.1
Total	<u>385.4</u>	<u>100.0</u>

Source: Quarterly Economic Report, Trinidad and Tobago CSO.

Registered unemployment in the first half of 1978 was 12 per cent, compared with 14 per cent in the first half of 1977.

Main Commodities Traded
(\$TT million)

<u>Exports</u>	<u>1975</u>	<u>1977</u>	<u>Imports</u>	<u>1975</u>	<u>1977</u>
Petroleum, crude	1,439.1	2,055.8	Petroleum, crude	1,628.6	2,047.8
Petroleum products	1,925.8	2,730.9	Industrial, mining, and other machinery	190.8	281.7
Sugar	166.3	83.4	Vehicles and parts	81.2	196.4
Fertilizers and ammonia	64.1	61.0	Electrical machinery and parts	75.4	124.6
Petrochemicals	45.3	67.3	Metal manufactures and ferrous pipes, etc.	240.2	201.8
Cocoa beans	13.5	20.8	Foodstuffs	139.4	145.9

Source: Quarterly Economic Report

Mission Activity

The structural Steel Mission arrived in Port-of-Spain, Trinidad at noon, Wednesday, March 19, 1980. Members of the Commercial Division of the Canadian High Commission held a lunch briefing for the mission which included a review of the island's economy, the geography, and a discussion of the appointment schedules which had been prepared for each member of the mission. Appointments had been made with the following firms and organizations:

Hart & Leonard
Limited
Quantity Surveyors
100 Oxford Street
PORT-OF-SPAIN

Taurel & Company

Frederick Street
PORT-OF-SPAIN

Trinidad and Tobago
Electricity Commission
63 Frederick Street
PORT-OF-SPAIN

Ache Metal Company
Tumpuna Road
ARIMA

Mr. Derek Commissiong
Director of Highways
Ministry of Transport and
Communications
3 Edward Street
PORT-OF-SPAIN

S.F. Limited
O'Meara Road
ARIMA

Mr. T. Reynolds (Engineer)
Lea/Trintoplan
Beetham Highway
PORT-OF-SPAIN

Watkins Phillips Bynoe &
Partners
22 Victoria Avenue
PORT-OF-SPAIN

Emsab Consulting Engineers
18 Henry Street
(2nd Floor)
PORT-OF-SPAIN

East End Foundry Ltd.
South Quay
PORT-OF-SPAIN

Francis Lau Limited
IDC Industrial Estate
Sea Lots, off Beetham
Highway
PORT-OF-SPAIN

Lee Young & Partners
Dere Street
PORT-OF-SPAIN

W.A. Barron & Co. Ltd.
27-29-31 Ciperó Street
SAN FERNANDO

Yorke Structures Ltd.
O'Meara
ARIMA

Damus Limited
Southern Main Road
LA ROMAIN

Reep, Fojo & Holder Ltd.
20 Abercromby Street
PORT-OF-SPAIN

Dansteel Limited
2½ Mile South Trunk Road
LA ROMAIN

Trinidad & Tobago Electrical
Contractors Ltd.
165-169 Charlotte Street
PORT-OF-SPAIN

Eric Miller & Company
Limited
27 San Fernando Street
SAN FERNANDO

Trinidad - Observations and Conclusions

1. Unlike Venezuela, there is no evidence of a slowdown in the pace of economic activity in Trinidad. The island has enjoyed a lengthy term of political stability. Dr. Eric Williams, leader of the broadly conservative People's National Movement, has been Prime Minister since 1956 and the party remains in a strong position. Trinidad's current development plans are based on downstream applications of petroleum products, on other

energy-intensive heavy industrial projects and on improvements to airports and extensions to the highway system. There are no rail services.

2. Certain common impediments to construction and industrial development are particularly severe in Trinidad. For example:

- the telephone system is extremely fragile, both local and long distance. Urgent communications often have to be delivered by messenger
- port facilities are badly overcrowded, with the result that the movement of goods can be delayed several weeks while awaiting off-loading
- local skilled labour and services (such as trucking) are in extremely short supply and competitive bidding for them contributes significantly to unexpected cost overruns
- unskilled labour cannot be depended upon to show up on the job regularly, despite an unemployment level of more than 12 per cent

- equipment maintenance is extremely difficult; there are few good mechanics, little appreciation of preventive maintenance and long waiting periods for spare parts

3. Highway bridge and overpass spans in Trinidad are relatively short, rarely more than 120 feet, so that prestressed concrete is often more economical than steel. For culverts, large diameter concrete pipe is preferred over steel for maintenance reasons.
4. Power transmission distances in Trinidad are short and there is no requirement for ultrahigh voltage lines. As a result towers are low and there is little demand for high steel poles.
5. Trinidad's medium-term plans include several projects which will require imported steel; airport expansions in both Trinidad and Tobago and the Golden Grove prison complex are two in which there is Canadian involvement at the planning stage. Besides these, there is discussion of a proposed aluminum smelter in the industrial area to the south of Port-of-Spain. Continued expansion of the highway system, the power distribution grid, water supply and port facilities are inevitable.

6. Port-of-Spain has as yet few highrise buildings. Government departments and agencies are often accommodated in office space which is quite inadequate is by North American standards. Given the national prosperity and a continuing growth of bureaucracy, one can expect a demand for new office space in the near to medium term.

7. Shipping documents and Customs regulations for Trinidad and Tobago (as well as Barbados, Jamaica and Guyana) as of 1978 are outlined in Appendix D.

PUERTO RICO

PUERTO RICO

Since 1952, Puerto Rico has had commonwealth status with the United States. It has its own elected legislature and governor and is autonomous in local affairs but must conform to U.S. federal legislation. Puerto Rico is not a U.S. state; it is represented in Washington, but only recently have its citizens been allowed to vote in certain federal elections. Puerto Rico receives financial and other forms of assistance from the U.S. The island and the U.S. tax and trade laws offer substantial incentives to industrial firms and this special relationship has benefited the island economically.

Puerto Rican citizens and goods have free access to the U.S.: there are approximately two million Puerto Ricans living in the U.S. In addition to emigration, there is seasonal movement to the U.S. in search of work and this source of seasonal income is dependent on the state of the U.S. labour market, which is at present depressed.

The Puerto Rican employment situation has also been difficult for some time with the unemployment level never falling below 15 per cent since 1975. The age structure of the population has built up the labour force rapidly, bringing the labour market in fiscal 1977 to 925,000. Employment in 1977 was an estimated 739,000 with an unemployment rate of

20.2 per cent. Recent large investments have not alleviated the employment situation. However, a new development bank has been created which is empowered to provide finance for investment in Puerto Rico, with the emphasis on job creation. More immediate impact, however, in terms of job creation, is likely to result from a proposed U.S. federal public works scheme. This could result in \$500 million of U.S. federal funds being used to create an estimated 37,500 new jobs, mostly in the building industry.

A sudden upsurge in political violence against U.S. presence on the island is affecting Washington's and U.S. businessmen's thinking on Puerto Rico. In December an ambush of a bus carrying U.S. servicemen, which resulted in two deaths, was followed up by the armed ambush of a security patrol inside the giant Roosevelt Roads naval base. It has been argued by the island's politicians that the independence movement is a minority, and that its terrorist faction is even smaller.

Economic Statistics

LAND AREA: 8,897 km²

POPULATION: 3.3 million (1977 estimate)

MAIN TOWNS: Population in '000, 1974

San Juan	1,022 (1977)	Caguas	105
Ponce	175	Mayaguez	96
Bayamon	170	Arecibo	73

CLIMATE: Subtropical

LANGUAGE: Spanish and English

MEASURES: British (imperial) and U.S. systems

CURRENCY: U.S. dollar = 100 cents. Exchange rates in mid August, 1979: £1 = \$2.236.

Employed Persons by Economic Sector

('000 of persons 14 years old and more: averages of monthly figures)

	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>% of total</u>
	737	757	775	738	718	100.0
Total(a)						
Agriculture, forestry and fisheries	58	50	53	50	47	6.5
Manufacturing	141	142	147	137	133	18.5
Construction	79	80	80	69	53	7.4
Transportation and other public utilities	49	50	54	49	46	6.5
Wholesale and retail trade	135	146	147	141	140	19.5
Finance, insurance, real estate and mining	17	19	19	19	19	2.6
Services	126	127	128	121	121	16.9
Public administration	131	143	146	151	158	22.0

(a) Figures may not add to total due to rounding.

Source: Treasury Department, Economy and Finances.

Puerto Rico is subject to U.S. import and export regulations and tariffs. A free trade zone has been established at Mayaguez, and a solely industrial free trade zone opened at Penuelas.

Breakdown of Main Imports
(\$ million accumulated figures)

	<u>1973/74</u>	<u>1974/75</u>
Total	2,932	3,830
of which:		
Animal and vegetable products	160	169
Chemical products	525	975
Metal and metal products	149	178
Petroleum (value)	89	140
Machinery and transport	356	484

Source: Economic Indicators of Puerto Rico, 1975.

Canadian Banks

The Royal Bank of Canada
The Bank of Nova Scotia

Mission Activities

The mission arrived in San Juan, Puerto Rico Sunday, March 23, 1980. Canada does not, at this time, have consular offices on the island, Puerto Rico being covered by the consulate in Atlanta. Sunday evening Mr. Thibault, Consul and Trade Commissioner in Atlanta responsible for Puerto Rico, held a briefing for the mission and outlined the program which he had prepared.

The first item on the program was a meeting on Monday morning with Mr. Jim Scott, District Manager, Royal Bank of Canada, at his offices in the Pan Am Building.

Mr. Scott, in anticipation at the mission's visit, had done considerable background research and gave a useful sketch of the island's economy, political situation and the business prospects in the near term.

Mr. Scott is of the opinion that Puerto Rico is, and will continue to be, a safe place to do business. Despite a dropping birthrate and emigration to the U.S. the island's population continues to grow. The overall demand is, however, difficult to predict and will be shaped to some extent by political factors. The high level of unemployment (now estimated at 18 per cent) may prove to be an obstinate problem because of the high proportion of physically and educationally disadvantaged among Puerto Rico's poor.

The non-repatriated profits of tax-exempt companies creates a pool of investment funds which are available at rates significantly lower than the going rate on the U.S. mainland. In mid-March 1980, this money was available at approximately 10 per cent.

Mr. Scott produced the following figures for two classes of steel imports in 1979:

Structural shapes	43,000 metric tonnes
Steel rod (including rebar)	83,000 metric tonnes

Following is a list of other appointments arranged by the Canadian Consulate for the steel mission's one-and-a-half days in Puerto Rico:

Caribe Industrial and Electrical Supplies Ltd.
La Muda
Km 21.6 Guaynabo Highway

Caribbean Equipment Inc.
502 Hostos Ave.
Hato Rey

Héctor Collazo and Assoc. Inc.
Carr. 1, Km 24.5
Rio Piedras, Caguas

Badrena and Perez Inc.
225 Carpenter Road
Hato Rey

Peluzzo Iron Work
Boca Matienzo, Trujillo Alto

Trujillo Alto Metal Door Corp.
Carr. Los Barros
Boca Cueva, Trujillo Alto

Representative International Inc.
Condominio Centro de Alta Mira, Suite 204
Calle Persio

Alonso and Carus Iron Works
Road 26, Km. 7.5
Cantano

Caribe Metal Working Inc.
Carretera 167, Km. 26.3
Urb. Ind. Luchetti
Bayamon

Luis F. Caratini and Son
Calle Francia 470
Hato Rey

Puerto Rico - Conclusions.

- 1) Canadian businessmen are generally respected and welcomed in Puerto Rico.
- 2) In some meetings with Puerto Rican firms it was possible to detect a concern about political and economic instability on the island. There appeared to be less business confidence in Puerto Rico than in Venezuela, Trinidad or Mexico.
- 3) Members of the mission concluded that Puerto Rico does not offer great opportunities for new structural steel business under today's conditions.
- 4) At the moment there is no regular direct ocean shipping connection between Canada and Puerto Rico. If such a service is established the competitive position of Canadian exporters may be significantly improved.

MEXICO

MEXICO

Economic Statistics

LAND AREA: 2,022,060 km², 48 per cent agricultural and
nine per cent forested

POPULATION: 66.9 million (1978 estimate)

LANGUAGE: Spanish and some American Indian languages

MEASURES: Metric system, also old Spanish measures

CURRENCY: 1 peso = 100 centavos. Exchange rates at mid-
August, 1979: \$1 U.S. = 22.81 pesos, £1 = 51.23 pesos

Manufacturing Growth

	Per cent Change	
	<u>1979/78</u>	<u>1978/77</u>
Food, beverages, tobacco	6.9	5.7
Textiles	5.5	1.7
Clothing	7.8	3.5
Wood industry	3.4	5.9
Paper and products	2.3	11.5
Rubber products	-3.9	22.1
Printing industry	16.7	2.3
Chemical products	4.4	0.2
Non-metallic minerals	7.8	7.5
Iron and steel	7.4	18.3
Machinery	18.2	11.8
Transport equipment	20.2	31.9

Indications are that Mexico's GDP in 1979 grew by 7.0-7.5 per cent in real terms, with most sectors of the economy (agriculture was the only notable exception) experiencing strong expansion. 1980 has started well right across the board, and to judge from businessmen's stated investment intentions the private sector expects the boom to continue. On balance, the government's own estimate made at the time the 1980 budget was being prepared, that GDP would grow by 7.5-8.0 per cent this year looks rather conservative, taking account of the extra expansionary impetus given by the assumed intention to increase the ceiling on oil output and of the buoyant trend in virtually all the economic indicators. At this stage, our earlier estimate of GDP growth in the range of eight to nine per cent in real terms in 1980 looks realistic.*

Canadian exports to Mexico in recent years have been relatively stagnant, registering \$218 million in 1975, \$213 million in 1976, \$219 million in 1977 and \$229 million in 1978. During a period when the value of total Mexican imports has shown substantial growth (from \$U.S. 6.6 billion in 1975 to \$U.S. 8.1 billion in 1979).

*The Economist "Quarterly Economic Review, 1st Quarter, 1980"

Over the same period, Mexican exports to Canada have virtually doubled from \$95 million in 1975 to \$146 million in 1976, \$194 million in 1977 and \$184 million in 1978.

Although the July-September period has shown a considerable improvement over the earlier months of the year, Canadian exports to Mexico for the first three quarters of 1979 have suffered an overall decline of 5.4 per cent (led by drops in newsprint, steel products and railway rolling stock). Mexican exports to Canada on the other hand, have increased by 17.6 per cent to a point where the trade balance has now swung to Mexico's favour.

Canadian Exports to Mexico (\$Cdn. million)

Source: Statistics Canada	Jan.- Sept./79	Jan.- Sept./78
TOTAL	152.9	161.7
Leading Exports		
Asbestos fibre (groups 4 and 5)	19.8	17.0
Skim milk powder	10.0	9.8
Steel sheets and strip, n.e.s.	6.8	16.6
Railway rails	6.6	9.7
Motor vehicle parts and accessories, excluding engines	6.3	3.3
Newsprint paper	5.2	11.1
Coal	4.6	nil
Power boilers, equipment and parts	3.7	2.8
Gold	3.7	3.1
Wheat	3.0	6.2
Dairy cattle (not purebred, 200 lbs. and up)	3.0	1.8
Card punch sort tab computers and parts	3.0	1.7
Wood pulp, bleached kraft paper	3.0	0.3
Motor vehicle engines and parts	2.7	1.0
Purebred dairy cattle	2.7	3.0
Firebrick and similar shapes	2.4	nil
Measuring and control instruments	2.4	1.6
Marine engines and parts	2.3	0.4
Plastic and synthetic rubber not shaped, n.e.s.	2.2	0.6
Milk, cream and by-products, powdered	2.1	1.6
Earth-drilling and related machinery and parts	1.7	0.2
Locomotives and tenders, engines and parts	1.0	5.1
Railway rolling stock and parts	0.4	11.8
Welded iron and steel pipes and tubes	0.01	9.4

Mission Activity

The Canadian Structural Steel Mission arrived in Mexico City from San Juan, Puerto Rico, on the evening of Tuesday, March 25, 1980. The Commercial Division of the Canadian Embassy had prepared the following program:

Wednesday, March 26

- 10 a.m. Briefing at Canadian Embassy.
- 11.15 a.m. Leave embassy for Comision Coordinadora de la Industria Siderugica (Government Co-ordinating Commission for the Steel Industry), Av. Chapultepec No. 536.
- 11.30 a.m. Briefing at Comision Coordinadora re overview of current status and future projections for Mexican steel industry.
- 4.15 p.m. Pickup at hotel for transfer to Camara Nacional de la Industria del Hierro y del Acero - CANACERO (National Chamber of the Iron and Steel Industry), Amores No. 338.
- 5 p.m. Briefing at CANACERO re structural steel producers in Mexico.

Thursday, March 27

- 9 a.m. Pickup at hotel for transfer to Camara Nacional de la Industria de la Construccion (National Chamber of the Construction Industry), Colima No. 254.
- 9.30 a.m. Meeting at Construction Industry Chamber for discussion with local structural steel erectors.
- 4.30 a.m. Pickup at hotel for transfer to Nacional Financiera, S.A. NAFINSA (Mexican Government Development Bank), Reforma No. 136-5th floor (Tel: 535-3329).
- 5 a.m. Briefing at NAFINSA re possibilities for joint ventures and technology transfers.
- 7.30 -
- 9.30 p.m. Cocktail party, residence of Mr. T.A. MacDonald

Friday, March 28

- 8.45 a.m. Pickup at hotel for excursion to Puebla.
- 11 a.m. Arrival at HYLSA steel plant in Puebla for plant tour
- 2 p.m. Lunch. Courtesy of HYLSA.
- 4 p.m. Depart from Puebla for Mexico City.
- 6 p.m. Arrival in Mexico City.

Following are the highlights of the briefing at the Canadian Embassy, Wednesday morning, March 26, 1980.

The iron and steel industry of Mexico is made up of both public and privately owned firms. The government holding company SIDERMEX controls the following three producers:

	<u>1978 Output</u>
Altos Hounos de Mexico	2.8 million tonnes
Lia Fundidora de Fierro y	
Acero de Montevvey	1.0 million tonnes
Sicartso S.A.	0.5 million tonnes

The private sector, which includes the widely known Grupo Acero Hylsa, had an output in 1978 of approximately three million tonnes. Plans call for expanding the country's steelmaking capacity to 12 million tonnes/year by 1982 and to 27 million by 1990.

Steel imports from all sources in 1978 were 1.2 million tonnes made up chiefly of pipe and tube, plate and tinplate. Structural shapes accounted for only 40 thousand tons. Mexico was a net exporter of structural steel in 1977 and 1978 but may have been a net importer in 1979.

One of the major difficulties facing the Mexican construction industry is the inadequacy of Mexico's transportation network. The national oil industry, PEMEX, and food imports occupy 70 per cent of the available railway capacity. In addition some 7,000 boxcars are sitting loaded at ports and being used essentially as warehouse space because there are too few locomotives to move goods quickly. Transportation by road is hampered by a shortage of tractor units.

The Canadian Embassy considers three subjects to be most important when contemplating sales to Mexico.

1. Registration. Companies wishing to sell to the Mexican government and its agencies are required to register with the Ministry of Commerce. The procedure is neither complicated nor expensive. (See Appendix E "Registration Procedures"). The government and its agencies account for approximately 60 per cent of construction in Mexico.

2. Agents are helpful in securing business and conforming to local practices. They can be particularly useful in spot markets such as structural steel projects.

3. Joint Ventures. The government is bent upon promoting self-sufficiency in all areas so that, in the medium to long term, joint ventures with Mexican interests may be the only practical route. The embassy is aware that German, Japanese and American firms are studying joint ventures.

At the moment Mexico's import duties are not a significant impediment to sales in Mexico as import licences are required and will be issued only if Mexican companies cannot supply. The embassy believes that there is a trend to replace the licences with higher duties. On March 18, the President announced that Mexico would not join the GATT in the foreseeable future.

On Wednesday morning, March 26, the mission met with two senior officials at the Government Co-ordinating Commission for the Steel Industry, Messrs. Rafael Secura Millan and Alfredo Acle Tomasini. This institution is responsible for policy and planning for the nationalized section of Mexico's steel industry. These two gentlemen gave

the mission a brief review of Mexico's most recent Industrial Development Plan (drawn up in 1979) with particular emphasis on the impact on iron and steel.

Forward planning is predicated on an overall national economic growth of 10 per cent per year in real terms. It is expected that there will be a resulting growth in demand for steel of 12 per cent per year, to a total demand of 26 million tonnes/year by 1990.

For non-flat steel items the picture is expected to evolve as follows:

	1980		1990	
	<u>Demand</u>	<u>Supply</u>	<u>Demand</u>	<u>Supply</u>
Rebar (million tonnes)	1	1.3	3.9	3.6
Light sections	0.2	0.22	0.6	0.58
Heavy shapes (more than 4")	0.24	0.28	0.8	0.8
Wire rod	0.1	0.14	0.4	0.38

In steel-related industrial sectors (which are of top priority in national development plans) the following growth rates are predicted:

<u>Sector</u>	Annual growth rate of total demand (%)	
	<u>1979-82</u>	<u>1982-90</u>
Machinery and equipment for food production	16.5-17.5	13.0-14.0
Machinery and equipment for petrochemicals	21.0-23.0	18.0-20.0
Machinery and equipment for electrical industry	15.0-16.0	17.0-18.0
Machinery and equipment for metallurgical industry	19.0-15.0	17.0-19.0
Construction machinery and equipment	13.0-14.0	15.0-16.0
Transportation equipment	18.0-20.0	12.0-13.0
Misc. industrial machinery and equipment	16.0-17.0	13.0-14.0

On a slightly different subject: the Government Co-ordinating Commission for the steel industry has some responsibility for wage and price stability in the steel sector. Representatives of the commission have expressed interest in the Canadian experience and will likely be visiting Canada in the near future to interview government and industry people who were involved.

The meeting on Wednesday afternoon, March 26, with one representative of the National Chamber of the Iron and Steel Industry was not particularly noteworthy.

On Thursday morning, March 27, the mission was received by three senior executives of the National Chamber of the Construction Industry. These gentlemen confirmed much

that the mission had learned from the Co-ordinating Commission, particularly concerning the problems posed by transportation.

The mission also learned that in Mexico two institutions account for more than half of the national construction activity. These are Pemex (the national oil company), and the Federal Commission of Electricity. One of the major structural steel projects on the immediate horizon is a 52-storey headquarters for Pemex in Mexico City. It is believed that approximately 40 per cent of the structural steel for this building, some 12,000 tonnes, will have to come from outside Mexico if the construction schedule is to be met.

In the afternoon of Thursday, March 27, the mission met with Mr. José Antonio Velazquey of NAFINSA (the Mexican Government Development Bank). This institution has control of all financial aspects of Mexican nationalized industry. It was pointed out that NAFINSA does not concern itself with the technical (i.e. engineering) details of projects -- but it does control the list of foreign contractors approved and invited to bid on government projects open to offshore contractors. NAFINSA also oversees the establishment of joint ventures between Mexican and foreign contractors for major national developments.

In the course of conversation several upcoming projects were casually mentioned such as:

- a forge and foundry shop forging pieces of up to 100 tonnes and producing castings of 50 tonnes
- a crane-building facility for machines capable of handling 300-tonne loads
- a U and O pipe mill to produce 48" diameter line pipe
- an engineering works to produce both steam and gas turbo-generators for Pemex and the sugar industry
- a major steel fabricating shop with a 16,000 tonne/year capacity to produce reactors, pressure vessels and columns, mainly for Pemex
- a joint venture with Creusot-Loire to produce steel-mill equipment such as rolling mills and galvanizing lines.

In projects such as these NAFINSA carries out a pre-feasibility study. Subsequently, invitations for proposals are sent to foreign companies with whom NAFINSA is familiar. Such invitations may result in three-way joint ventures, a foreign firm participating with NAFINSA and a Mexican private company.

It was observed that Canadian companies have not played a prominent role in the capital goods area in Mexico.

Mexico -- Conclusions

1. Mexican authorities appear to recognize that their industrial development plans cannot be realized without significant assistance from outside the country. As a result government agencies are organized to recruit such assistance, at the same time harnessing it with Mexican partners and maintaining control within Mexico.
2. Canadian firms wishing to participate in Mexican projects should register with the Mexican Department of Commerce (see Appendix E) and appoint an effective agent to represent company interests and interpret local requirements. The Canadian Embassy in Mexico City can be consulted concerning reliable agents.
3. It is important that NAFINSA (the Mexican Government Development Bank) become more familiar with the capabilities and strengths of Canadian firms.

4. Mexico appears to be a promising market for Canadian structural steel in the near and medium term (to at least 1990).

5. Shipping documents and Customs regulations for Mexico are attached as Appendix F.

EXHIBIT 1

PP 1-19

El Universal
14-3-87

El lunes

Viene Misión Comercial del Canadá Para Tratar Sobre Industria Metalmeccánica

**También ofrecerán tipos de cooperación
entre los cuales figuran ayuda
tecnológica y entrenamiento de recursos
humanos**

Con fines de establecer vínculos con la industria metalmeccánica venezolana, e identificar diversos tipos de cooperación mixta, entre los cuales pueden figurar ayuda tecnológica hasta entrenamiento de recursos humanos, llegará una importante misión canadiense a Caracas el 17 del presente mes.

Los miembros de la misión están al tanto de la pujante industria metalúrgica y metalmeccánica de Venezuela, y es en miras de este desarrollo que pensamos que estos intercambios de ideas pueden ser de mutuo beneficio para ambos países.

Las siguientes empresas conforman la misión:

Canron Inc., (especialistas en diseños de estructura de acero para edificios industriales y comerciales, sistemas de construcción, postes y torres de transmisión de microondas), Newman Structural Steel, (fabricantes de puentes de vigas, puentes armados, torres de enfriamiento, estructuras de acero, alios, etc.), Russel Steel, (centro de servicio de acero que almacena y distribuye acero, acero inoxidable y bronce), Dominion Bridge Co. (se especializa en diseño, fabricación y montaje de estructuras de acero para todo tipo de edificios, puentes, torres de transmisión. También diseño y fabricación de trabajos de acero para subestaciones eléctricas, grúas industriales, calderas, etc.).

Las compañías que integran la misión estarán acompañadas por un representante del Instituto Canadiense de Constructores de acero y de un miembro del Ministerio de Industria y Comercio del Canadá.

El Consejero Comercial de la Embajada del Canadá, Sr. Lawrence D. Lederman ofrecerá un coctel el día lunes 17 en honor a los distinguidos visitantes. Para información adicional la Sección comercial de la Embajada está a la disposición.

EXHIBIT 2

The Daily Journal
17-3-1980

Metalmechanics mission from Canada here today

Special to the Journal

In order to establish commercial ties with the Venezuelan metalmechanical industry and identify various types of cooperation, which may range from technical help to manpower training, an important Canadian Mission will arrive to Caracas today.

The members of the mission are aware of the strong Venezuelan metallurgical and metalmechanical industry, and it is in view of this development that we think that these exchanges of ideas may be of mutual interest for both countries.

The following companies form the mission: Canron Inc. (specialists in steel structural design for industrial and commercial buildings, construction systems, posts and

transmission microwaves towers), Newman Structural Steel, (manufacturers of bridge beams, cooling towers, steel structures, silos etc.) Russel Steel, (steel service centre which stores and distributes steel, stainless steel and bronze), Dominion Bridge Co., (specializes in design, manufacture and mounting of steel structures for all types of buildings, bridges, transmission towers. Also designs and manufactures of steel work for electrical substations, industrial cranes, boilers, etc.)

The companies who will form the mission will be accompanied by a representative of the Canadian Institute of Steel Builders and by a member of the Department of Industry Trade and Commerce.

APPENDIX A

INVITATION

TO COCKTAIL AT MR. L.D. LEDERMAN'S RESIDENCE
MONDAY - MARCH 17, 1980

BANKS / FINANCE

Mr. and Mrs. Edgar Felsenstein
Bank of Nova Scotia - Rep.
CCC Tamanaco, piso 2, Ofic. 209, Chuao

Mr. and Mrs. John Glahome
The Royal Bank of Canada - Rep.
Edif. Cavendes, Ofic. 703
Avda. Fco. de Miranda, Los Palos Grandes

Mr. and Mrs. Richard Loth
Bank of Montreal - Rep.
Centro Altamira, Ofic. 4, piso 4
Avda. San Juan Bosco, Altamira

Mr. and Mrs. Luis Borda	Banco Royal	
Mr. and Mrs. F. García	" "	- Torre Europa
Mr. and Mrs. Mario Font	" "	" "

Mr. and Mrs. Enrique Sotelo
Cdn. Imperial Bank of Commerce - Rep.
Edif. Banco Provincial
Marrón a Pelota Nº 10

Mr. and Mrs. Luis Pérez-Dupuy
Banco Venezolano de Crédito
Monjas a San Francisco Nº 7

Mr. and Mrs. Sam Berner
Pruinvest
Torre La Primera, p. 12, Ofic. 12-D
Avda. Francisco de Miranda

Mr. Armando Engel
Pruinvest (same address)

Mr. Werner Luthi
Unión de Bancos Suizos
Edif. Phelps, piso 9
Plaza Venezuela

Mr. and Mrs. J. Haywood Davis
Morgan Guaranty Trust Co. - Rep.
Centro Altamira, piso 5
Avda. San Juan Bosco, Altamira

Mr. and Mrs. Carlos Izurieta Valery, Director
Venezuelan-American Co. Ltd.
Centro Altamira, piso 4
Avda. San Juan Bosco, Altamira

Mr. and Mrs. Ramón Pimentel
Pruinvest
Torre Primera, piso 12, Of. 12-D
Avda. Fco. de Miranda, Chacao

Mr. and Mrs. Enrique Roldan Lemos (VP-Finance)
Corp. Andina de Fomento
Torre Central, piso 6
Avda. Luis Roche, Altamira

Canadian Embassy

Ambassador and Mrs. Rousseau

Mr. and Mrs. R. Chan

Mr. and Mrs. W. Jaschke

Mr. and Mrs. Luis Romero

Mr. P. Somerville

Mr. and Mrs. R. Araujo

Mr. and Mrs. P. Abols

Mr. G. Poirier

Mr. and Mrs. J. Cockrell

Mr. and Mrs. M. Tasker

Canadians:

Mr. and Mrs. C.W. Bradley
Dismática Industrial
Multicentro Empresarial del Este
Torre B, piso 1, Ofic. 3-11/12
Avda. Libertador - fte. Cauchos General

Mr. and Mrs. Brian Bradley
(same address)

Mr. and Mrs. Luis Miranda
Venelca
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APPENDIX B

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

OTTAWA, CANADA

LATIN AMERICA
AGENCY REGULATIONS

(First Edition)

Compiled by
Latin America Division
Western Hemisphere Bureau
January, 1977

Latin America
Agency Regulations
(First Edition)

Amendment No. 1

Page 4 - ECUADOR - Delete the information and replace by the following:

Decree No. 1038A which became effective January 1, 1977 governs the relationship between principals and their agents, distributors or representatives.

The decree stipulates that if the agency agreement is terminated without "just cause" the agent is entitled to the following compensation from the principal (1) value of the agent's investment for appropriate equipment, installations, furniture and fixtures which have no further use (2) actual cost of merchandise, raw materials, parts and accessories which cannot be sold because of contract termination (3) the value of goodwill attributable to the agent determined by the duration of the agency, the volume of sales or service in relation to the agent's total business, the share of the market such volume represents and (4) any other factor which may contribute in establishing a just sum for goodwill. The actual amount of damages is to be determined by an Ecuadorian judicial proceeding.

"Just cause" for termination or refusal to extend an agency or distribution contract by the principal is defined as (1) the agent's failure to discharge his contractual or legal obligations (2) any action or omission by the agent resulting in damage to the principal's interest (3) the agent's bankruptcy or insolvency and (4) liquidation or termination of his business activities.

Legal jurisdiction over representational contracts continues to be limited to the laws of Ecuador, thereby precluding the use of choice of law clauses often found in such contracts.

Western Hemisphere Bureau

Department of Industry, Trade and Commerce

LATIN AMERICA

AGENCY REGULATIONS

(First Edition)

Amendment No. 2

Pages 1-2 Bolivia - Delete the information and substitute the following:

Principal-agent relationship is now governed by Articles 1248 to 1259 of the new Commercial Code enacted on December 16, 1977.

The Code requires that agency contracts be registered in the Commercial Registry and shall stipulate the authority granted to the agent, the field of activities, duration of such activities, the area where they shall be performed, and the basis for remuneration.

In accordance with Article 1251, all contracts for agency agreements to be performed in Bolivia are subject to Bolivian laws.

Agency contracts may be terminated for the following causes defined under article 1255: breach of contract obligations by agent or principal; an act or omission by either party adversely affecting the interest of the other; substantial decrease in the volume of transactions contrary to contract stipulations through fault of the agent; bankruptcy, death, incapacity or disability as well as termination of activities by either agent or principal; and expiration of the contract unless extension or renewal occurs.

The agent shall have the right to withhold and prior claim on the assets and funds of the principal for the value of unpaid remunerations until sums due are settled.

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LATIN AMERICA

Agency Regulations
(First Edition)

Amendment No. 3

Pages 3 & 4 Costa Rica - Delete the information and replace by the following.

Law No. 6209, effective April 3, 1978, now regulates the termination of commercial agreements between agents, distributors and manufacturers and foreign companies. The new law supersedes Law No. 4684 of December 4, 1970.

The new law gives local manufacturers the same rights and protection as agents, distributors or other representatives. Any manufacturer using foreign technology and raw materials to produce, package or make goods bearing the brand of a foreign enterprise is covered by the law.

Article 5 defines "just cause" for termination of an agreement by the principal as any crime by the distributor or manufacturer against the foreign enterprise, systematic reduction in the sale or distribution of the products due to incompetence and negligence of the agent, distributor or manufacturer, disclosure of confidential information about the product and the operation of the foreign enterprise, and any other serious offense committed by the agent, distributor or manufacturer in connection with his contractual or legal duties and obligations with the parent company.

Article 2 stipulates that if the representation, distribution or manufacturing agreement is terminated or is not extended without "just cause" the foreign enterprise shall pay compensation at the rate of four months gross profits, based on an annual average, for each year of service or fraction thereof up to a maximum of nine years. Under Article 3 the principal is required to pay for existing merchandise at a price which includes the cost of these products plus a reasonable percentage of the investment. This percentage will be determined by the Ministry of Economy, Industry and Commerce.

The jurisdiction of the Costa Rican courts and the rights of the representative, distributor or manufacturer under this law, cannot be waived.

In accordance with Article 9 the compensation prescribed by this law must be paid in one lump sum immediately after termination of the agreement or when the amount has been determined by a judicial proceeding.

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Department of Industry, Trade and Commerce

LATIN AMERICA - AGENCY REGULATIONS

Several Latin American countries have enacted protective legislation requiring that compensation be paid to the agent when the agency agreement is terminated by the principal. The following information is intended to serve as a general guide on the laws that govern the principal agent relationship in Latin America. Although the information is believed to reflect the current situation it should be borne in mind that commercial laws and regulations are constantly changing. Canadian exporters are advised to consult with the Trade Commissioner or to obtain legal advice before appointing agents or representatives.

Argentina

Principal - agent relationship is governed by the Civil and Commercial Codes. No special legislation covers the termination of agency agreements. However, when the agent is a natural person, the relation may also be regulated by the Labor Law. If a contract is signed abroad to avoid Argentine law, such contract is invalid in the territory of Argentina.

The Civil and Commercial Codes permit a principal to terminate an agency agreement at his discretion. However, the parties may be liable to damages resulting from an undue termination of the agreement. All agreements whether for a definite or an indefinite term should include a notice of termination.

Under the Labor Law the agent must be given notice some time prior to the termination date or the principal may be liable for compensation on the basis of earnings that would have accrued during the notice period. The amount of compensation is proportional to the duration of the agency. In all discharge cases, except for just cause, the agent is entitled to compensation amounting to one month's wages or commissions for each year of service. The amount of compensation may be reduced under certain conditions.

Bolivia

The Civil and Commercial Codes govern the principal agent relationship. No special legislation has been enacted to protect an agent from termination of the agency agreement. The parties may freely agree and stipulate the terms and conditions of their agreements. However, waiver of rights under these laws is not recognized.

In general, a definite term agreement may not be terminated except for breach of contract or mutual agreement. An indefinite term agreement may be terminated upon notice of termination. However, the notice requirement, and conditions for termination, must appear in the agreement. Wrongful termination of an agency contract makes the breaching party liable for damage compensation.

Notice of termination of an agreement must also be given to the agent or the principal is liable for compensation on the basis of commissions or salaries that he would have earned during the notice period. Conversely, some court decisions have declared the agent to be a trustee responsible for furthering the best interest of the principal and therefore, liable to compensate the latter for even minor negligence.

Brazil

The relation between agent and principal is governed by Law No. 4886 of December 9, 1965. The legislation covering termination of agency agreements is contained in Articles 27 to 39 of the law.

Under the law the parties may freely stipulate the terms of their agency agreement but provisions must be included for the following: conditions and general requirements of the representation; identification of the products; the period of representation; whether definite or indefinite; the terms and time of payment for carrying out the representation; the territory in which the representation will be exercised. A provision for compensation due to the agent upon termination of the agreement by the principal without notice is also required. This compensation must not be less than one-twentieth of the indemnity earned during the representation.

Agency agreements may be terminated by "just cause", which is defined as; the agent's negligence; the agent's breach of contract; acts by the agent damaging to the principal; and conviction for a serious criminal offence.

Definite term agreements terminate on the agreed date. Indefinite term agreements may be terminated without just cause only during the first six months. In all cases the agent must be given notice of termination except when other arrangements for termination have been agreed upon. If the principal fails to give such notice, the agent is entitled to compensation amounting to one-third of the earnings accrued during the last three months just prior to termination.

Chile

There is no special legislation in Chile ruling on the relationships between local agents and/or distributors and their principals abroad.

Accordingly, representation agreements may be established and terminated through ordinary correspondence on whatever terms, provisions and limitations are freely agreed upon by both parties.

To avoid improper use of the representation agreement particularly in relation to the principal's responsibility for fulfilling any contracts subscribed by the agent, the agency agreement should be clearly stipulated and the agent's power to sell and contract for delivery of goods should be defined and limited.

Colombia

Legislation to protect agents against arbitrary termination of agency agreements by their principals is covered in articles 1317 to 1331 of the Colombian Commercial Code of 1972. The code sets out the requirements for compensating local agents when agency or distributorship agreements are abrogated.

The decree requires that upon termination of the contract governing an agency or distributorship agreement except due to agent's fault (just cause), the representative is entitled to claim compensation amounting to one month's commission or other remuneration for each year of contract duration, up to three months commission. The agent is also entitled to secure a privileged lien against the principal's goods to assure full payment.

If the contract is terminated without "just cause" the agent may additionally claim payment of damages for his efforts at promoting the principal's products or for other services rendered. The amount of compensation will be determined in judicial proceedings. "Just cause" for termination of the contract is defined as (1) breach by the agent of contractual or legal obligations (2) any act or failure to act on the part of the agent resulting in damage to the principal's business interests or (3) the agent's bankruptcy or insolvency and/or liquidation or termination of the business activity on which the contract is based.

The Commercial Code provides, in addition, that all agency or distributorship arrangements are presumed to be exclusive, unless otherwise provided in the contract.

Costa Rica

Decree No. 4684 of December 4, 1970 regulates the activities of local agents or distributors and their relations with foreign companies. The decree requires heavy payment of compensation from foreign companies if the agency agreement is terminated without just cause as defined in the law.

Article 4 of Decree 4684 stipulates that when an agency is terminated for reasons contrary to the will of the representative, the principal shall pay compensation at a rate of two months gross profit for each year of service or fraction thereof of not less than six months up to a maximum of eight years. Article 5 provides that the principal must also buy back his goods within a period not to exceed six months.

Article 6 defines "just cause" for termination by the principal as any crime by the agent against the principal, systematic reduction in the sale or distribution of the products due to the agent's negligence, a breach of contract by the agent or any other serious offence committed by the representative in connection with his contractual or legal duties and obligations with the parent company.

In accordance with Article 11, the indemnification prescribed by the law shall be paid to the representative in one lump sum, immediately after termination of the contract.

Ecuador

There is no specific legislation covering agency agreements. Principal agent relationship is governed by the Civil and Commercial Codes. Under these codes, subject to overriding labour code which would apply if a labour relationship is involved, a principal may terminate an agreement without any fear that an agent will claim compensation, provided that a notice is given to the agency prior to the date of termination. There are practically no nationality requirements. Disputes are brought before the courts and settled on the basis of any agreements contractual or otherwise.

Guatemala

Decree No. 78-71 of August 25, 1971 regulates the activities of local agents / distributors and their relations with foreign companies. The legislation deals primarily with the necessity of providing compensation to the local agent if the agency agreement is terminated without just cause. Under the decree a principal is allowed to terminate the agreement with the agent by mutual consent, by expiration in accord with the terms of the contract, or when the principal has just cause as provided by law.

Article 6 of the decree stipulates that if the agency agreement is terminated without just cause the agent is entitled to the following compensation from the principal (1) reimbursement of direct expenses and/or promotion or advertising made during the previous year (2) the investments made on the terms of the contract if not recoverable for other purposes (3) payment for existing merchandise if it cannot be sold because of cancellation of the contract (4) 50 percent of gross profits the agent would have earned from the sale of such products (5) a sum equivalent to the amount of gross profits which the agent earned during the last three years or during the time granted this representation

if less than three years (6) indemnification for employees released due to cancellation of the agency agreement.

"Just cause" for termination of agency agreements is defined in Article 4 of this decree as follows: violation of any of the obligations or prohibitions imposed by the contract; a crime committed by either party against the other; refusal to supply information and accounting or to render settlements; reduction in the sale of the products due to the agent's negligence.

Honduras

Decree Law No. 50 of October 16, 1970 regulates the activities of agents and distributors of commercial firms. The law, which applies to both national and foreign firms doing business in Honduras, stipulates that an agent of a commercial firm must be an Honduran national who holds a licence issued by the Ministry of Economy and Finance.

This decree restricts the ability of the principal to terminate modify or refuse to renew the agency agreement except for "just cause". Termination without just cause subjects the principal to pay compensation for damages suffered by the agent. Such compensation is based on the following factors: value of the agent's investment for appropriate equipment, installations, furniture and tools which have no other use; the cost of goods, spare parts accessories and tools held in stock; the value of goodwill attributable to the agent determined by the duration of the agency, the volume of sales or service in relation to the agent's total business; the share of the Honduran market such volume represents; and any other factor which may contribute in establishing a just sum for goodwill.

"Just cause" for termination, modification, or refusal to extend an agency or distribution contract by the principal is defined as the agent's: non-compliance with the contract provisions; fraud or abuse of confidence; disclosure of confidential information about the industry; any act of the agent which reflects adversely on the business operation.

Mexico

There is no legislation in Mexico specifically covering agency agreements. Principal agent relationship is governed by the Civil and Commercial Codes. A principal may at any time revoke an agency agreement without notice unless a period for termination and notice had been agreed

upon in the contract. Any undue or premature termination of an agency agreement may make a principal liable for compensation damages. Appointment of a new agent for the same business amounts to a revocation of the agency agreement.

Under the Labour Law of April 1, 1970, natural persons acting as agents could claim compensation for an unjust termination of the employment. In the case of fixed term agreements which have run for more than one year compensation is established at the amount of six months remuneration plus twenty days remuneration for every year of service. For indefinite term agreements the compensation amounts to twenty days remuneration for each year of service.

Nicaragua

Law No. 287 of February 18, 1972 regulates the termination of agency agreements for the unjust termination of agency - principal relationship. In general an agency agreement may be terminated or renewal denied without compensating the agent or distributor when such action is due to "just cause" as defined in the Law.

Article 3 of the Law stipulates that when an agency is terminated without "just cause" the agent is entitled to the following compensation from the principal (1) the value of the amount invested for the benefit of the seller (2) an indemnity based on the duration of the agreement determined on the gross income which would have been made over a three year period (a) from 3 to 12 months 25 percent of the gross income (b) from 12 to 24 months, 50 percent of the gross income (c) from 24 to 36 months, 75 percent of the gross income and (d) 36 months and over 100 percent of the gross income (3) and other factors considered appropriate for the equitable determination of indemnity. Under article 5 the principal is also required to purchase the products which the agent has in stock, within a period not to exceed six months.

"Just Cause" for termination or refusal to renew an agency contract is defined in article 9 of the Law as (1) any act carried out by the agent against the goods or interests of the principal (2) reduction in the sale or distribution of articles due to the agent's negligence (3) acts by the agents which reflect adversely on the introduction, sale or distribution of the principal's products (4) the agent's bankruptcy

In addition, the Law prohibits the parties from electing foreign laws to govern the agency relationship.

Panama

Principal agent relationships are governed by Decree No. 344 of October 31, 1969 and Decree No. 9 of February 7, 1970 which complemented that decree and established certain special procedures.

Agents are required to register their agency, representation or distribution rights with the Ministry of Commerce and Industry.

Agency contracts may be terminated by mutual agreement between agent and principal; however, to be valid such an agreement must be approved by the Ministry of Commerce and Industry.

Any foreign firm which cancels, modifies or refuses to extend an agency agreement without "just cause" must compensate the agent within a period of three months. Such indemnification will be based on the average one year's gross profits for contracts of less than 5 years duration, twice the average annual gross profits for contracts of more than 5 years but less than 10 years duration, three times the average annual gross profits for contracts of more than 10 years but less than 15 years duration, four times the average annual gross profits for contracts of more than 15 years but less than 20 years duration, five times the average annual gross profit for contracts with more than 20 years duration. In addition the principal must buy back all its products at the landed cost in Panama.

"Just cause" for termination of the agreement by the principal is defined as: the failure by the agent to observe his contractual obligations; fraud or abuse of confidence, incompetence or negligence; continuous decline in sales due to the agent's fault; disclosure of confidential information and any act by the agent harmful to the represented firm or products.

Paraguay

There is no special agency legislation governing the activities of local agents/distributors and their relations with foreign companies.

Peru

There is no specific legislation covering agency agreements. Principal agent relationship is governed by the Civil and Commercial Codes. Under these codes a principal may revoke an agreement with a commercial agent or distributor at any stage of business relations. There are no laws in Peru requiring that compensation be paid to the agent when an agency agreement is cancelled but any sale or business in process or under negotiation will accrue the stipulated commission or fee to the agent.

Supreme Decree No. 011-75 CO/CE published November 19, 1975 has made it mandatory for all agents of foreign suppliers to register with the Ministry of Commerce, however, lack of detailed regulations and opening of the registry have in effect postponed this requirement indefinitely.

El Salvador

Agreements between agents and foreign principals are regulated by Decree No. 61 of July 31, 1970, the Commercial Code which came into effect April 1, 1971 and Decree 247 of January 19, 1973 which is a substitution of Section 8, Chapter 111 of the commercial code relating to agents.

In accordance with this decree, agency agreements may be terminated by either party by written notice three months in advance. Agents however, may claim compensation for damages should the principal terminate, modify or refuse to extend his contract without "just cause". The agent's damage claim may include the amount of profits which he has obtained for a period not to exceed three years, the value of the credits he has granted to third parties, expenses and investments such as rentals, equipment, installations, furniture, supplies, the value of merchandise stock and accessories which cannot be sold because of contract termination.

"Just cause" for termination, modification or refusal to extend an agency contract is defined as: failure to comply with contract clauses; fraud or abuse of the principal's trust; incompetence or negligence of the agent; continued decline of sales attributable to the agent; breach of confidence or any act by the agent affecting the introduction, sale or distribution of the products.

Uruguay

There is no special agency legislation regulating the activities of local agents or distributors and their relations with foreign companies. It is not necessary to pay compensation on termination of an agency agreement unless specifically provided for in the contract.

Venezuela

The relations between principal and agent are covered by the Civil and Commercial Codes. Agents may also be considered as employees under the provision of the Labour Code.

Under these codes fixed term agreements terminate on the date provided and no notice of termination is required. A notice is required to terminate indefinite term agreements.

When substantial investments have been made by an agency, an undue or unjust termination of the agreement, whether of definite or indefinite term, makes the principal liable for damages to the agent.

Under the Labour Law agents may obtain compensation for wrongful or unjust termination of the employment. The compensation provided amounts to a proportion of the remuneration of pay previously earned during the Agency.

A project of law has been presented to the Venezuelan Congress which, if and when it becomes law, will introduce more stringent obligations for the foreign principals such as compensation for goodwill, introduction of the principal's products in the market, etc. if the relation is being terminated unilaterally by the principals.

The co-operation and assistance of the Trade Commissioners in Latin America in the compilation of this pamphlet is gratefully acknowledged.

APPENDIX C

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

OTTAWA, CANADA

VENEZUELA

Shipping Documents

and

Customs Regulations

(Ninth Edition)

Compiled by

The Western Hemisphere Bureau

September 1978

Venezuela

Shipping Documents
and
Customs Regulations

(Ninth Edition)

Amendment No.1

Page 9 - Under heading "Parcel Post Shipments"
- delete first paragraph and replace by:

"For parcel post shipments from Canada to Venezuela one copy of customs declaration form number 43-74-013 (adhesive), two copies of customs declaration form number 43-74-001 (non adhesive), and one dispatch note form number 43-74-002 are required. These are Canada Post Office forms and are printed in English and French.

First sentence, third paragraph should be amended as follows:

"The forms should be made out in either English or French as well as in Spanish."

Western Hemisphere Bureau
Department of Industry, Trade and Commerce

VENEZUELA

Documents

The following documents are required for all shipments to Venezuela regardless of value or mode of transportation.

Commercial Invoices	2 copies
Bill of Lading	2 (original & copy)
Sanitary Certificates (animal, vegetable products, etc.)	1 copy

Consular legalization of the commercial invoice and bill of lading is no longer required. Shipping documents must be presented by the importer to customs authorities within six working days after arrival of the vessel.

The air waybill replaces the bill of lading on air cargo shipments. The parcel post receipt is required for parcel post shipments.

Special care should be taken when preparing shipping documents. Fines and delays occur when documents are not properly prepared.

Commercial Invoice

Two copies of the commercial invoice, in Spanish, must be presented by the importer for all shipments to clear goods through customs. Venezuelan Customs requires an original typewritten copy of the invoice; photocopies are not acceptable for customs clearance purposes. The importer may require additional copies of the invoice for banking purposes or for his own use.

The commercial invoice must contain the following information:

1. Name or legal style and address of the supplier
2. Name or legal style and address of the importer
3. Quantity of the merchandise in commercial units
4. Detailed description of the merchandise according to commercial denomination
5. Detailed unit price and total price of each type of merchandise
6. Total price of all merchandise
7. Delivery condition and place of delivery
8. Terms of sale (f.o.b., c.i.f., c. & f. etc.) and terms and conditions of payment

Although not mentioned in the regulations, it is advisable to include the tariff number and description of the goods as given in the Venezuelan Customs Tariff. In addition, descriptions must be precise, containing units of measurements commonly accepted in international trade, and specifying the number or weight of an item within each unit such as a sack or box.

Commercial invoices covering goods subsidized by the Venezuelan Government require consular legalization. When consular legalization is required to meet letter of credit terms or because of the consignee's request for other reasons, the invoice must first be certified by a recognized Chamber of Commerce/Board of Trade, which usually requires an additional copy for its files and then presented to a Venezuelan Consulate.

It is not necessary to include a separate commercial invoice for each type of merchandise in a shipment to Venezuela.

Bill of Lading

The original and one non-negotiable copy of the bill of lading must be presented by the consignee at customs. Additional copies will be needed by the steamship company and by the consignee. Bill of lading does not require consular legalization. Steamship companies have the obligation to place on board the vessel a complete cargo manifest prior to sailing from the port of loading. As additions to the cargo manifest are not permitted under the Venezuelan Customs Law, exporters/shippers are urged to submit their documents to the carrying vessel as far in advance as possible and not later than 24 hours before the announced sailing. Cargo that does not appear in the cargo manifest will be assessed heavy storage charges and/or fines by Venezuelan Customs.

The bill of lading must contain the following information: date; name of vessel's captain; name of the shipper; consignee's name; port of loading; port of destination; number of packages, type, content; marks, numbers; weight in kilograms; and freight figures for each item on the bill of lading. It is our understanding that it is now permissible for carriers to attach a due bill with freight figures to the original bill of lading, thereby eliminating the necessity of placing the freight figures on bills of lading. The due bill must be stapled to the original bill of lading. Both documents must be presented together to Customs in Venezuela to avoid fines and delays in clearing goods.

Bills of lading must be signed both by the shipper and by the carrier or his agent.

The type of packages shown must agree with the specific type of package or container involved, such as cases, cartons, barrels, etc. Packages must be shown on the bill of lading under different numbers, except in the case of packages containing exactly the same type of merchandise. Merchandise itself may be described on the bill of lading by its generic name (e.g. "drugs", "perfumes", "hardware" etc.). The use of expressions such as "no marks" (N/M) or "no numbers" (N/N) are not allowed except for bulk shipments.

On palletized cargo it is important for shippers to itemize the number of pieces and types of packages in the pallet on shipping documents to avoid possible fines.

There are certain limitations placed on containerized cargo. Shippers should check with their carriers regarding this type of shipment to Venezuela.

All "To order" or "to bearer" bills of lading are prohibited and only one consignee per bill of lading is permitted. Shipments must be made on a direct consignment basis. Generally speaking, the bill of lading can be transferred by endorsement.

Certificate of Origin

The certificate of origin is usually not required. If requested by the importer, a notarized copy must be certified by a Chamber of Commerce or Board of Trade before presentation to the consulate for legalization.

Sanitary and Other Special Certificates

Animals require a permit from the Ministry of Agriculture and Livestock and also a sanitary certificate from the country of origin legalized by a Venezuelan Consul. There are special regulations governing the importation of animal semen.

Products of animal origin require a prior licence from the Ministry of Agriculture and Livestock in addition to a licence from the Ministry of Development. In order to withdraw the goods from customs a sanitary certificate from the country of origin must be presented. Products in sealed containers which have been submitted to a temperature of 56 degrees centigrade for a period of no less than 30 consecutive minutes are exempt from these regulations.

Some imports require health certificates issued in Venezuela by the Ministry of Agriculture and Livestock. Some of these products are: meat and derivatives; lards and tallow, viscera, glands and secretions; crude milk and crude milk derivatives; semen; meals of meat; blood, bone, feet, horns and hoofs; untanned hides, wool, manes, hair, feathers, glue of animal origin, feed bases and mixtures of animal origin destined for animal feeds; pasture seeds; hay and fodders; implements used by animals or which have had contacts with animals; sport trophies or museum pieces of animal origin; cereal and bran destined for animal feeds; any other animal or vegetable product which the authorities may consider of quarantine interest.

Shipments of plants, seeds and vegetable products require phytosanitary certificates by a competent authority in the country of origin.

For Canadian products certificates issued by Agriculture Canada are acceptable. These are legalized gratis by Venezuelan Consulates.

More information regarding the sanitary regulations for the importation of live animals or animal products and plant or plant products may be obtained from the Health of Animals Branch or the Plant Protection Division of Agriculture Canada either at Ottawa or at one of their regional offices.

Food and Drug Regulations

There are detailed foods and drug regulations in force and exporters should obtain instructions from their consignees or from the Commercial Counsellor, Canadian Embassy, Caracas, for the procedure. The following paragraphs summarize some of the regulations for general information purposes only.

All foodstuffs require prior analysis and registration with the Venezuelan Ministry of Health. The application for registration must be accompanied by three samples, three copies of relevant labels and trade literature together with a purity and composition certificate which has been legalized by a Venezuelan Consulate in the country of origin and vouching for the product's free sale in that country. The registration number must be printed on all containers. All non-registered food products require certificates of purity. Registered food products only require certificates of purity when these are mandatory by law such as in the case of products of animal origin and vegetable shortening. There are special Spanish labelling regulations on all food products, except unprocessed foods, and on beverages.

Certificates of purity issued in Canada are only acceptable when certified by a public health official of the federal, provincial or local government. One copy, legalized by a Venezuelan Consulate, is required.

There are special regulations for the packing, shipping and documentation of seed potatoes.

Importers of refrigerated and frozen food products must apply to the customs authorities for an identifying number, which he must transmit to the exporter at the time he places his order. This identification number must be printed or stenciled on shipping containers, in addition to the normal marking. This number must also appear on the bill of lading and commercial invoice.

No foodstuffs containing sodium or potassium nitrite or nitrate can be imported into Venezuela unless it has been approved by the pertinent health officials. All containers for foodstuffs and raw materials used in the manufacture of containers for foodstuffs must be authorized by the Venezuelan Minister of Health.

All eggs imported into Venezuela must be stamped individually with the word "Importado" and the grade (A, B, or C) conforming with the Venezuelan egg grading classification. The date of grading of the eggs must also be stamped on the case. Only grade A eggs may be imported for human consumption, grades B and C are exclusively for industrial use.

For shipments of powdered milk, commercial invoices must be submitted to the consulate in one original and one copy along with the bill of lading. The commercial invoice must show the f.o.b. price on all different brands and types being shipped. Both copies must be signed by hand in ink by the shipper, identifying same by typing the full name underneath the signature. The invoice may not be signed by the forwarder as agent of the shipper. The original will be returned to the shipper.

Alcoholic beverages must be accompanied by a certificate of origin executed by the competent authority in the country of production, stating that the liquor was made in accordance with the country's laws. In addition, alcoholic beverages such as brandy, whiskey, rum and similar products may not be admitted into Venezuela except after three years of aging, and must be accompanied by an official certificate, legalized by the Venezuelan Consul, establishing the age of the product. There is no fee for consular legalization. Labels must be approved by the Venezuelan Health Authorities. Prior analysis and registration at the Venezuelan Ministry of Health is required.

Spirits and other strong alcoholic beverages offered for consumption in Venezuela may not have an alcoholic content greater than 50 degrees (centesimal) and may not be contained in bottles of greater capacity than one litre. Labels must be approved by the Venezuelan health authorities.

Alcoholic beverages must be accompanied by one copy of a certificate of origin, on a general form, certified by a recognized Chamber of Commerce or Board of Trade, which usually requires one additional notarized copy and legalized by the consulate. The certificate of origin is to be issued by the competent authorities of the country in which the beverage is produced, stating that the product was made in accordance with the country's laws and regulations.

Natural wines on their first importation should be accompanied by a special certificate in order that they may be registered with the Venezuelan authorities.

Imports of food wastes and prepared animal feed can only be imported when mixed with vegetable fast colouring. The colour must be totally different in colouring to that of powdered milk.

Most pharmaceutical specialities as well as various other related products must be submitted for examination and approval by the Ministry of Health and Social Assistance, who decides whether the

product can be registered in Venezuela. If so, registration can proceed but must be sponsored by a member of the Venezuelan Association of Pharmacists. Procedure is similar to, but more complicated, than the registration of foodstuffs and beverages.

Imports of chemical products, such as fertilizers and pesticides, to be used in agriculture and cattle raising, and concentrated animal feed including raw materials therefor, and animal feed supplements are subject to prior licensing and inspection upon arrival by the National Office of Plant Health, Ministry of Agriculture.

Consumer Protection Law

All products entering Venezuela must be accompanied by relevant guarantees and instructions concerning use, operation, and utility in Spanish under terms of a consumer protection law of September 2, 1974. Products or services found not in compliance will be prohibited from sale.

Correction of Errors

Any errors in the shipping documents should be cabled to the importer before he introduces his customs affidavit so that this document may contain the correct version.

Consular Fees

According to information received from the Consulate General of Venezuela in Montreal, fees are no longer levied for legalization of special documents.

The deadline for presentation of documents is 2 p.m. the day before sailing of the vessel.

Labelling of Goods

Labels on merchandise sold in Venezuela must show, where labelling regulations require this, the name of the manufacturer and weights and measures in the metric system. All indications appearing on the labels must be in the Spanish language.

There are special labelling regulations for liquors, foodstuffs, medicinals, pharmaceuticals, insecticides, fungicides, herbicides, fertilizers, explosives, reams of paper and concentrated animal feeds. In most cases these products must have labels which give the following information (1) common name or commercial designation of the item (2) name and address of the manufacturer (3) ingredients in Spanish (4) weight in the metric system (5) a statement that the product has been registered with the appropriate Ministry and (6) the registration number.

Resolution No. 2792 of May 5, 1971, issued by the Ministry of Development regulates the labelling of all pre-packaged products, whether locally made or imported, as well as content requirements and tolerances. Each container must clearly and legibly indicate quantity, in appropriate metric units (length, volume, etc.). If the product is imported already packed and the contents are indicated in units other than the metric system, a label giving the contents in metric units must be placed over the quantity indication given on the original label. The name of the importer and of the packager and his place of business must be shown on the label. Contents must be given in Spanish and in the metric system. No abbreviations are permitted. For single containers a tolerance of plus or minus three percent is allowed; for a series of containers, a tolerance of plus or minus one percent, based on checks of ten containers, is allowed. Infractions are subject to fines.

Information concerning the labelling regulations for specific products may be obtained from the Commercial Counsellor in Caracas, Venezuela.

Marking of Goods

The metric system must be used exclusively in advertisements etc., as well as in the indication of weights or measures, on containers or labels of packaged foods and beverages.

Any pharmaceutical product sold in Venezuela must have the retail sales price legibly printed on its original label in this way: "Precio de venta al detal en Venezuela.....Bs". The sales price printed on a sticker will meet this requirement. In addition, packages and containers of pharmaceuticals and medicinal products must be sealed by a strip of paper or plastic in such a fashion so as to prevent their being opened without breaking the seal.

All gold jewellery of foreign manufacture to be sold in Venezuela must have indicated thereon the gold content and a marking which will identify the Venezuelan seller. This marking must be registered with the Venezuelan Ministry of Finance.

Packages containing chemical products such as sodium sulphate, lead acetate, borax, saltpeter, sulphur, etc. must have the name of the product clearly stamped on the bag or other container.

Certain textiles must have stamped or sewn on one or both sides of the cloth the name of the country of origin in Spanish or English as follows: "Hecho en....." or "Made in". This clearly legible mark of origin is to be placed along the length of each piece of goods at intervals not to exceed three meters. If textiles do not conform to this regulation, the importer will be subject to a 50 percent surtax on customs duties.

The Ministry of Development has published a decree setting up regulations for the labelling of paper products sold by the ream. Such packages must show the following in clearly visible Spanish: Name of manufacturer or packager, country of origin, quality and/or type and colour of paper, quantity in units, weight of paper in grams per square meter and dimensions in millimeters. Packages containing rolls of writing paper must contain all the above information. Packages of paper napkins, towels and bathroom paper are exempted from listing the weight per square meter. Packages containing school pads, notebooks, etc. must carry the information, though the number of leaves may be substituted for the quantity in units where such a description would be appropriate. The following tolerances (plus or minus) in labelling will be permitted: content - 1 percent; weight of paper - 3 percent; dimensions, sheets, envelopes, bags - 1/1000; rolls - 1 percent; napkins, towels, bathroom paper - 2 percent; notebooks, pads, etc. - 0.5 percent.

Explosive industrial materials must be packed in wooden boxes and labelled in Spanish with the name and address of the importer and with the number and date of the import permit granted. Additionally, the following wording must be permanently displayed in red letters on all faces of the box "EXPLOSIVO - PELIGROSO" (Explosives - Dangerous).

The use of the Venezuelan coat of arms or national flag on imported goods must have the authorization of the Minister of Interior.

Marking of Outside Packages

Cases and packages may be marked either with stencil or brush. The gross weight in kilograms must be shown on all packages. All cargo must bear identifying marks and must specify port of destination. All marks, letters and numbers must be legible. Packages of the same class, size, shape, and contents may bear the same number, but otherwise there should be no repetition of numbers on packages having the same mark.

All shipments of frozen or refrigerated foods entering Venezuela must carry the Venezuelan importer's identifying number. These numbers are assigned to importers by the Venezuelan Customs. The identifying numbers must be indelibly stamped on each package in numerals not less than 10 centimeters high. The same number must appear on the invoice and the bill of lading.

Air Cargo Shipments

All air cargo shipments should be accompanied by commercial invoices and carrier's airway bill. Requirements are the same as those for ocean freight shipments. Consular legalization of the documents is not required.

Parcel Post Shipments

For parcel post shipments from Canada to Venezuela, 3 copies of the official Customs Declaration Form and one copy of the Dispatch Form are required.

Only these official forms are acceptable to the Venezuelan Customs authorities and their omission results in fines being imposed on the importers.

The forms should be made out in Spanish. The Customs Declaration Form should contain the following information:

- a) name and address of sender
- b) name and address of the consignee
- c) the description of the merchandise in the exact terminology of the Venezuelan Customs tariff with the tariff item numbers; if not possible use ordinary commercial descriptions of the goods with complete descriptions of the materials of which they are made and the intended use. Items must be listed separately.
- d) the gross and net weights of the package in kilograms
- e) the net weight of each article in kilograms, without exterior boxes, wrapping paper, cellophane etc., but including the weight of the immediate container or wrapper, board or spool, etc.
- f) the name of the country of origin: (Canada/or other country as the case may be); no other certificate of origin is required
- g) the value of each kind of article and the total value

Parcel post shipments should be covered by commercial invoices unless the goods are considered to be of no commercial value and should contain the same data as those listed under Commercial Invoice.

There is a 1 percent ad valorem tax on goods imported by parcel post.

Samples

Samples of no commercial value are usually subject to an import duty of 0.20 bolivars per gross kilogram.

Samples having commercial value are subject to the same documentary requirements and to the regular duties applicable to commercial shipments of like products. Such samples may be imported temporarily free of duty provided that a bond in the amount of the applicable duties and other charges is posted with the customs authorities and that the samples are re-exported within one year. The regulations for the temporary duty free admission of samples do not apply to precious stones or to samples of jewellery of gold, silver or platinum, on which import duty must be paid and there will be no refund on re-exportation.

Advertising Matter

Commercial printed material such as posters, prospectuses, pamphlets, circulars, forms, catalogues, price lists, etc. are subject to a duty of 200 percent.

Fines and Penalties

Exporters are advised to exercise special care in the preparation of documents for shipments to Venezuela. Incomplete or inaccurate declarations, omission of essential data, errors in entries or arithmetical conversions of weights (pounds to kilograms) and clerical errors are subject to a fine of from 10 to 1,000 bolivars, even though there is no intention to defraud.

Fines are imposed when the net weights vary more than 3 percent from those stated on the customs declarations or when the customs declarations are not complete or do not show the proper classification of the merchandise.

When customs examination reveals merchandise of a higher tariff classification than that declared, there will be a fine of double the duties customs would have failed to collect if it had accepted the declaration even if it deals with merchandise granted duty exoneration. If the merchandise is found to be in a lower tariff classification there will be a fine of 10 to 1,000 bolivars. If the taxable basis is less than that declared, there will be a fine of 10 to 100 bolivars.

In all cases it is advisable for an exporter to require explicit instructions from the Venezuelan importer concerning the preparation of invoices, particularly with reference to the Spanish phraseology to be used in declaring the merchandise on the invoice.

Entry and Warehousing

For customs clearance of goods into Venezuela the importer must present the Import Manifest and Declaration of Value, Commercial Invoice (original and one copy), any special documents required by

the nature of the goods, and import licences, if required. When importing by sea or air the consignee must present, in addition, either the bill of lading or the airway bill (original and one copy). Postal documents will take the place of the bill of lading for parcel post shipments.

The Import Manifest and Declaration of Value is a document written by the consignee indicating that he accepts the consignment. The Declaration of Value therein must contain evidence that the price on the invoice is correct. This evidence may have to be substantiated by correspondence, price lists, catalogues, contracts or other documents. Import documents must show information in metric units or give metric equivalents of any non-metric units.

Documents must be presented at customs within six days after the arrival of the vessel or a fine is imposed. If the importer does not have the original invoice he can present instead a copy, certified by a Venezuelan Consular official, but has to present the original invoice within 30 days of admittance of the ship. When the consignee has not received the original bill of lading, a substitute document may accompany the Import Manifest so long as this document exempts customs from responsibility for delivery of the merchandise. This document should be issued by the shipper, bank or other credit institution. If a substitute document is not provided, the consignee can post a bond which covers the value of the merchandise shown in the commercial invoice in order to withdraw the merchandise. The original bill of lading must be presented within a stipulated time period or the bond will usually be forfeited.

Merchandise being imported which is deposited in customs warehouses longer than six days is subject to an ad valorem warehouse charge of 2 percent monthly during the next 10 days of storage. If goods remain in customs longer than 16 days, a warehouse fee of 10 percent monthly is assessed for the period the goods are in storage up to 45 days. For over 45 day-storage, a warehouse fee of 20 percent monthly is assessed for the total time the goods are in storage.

Goods may be stored for longer periods of time without the immediate payment of customs duties if arrangements have been made to have the shipments placed in one of Venezuela's bonded warehouses. Storage fees are collected for 30 day periods at a given rate per ton, plus a percentage of the value. Rates vary according to commodity stored and are considerably lower than the fines paid for goods left at customs after the six day clearance period. Merchandise may be stored in the bonded warehouses for up to six months without payment of customs duties.

Protecting Draft Shipments

Four important points must be carefully considered in sales to Venezuela made by sight drafts, documents on payment:

1. The Customs Law prohibits bills of lading made out to order of the shipper; a definite consignee in Venezuela must be named.
2. Under Venezuelan law, the consignee who accepts the consignment before the Customs authorities by presenting the original documents becomes the owner of the goods once they have reached the Venezuelan port designated in the documents.
3. Six working days (excluding Sundays and Holidays) but including the day port authorities board the ship or carrier, are allowed for presentation of documents to initiate customs clearance. From then on Customs storage charges begin to accumulate. If the documents are not presented by the importer within sixty days, the merchandise will be considered abandoned, the goods are subject to seizure and sale at public auction by the Customs authorities. Exporters can petition the Government for any balance realized after deduction of duties, storage, fines and auction expenses.
4. It is the trade custom of Venezuelan importers to consider that a sight draft is not payable until the goods have actually arrived in port. Although this is not in accordance with the usual interpretation of sight draft terms in most countries, it is accepted by commercial banks and traditional exporters to Venezuela.

Cash with order or letter of credit terms are difficult to obtain for sales to Venezuela. The cost of short-term capital is high and keen competition among foreign suppliers permits the importer to insist on more liberal terms.

Open account terms are not normally used in Venezuela. After a trial period of business with reputable Venezuelan firms, an open account may be considered, but new exporters to Venezuela should maintain some control over their goods until they receive payment by sight draft, documents on payment.

Avoiding Risks

The common practice in other countries of naming a bank as the consignee is not customary in Venezuela. Commercial banks are usually reluctant to do this as they lack facilities for the necessary control and charge high rates for the service and ask for guarantee of all possible expenses in order to avoid supplying this service. Banks in Maracaibo occasionally act as consignees because customs agents are not widely used there.

Usual Protection Absent

When a sight draft with documents attached is forwarded to a bank in Venezuela, the exporter does not receive the protection which these terms are designed to provide. The consignee can receive the merchandise by instructing his customs broker at the port of entry to place a bond with the customs authorities equal to the c.i.f. value of the shipment and filing a copy of his order or a copy of the commercial invoice and pay a small fee. The customs broker must produce the original documents within 60 days or forfeit the value of the bond. The exporter can then apply for the c.&f. value of the shipment to the Director of Customs through his agent or lawyer in Venezuela and, though payment is assured, the process usually requires six months.

If shipment is consigned to a local bank, Venezuelan Customs will not accept from the importer or his broker the posting of a bond, unless a document is previously presented by which the bank renounces consignment of this shipment and passes it on to the corresponding importer or customs broker.

Broker as Consignee

One frequently used alternative is to designate a Customs broker in the port of entry as consignee, indicating this clearly on the controlling documents, as well as showing the actual purchaser as the "ultimate consignee". The documents are then sent to the broker by airmail (the carrying steamer is invariably too slow because of internal mail delays), and a clear draft is drawn on the "ultimate consignee" - not the customs broker - and sent to the bank for collection. The broker is instructed to clear the goods through customs but to withhold delivery pending advice from the bank that the draft has been paid.

Before accepting this responsibility, the broker may insist that the exporter guarantee reimbursement for duties and other clearance expenses in case the importer cannot pay the draft or refuses delivery of the merchandise. Since the customs broker has a preferred claim on each shipment cleared, this is usually sufficient security. Experienced Venezuelan Customs Brokers can be relied upon to carry out the shipper's instructions provided such arrangements have been made and agreed on before shipment. This system is the most practical for shipments under sight drafts, documents on payment, unless the customer has established a satisfactory record of payment with the exporter.

Treaty Relations

Canada and Venezuela exchange most-favoured-nation treatment under a modus vivendi signed on October 11, 1950. This agreement was made for a period of one year but has been renewed annually.

Venezuela is a member of the Latin America Free Trade Association, and a number of goods imported from other member countries are allowed entry at reduced rates of duty. The other members of LAFTA are Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru and Uruguay.

Venezuela became a member of the Andean Common Market (ANCOM) in February 1973 and grants preferential treatment on several products originating in the other member countries (Bolivia, Colombia, Ecuador and Peru).

Customs Tariff

The tariff is based on the Customs Cooperation Council Nomenclature (CCCN), formerly Brussels Tariff Nomenclature (BTN) with adaptations designed to conform with the common import tariff nomenclature (NABANDINA) of the Andean Pact countries. Most duties are on an ad valorem basis and are levied on the c.i.f. value of the merchandise. Some goods are still subject to specific duties which are calculated on the gross weight in kilograms. On certain items such as textiles, clothing and alcoholic beverages, mixed duties are applied on both value and specific weight.

Import Controls

The importation of approximately 500 consumer products is prohibited to protect balance of payments. Banned items include sanitary ware; domestic washing machines and dryers; electric stoves; electronic calculating machines; carpets; colour televisions; wall-paper; grain silos; domestic electric refrigerators; hydraulic elevators; concrete mixers; and insulating oil. The list of prohibited items is subject to change depending on domestic availability of the items.

The importation of certain goods is either prohibited or reserved for the Government; these include fully assembled automobiles, certain textiles, coffee, citrus fruit, bananas, pineapples, melons, salt, opium, cigarette paper, natural pearls and matches. In addition, some 100 items, including milk, flour, fruits, other food items, textiles, household appliances and certain automotive parts and raw materials, especially those similar to products domestically produced, require licences which must be obtained by the importer from the Ministry of Development or from the Ministry of Agriculture. Import licences are generally valid for one year from the date of issue. A 10 percent tolerance on the weight originally authorized is permitted. Import licences do not need to be submitted to the Venezuelan Consulate but the exporter should be sure that the licence has been obtained.

Exchange Control

There are no exchange controls in Venezuela and import payments may be made freely.

Additional Taxes

There is a customs service tax of 3 1/2 percent ad valorem of the c.i.f. value for merchandise brought in by sea, air or land. For merchandise brought in by parcel post, the tax is 1 percent ad valorem.

Insurance Regulations

Imports which have been granted duty exoneration or special duty reduction must be insured with companies authorized to transact business in Venezuela. For all other shipments insured by the exporter, the insurance premium must be shown on the commercial invoice.

Controls over Shipping

The Law for the Protection and Development of the National Merchant Marine published in Official Gazette No. 30,161 of September 25, 1973 reserves a minimum of 50% of general import and export cargo for Venezuelan flag vessels (known as cargo reserve). Foreign vessels may enjoy the benefits of transporting cargo reserve if they are rented or chartered by Venezuelan shipowners authorized by the Ministry of Communications.

All imports and exports made by any organization of the Federal or State Governments, Municipalities, Autonomous Institutes, State Enterprises or any other organization where the state has a direct capital participation must be transported in vessels of the state owned shipping line or other lines which have decisive state participation.

The Ministry of Communications, by special resolution, will grant exemption from the cargo reserve regulations for reasons of lack of vessels as well as for causes of special requirements for the transportation of specific cargo.

Free Trade Zones

On September 8, 1970 Venezuela established the Island of Margarita as a free port area and as of April 1, 1975, it officially became a free port. Merchandise may be imported without duty or taxes and exempt from certain other restrictions if it is to be used in international trade. Resolution No. 352 of March 21, 1975 made imports into the free port subject to the same import licensing requirements that apply to the rest of Venezuela. Merchandise brought into Venezuelan Customs territory from the free port is subject to regular duties and taxes.

An industrial zone has been established in Tachira State. Firms which set up in the zone will enjoy tax concessions over a period of five years. There are also provisions for exemption from customs duty for a period of two years from the date of the resolution for machinery, equipment, and raw materials. The duty exemption will only apply on products not produced in Venezuela.

Government Procurement

The various ministries and agencies of government usually make their own purchases, except for the national telephone company, CANTV, which acts as the central government purchasing agency for all electronic data processing equipment and services. In general, the government agencies must give preference for their purchases in the following sequence of suppliers: domestic manufacturers; domestic distributors of foreign made products; agents for foreign manufacturers; foreign manufacturers.

Government entities, including agencies and autonomous institutes, must adhere to procedures established by Presidential Instruction No. 24 of January 26, 1977 in purchasing or contracting for goods or services; waivers can only be granted by the President.

All suppliers and their representatives selling to the government must be registered with the Venezuelan controller general's office. Firms wishing to prequalify as suppliers to government agencies should make their qualifications known to prospective buyers, or preferably, should appoint domestic agents who should request registration on the supplier lists of the various government agencies.

"Buy Venezuelan" Regulations

Under Presidential Decree No. 2023 of February 1, 1977, Government agencies must give preferential consideration to domestic products, unless the price of the domestic product is 25 percent or more higher than an equivalent imported product. The obligation to buy domestic products is subject to the application of quality standards issued by the Ministry of Development. In case of urgent need, an exemption to the decree may be granted by the Cabinet.

Addresses of Venezuelan Consuls in Canada

Consul General	Suite 600 1410 Stanley Street Montreal, Quebec H3A 1P8
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Consul General	Suite 916 390 Bay Street Toronto, Ontario M5H 2Y2
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APPENDIX D

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

OTTAWA, CANADA

BARBADOS, GUYANA, JAMAICA, TRINIDAD AND TOBAGO

SHIPPING DOCUMENTS

AND

CUSTOMS REGULATIONS
(FIRST EDITION)

COMPILED BY

WESTERN HEMISPHERE BUREAU

1978

The Caribbean Community and Common Market

Barbados, Guyana, Jamaica and Trinidad and Tobago, the more developed members of the Caribbean Free Trade Association (CARIFTA) established the Caribbean Community (CARICOM) and the Caribbean Common Market (CCM) with the signing of a treaty at Chaguaramas, Trinidad and Tobago, on July 4, 1973. The Caribbean Common Market provisions regarding intra-regional trade are generally similar to those in the CARIFTA agreement.

The most important feature of CARICOM was the introduction of a common external tariff with two schedules of duties, the "Preferential" rates which applied on imports from Commonwealth countries and the "General" rates which applied on imports from non-Commonwealth countries. However, in conformity with the terms of their membership in the Lomé Convention to give imports from the European Economic Community (EEC) treatment no less favourable than that given to other developed countries, CARICOM introduced a new single column tariff in 1976. Commonwealth preferences were abolished, making goods from all non-CARICOM nations subject to the same tariff rates.

Documentation

The Imperial Conference Form of invoice or the Jamaican Form C23 is no longer required, commercial invoices are acceptable for shipments to Barbados, Guyana, Jamaica and Trinidad and Tobago. The number of copies required is as follows:

Barbados, Guyana - minimum 2 copies. Additional copies may be required by the importer.

Jamaica - 5 copies. For certain goods one additional copy may be required for exchange/licensing purposes.

Trinidad and Tobago - 3 copies (2 for customs clearance, 1 for import licensing purposes). The importer may require additional copies.

The invoice must contain a careful and detailed description of the goods and all details necessary to arrive at the c.i.f. (cost, insurance, freight) value. Where the c.i.f. quotation is not made, it is necessary that the invoice should indicate that all charges that should be included for duty purposes (the c.i.f. value) have in fact been included.

The invoice must be signed and contain a declaration by the exporter to the effect that the value and the origin of the goods are true and correct.

The following form of declarations are recommended for Jamaica and Guyana.

Jamaica

I certify that this invoice is correct in all respects, and contains a true and full statement of the quantity and description of the goods and of the price paid for them, and of the country of origin.

It is hereby certified that this invoice shows the actual price of the goods described, that no other invoice has been or will be issued and that all particulars are true and correct.

This declaration should be followed by a provision for the signature of the authorised signatory and the place and date.

Weights and measures listed in shipping documents should be in metric units.

All shipping documents should be forwarded separately from the shipment so that the importer or his agent will be able to present them promptly upon arrival of the goods.

Bill of Lading

There are no regulations specifying the form or number of bills of lading required for any particular shipment. A bill of lading customarily shows the name of the shipper, name and address of the consignee, port of destination, description of the goods, listing of freight and other charges, number of bills of lading in the full set, and date and signature of the carrier's official acknowledging receipt on board of the goods for shipment. The information should correspond with that shown on the invoices and the packages. To order bills of lading are accepted. Freight charges generally must be prepaid.

The air waybill replaces the bill of lading on air cargo shipments.

Special Requirements

Barbados

Live animals, plants, parts of plants and foodstuffs must be covered by health certificates.

Import permits must be obtained in advance by importers from the proper Barbados officials for plants and plant parts which can be used for planting; dried plants; and the coverings, wrappings and other material in which plants have been grown.

Special regulations govern the importation of any drug including pharmaceutical and medicinal preparations, and narcotics drugs.

Pesticide Control Act 1973/36 provides for the control of the importation, sale, storage and use of pesticides. Regulations introduced in 1976 govern the labelling of pesticides.

Guyana

Sanitary certificates are required for livestock, carcasses, poultry, bees, plants, fresh fruit and vegetables, and foodstuffs. Prior approval must be obtained from the Food and Drug Board prior to importation.

The Food and Drug Act of 1971 governs the sale of food, drugs, cosmetics and therapeutic devices.

Jamaica

Sanitary certificates are required for all fruits and vegetables, except dried fruits and vegetables, grains and seeds. The certificate must be obtained from the appropriate authorities in the country of origin and must state that the produce is homegrown, fresh, clean and free from diseases and pests. In the case of Irish potatoes, the certificate must state specifically that they are not infected by wart disease or ring rot.

Secondhand clothing and footwear must be accompanied by a certificate of disinfection issued by the health authorities in the country of export.

A Flour mill certificate is required for shipments of flour. The certificate must state that the flour has been enriched with a minimum of the following in milligrams per pound: thiamine 2.0; riboflavin 1.2; niacin 16; and iron 13.

Pharmaceutical, drug and poison imports require permits from the Minister of Health or the Drug and Poisons Control Board.

Agricultural and animal products require import permits from the Minister of Agriculture and Lands.

A permit must be obtained from the Collector General of Customs for the importation of arms and ammunition.

The Director of Medical Services controls the importation of yellow fever vaccine.

The importation, manufacture, sale and use of pesticides is regulated by Act No. 6 of March 18, 1975.

Trinidad and Tobago

Live animals must be covered by health certificates.

Under the Plant Protection Act of July 4, 1975 importers must obtain permits for the importation of plants, fruit, plant products, vegetables, soil, planting material, plant pest pathogens or any other prescribed articles prior to importation. Imports of plants and plant parts must be accompanied by phyto-sanitary certificates issued in the country of origin.

Meat and meat products should be accompanied by a health certificate issued by the appropriate authority in the country of origin. Imports of canned meats including commercially canned meats are to be heated in their metal cans at 170° F for not less than 30 minutes and must be accompanied by an official inspection certificate.

Foodstuffs and pharmaceuticals must be approved by the Food and Drug Board. Samples may have to be submitted for inspection by the Board.

Shipments of dried beans, peas, lentils and other pulses, and shelled and unshelled peanuts must be accompanied by certificates, in duplicate, signed by a provincial or federal authority, stating that the products are of a type, quality, grade or standard that could

be legally sold for human food under federal law in the country of origin and that the products are substantially free from mold, insect damage, or live insects.

Ale, beer, stout or porter may be imported for consumption only in containers of the following capacities: imperial quart, imperial pint or imperial half pint. Contents of each container should not vary from these quantities by more than 5 percent. Beer in containers of five imperial gallons or more may be imported for draught sale or, subject to conditions imposed by the customs collector, for repacking into containers of imperial measure.

More information regarding the sanitary regulations for the importation of live animals or animal products and plant or plant products may be obtained from the Health of Animals Branch or the Plant Protection Division of Agriculture Canada either at Ottawa or at one of their regional offices.

Marking and Labelling

There are no special regulations which require packages to be marked or numbered. According to sound shipping practice packages should bear the consignee's mark, including port mark, and they should be numbered unless the shipment is such that the contents of the packages can be readily identified without numbers.

In Guyana imported goods must bear an indication of the country of origin. There are no regulations in the other countries requiring that imports of general merchandise be marked to show the country of origin. However, any false indication of origin or the use of any false trade marks or of false trade description is prohibited.

There are special regulations in Guyana, Jamaica, and Trinidad and Tobago regarding the labelling of prepared food products, drugs, cosmetics and pharmaceuticals, including in some cases, an indication of the country of origin.

Samples

Samples of no commercial value are admitted free of duty. Samples having commercial value may be imported temporarily under bond or deposit in an amount equal to the duty payable. The deposit will be returned or the bond cancelled upon exportation within a time limit of usually three or six months.

Advertising Material

Customs duty is not charged on small quantities of printed pamphlets trade catalogues or advertising matter. Other printed advertising matter is dutiable at 45% ad valorem.

Tariff System

The Common External Tariff of the Caribbean Common Market is based on the Customs Cooperation Council Nomenclature (CCCN), formerly the Brussels Tariff Nomenclature (BTN). The tariff schedule has one column making all goods from non-CARICOM nations subject to the same tariff rates. In general, free trade now applies between the member states of the Caribbean Common Market.

Duties for the vast majority of goods are levied on an ad valorem basis on the c.i.f. value; that is, the price which an importer would have to pay for the articles if they were delivered at the port of importation, freight, insurance and all other charges incurred in respect of packing and preparing the goods for shipment having been paid. A few items are subject to specific duties which are levied on weight, quantity or volume.

The common external tariff of the Caribbean Common Market contains lists of conditional duty exemptions which are granted on machinery, equipment and materials imported for use in approved industries or approved projects in the sectors of agriculture, livestock, forestry, fisheries, mining and other approved purposes.

Additional Taxes

Barbados, Guyana - A consumption tax, at varying rates is levied on certain goods, whether imported or locally manufactured.

Jamaica - A 10 percent ad valorem stamp duty on customs documents is levied on the duty-paid value of all imported goods, except for basic food items (corn, soya beans, flour, chicken necks and backs, mackerel, herring, etc.), drugs, fertilizers, kerosene, diesel oil and raw materials imported by manufacturers licensed under the consumption or excise duty act, government imports and imports from CARICOM.

A consumption duty of 27 1/2% is levied on most goods whether imported or locally manufactured. A few products are subject to a 15 percent tax. The duty on jewellery of precious metal is 50 percent. On imports the tax is calculated on the duty paid value. Goods exempted from the duty are essential foods, fertilizers, petroleum products, raw materials, motor vehicles, agricultural equipment, school and hospital equipment, government imports.

A 10 percent retail sales tax is levied on air conditioners, stoves, television sets, stereos, radios, refrigerators and water heaters. On automobiles and commercial vehicles the retail sales tax is 52 or 57 percent based on engine capacity.

Trinidad and Tobago-A purchase tax ranging from 7 1/2 percent to 40 percent of the duty-paid value is levied on certain imports. Some locally manufactured goods are also subject to the purchase tax. An excise tax is levied on beer and spirits, matches, edible oil and petroleum products.

Import and Exchange Controls

Barbados

Most items may be imported under open general licence. A specific import licence is required for the importation of certain goods. Import licences are valid for six months and cover the purchase of foreign exchange.

Foreign exchange for payment of goods requiring specific licences may be purchased as long as import licences have been issued. For other goods, foreign exchange is freely granted against invoices up to Bd. \$10,000, with approval of the Central Bank required for amount over Bd. \$10,000.

Guyana

The importation of several items is prohibited. All permissible imports are subject to specific licensing from the Ministry of Trade. Goods should arrive at destination within the validity of the licence, usually six to seven months.

Public corporations and companies owned by the Government are the major importers in Guyana. The External Trade Bureau has a monopoly over the import of specified commodities from all sources. Certain foodstuffs may be imported only by the Guyana Marketing Corporation. The importation of books, paper, newsprint and sporting goods can only be made by the Guyana National Trading Company.

Payments for authorized imports are permitted upon application and submission of the necessary documentary evidence, and may be made in any foreign currency or in Guyana dollars. Exchange control forms must be completed for all transactions exceeding G\$240. Payments for imports exceeding G\$10,000 require the prior approval of the Central Bank.

Jamaica

The importation of several products is prohibited. Only a few goods currently require no specific import licence. For all permissible imports the importer must obtain a specific licence from the Trade Administrator's office in the Ministry of Industry and Commerce before placing an order abroad. Licences usually are valid for six months and goods must arrive before the licence expires. The quantity and c.i.f. value of the goods shipped must not exceed the amounts authorized by the licence. Penalties will be imposed if goods are imported without a licence.

The Jamaica State Trading Corporation was established in 1977. A holding company, the corporation and its subsidiaries eventually will be responsible for importing all goods into Jamaica. Its first operating subsidiary, Jamaica Nutrition Holdings, already controls imports of all basic foodstuffs. Three new subsidiaries were recently established: Jamaica Building Materials Ltd., Jamaica Pharmaceutical and Equipment Supplies Ltd., and Jamaica Textile Imports Ltd.

All applications for payment of imports require approval from the central bank regardless of the amount. Commercial banks cannot authorize release of foreign exchange to pay for imports.

The two-tier exchange rate system introduced in April 1977 was abolished and the Jamaica dollar was devalued on May 9, 1978 by 15 percent to a new rate of \$1.55 to the U.S. dollar. The government will continue regular devaluations by 1-1.5 percent a month to reach a total of 15 percent for a period of 12 months.

Because of the severe import controls introduced by the Jamaican authorities due to balance of payment difficulties exporters are advised to confirm that their customers have obtained the necessary import licence before shipping goods.

Trinidad and Tobago

Imports from all countries require either a specific licence or an open general licence. There are over 400 items requiring specific import licences. Licences for these items may be issued by the Ministry of Industry and Commerce depending on the supply position of the domestic industry. All goods not requiring a specific licence may be imported under open general licence.

Most licences are valid for six months or until the end of the period for which the import quota is established provided that the validity does not extend beyond the calendar year. The period of validity is stated on each licence. Licences must be obtained by the importer before the goods are ordered. Goods should arrive in Trinidad before expiration of the licence. Applications for extension of licences may be submitted with an explanation for the delay in arrival of the goods and/or evidence of scheduled delivery by suppliers.

Payments for all imports require an exchange licence. Exchange licences are granted without restriction or undue delay whenever the authorities are satisfied that no unauthorized capital transfer is involved.

Entry and Warehousing

It is important that shipping documents should arrive promptly.

Barbados

All goods must be entered within five days or storage charges will accrue. If the goods are not entered within 14 days they will be sent to a government warehouse. Bank guarantees are accepted in lieu of missing documents until these documents are presented.

There are customs warehouses where goods may be entered without the payment of duties until such time as they are entered into the commerce of Barbados. No operations are permitted in the customs warehouse, except for sorting and repacking operations done with the approval of the customs authorities. The shipping documents for goods to be entered for warehousing must plainly state the fact.

Guyana

Goods must be entered within fourteen days of arrival or they will be forwarded to a government warehouse, where they may be held for three months. If not entered within that time, the goods may be sold at public auction. If shipping documents do not accompany the goods, the customs authorities may allow clearance on the basis of a deposit, which is usually 50 percent above the estimated customs duty. In such cases documents must be presented within three months.

Merchandise fulfilling all requirements may be warehoused by the importer for a period for two years, at which time it must be cleared, exported or re-warehoused.

Jamaica

Goods for consumption must be cleared within fourteen days after arrival of the vessel. If the documents have not arrived the importer may be permitted to enter the goods on a bill of sight to be filled in as a perfect entry within a period determined by customs. If goods are not entered within the designated period, customs will store them in a warehouse to await perfect entry, subject to storage and other charges. If goods are not withdrawn within three months they may be sold at public auction.

Goods entered for warehousing must be checked, marked and registered by the customs officials. Merchandise may be warehoused by the importer for a period of two years. If not removed or rewarehoused at the end of the permitted period of time the goods may be sold, usually after one month's notice, without the consent of the owner.

Trinidad and Tobago

Goods must be entered within four days from the date on which vessel completes the landing of its cargo or storage charges will be levied. If goods are not entered within ten days after arrival of the vessel they will be removed to a government warehouse to await entry and storage charges will be applied. If not entered for consumption within three months, the goods will be offered for sale at public auction.

After the first four days of warehousing fees are charged depending on size and contents of packages.

Free Zone

Jamaica

The Kingston Free Zone began operation in May 1976. Free zone regulations allow commercial and manufacturing activities to take place free of import licensing, customs duties and quantitative restrictions. Industrial concerns using the free trade zone complex receive a tax holiday of 100 percent of profit for a ten year period and qualify for 50 percent tax relief thereafter. Industrial enterprises, in general, will manufacture goods in the free zone in order to take advantage of the tariff preferences extended by the United States, Canada and the European Community on imports originating in developing countries. All goods manufactured in the zone must be exported.

There are no free ports or free trade zones in Barbados, Guyana or Trinidad and Tobago.

Addresses of Representatives in Canada

Barbados

Consul

Suite 1108,
11 King Street W.,
Toronto, Ontario,
M5H 1A3.

Guyana

Consul Suite 406,
164 Eglinton Avenue E.,
Toronto, Ontario,
M4P 1G4.

Jamaica

Consul General Suite 706,
110 Yonge Street,
Toronto, Ontario,
M5C 1T4.

Honorary Trade Commissioner P.O. Box 2065,
1004-5885 Spring Garden Rd.,
Halifax, Nova Scotia,
B3J 2Z1.

Trinidad and Tobago

Consul-General 643 Yonge Street,
Toronto, Ontario,
M4Y 1Z9.

Further information regarding rates of duty and other import regulations may be obtained from:

The Caribbean and Central America Division,
Western Hemisphere Bureau,
Department of Industry, Trade and Commerce,
235 Queen Street,
Ottawa, Ontario,
K1A 0H5.

Notwithstanding anything mentioned herein, exporters should be prepared to comply with instructions received from agents, importers and Trade Commissioners.

The cooperation and assistance of the Commercial Counsellors in Kingston and Port-of-Spain in the compilation of this leaflet is gratefully acknowledged.

Consul

Suite 716, Seymour Building
525 Seymour Street
Vancouver, British Columbia
V6B 3H7

Notwithstanding anything mentioned herein, exporters should be prepared to comply with specific instructions received from agents, importers and consuls.

The cooperation and assistance of the Commercial Counsellor in Caracas in the compilation and revision of this pamphlet is gratefully acknowledged.

APPENDIX E

REGISTRATION PROCEDURES FOR CANADIAN
COMPANIES WISHING TO SELL TO THE
MEXICAN GOVERNMENT AND ITS AGENCIES

March 1979
Commercial Division
Canadian Embassy
Mexico City

FOREWORD

Mexican law provides that all foreign suppliers to the Mexican government and its agencies must initially register, and subsequently renew their registration annually, with the Mexican Ministry of Commerce. The registration number with the Ministry of Commerce, together with other relevant information, should then be supplied to the individual purchasing entities who maintain their own list of foreign suppliers.

This booklet is designed to provide Canadian companies with the background information they require to complete the registration formalities. Companies should undertake the registration function during one of their business visits utilizing the services of their local agent.

While the registration procedures are somewhat complex, they are not expensive. However, many Canadian companies tend to ignore the registration requirement until a contract or tender is in sight. This apparent tendency for cost deferment is usually self-defeating, as companies frequently incur more costs in manpower, travel, and shipping of documents than they would have, had they completed their registration as a matter of course. It should be noted that the Commercial Division is not in a position to undertake the registration of Canadian companies with the Ministry of Commerce.

Companies are urged to complete their registration at the time they appoint a local agent. The registration documents provide for the filing of information on the local agent, who is in the best position to assist in the registration procedures as well as to receive notices of tender, follow up with purchasing officials and equipment specifiers, etc. The Commercial Division can provide lists of local agents according to product specialization.

While every attempt has been made to ensure accuracy in the preparation of this report, no responsibility can be accepted for errors or omissions. Further information can be obtained by contacting the Commercial Division, Canadian Embassy, Melchor Ocampo 463, 7th floor, Mexico 5, D.F., telephone (905) 533-06-10; telex 017-71-191; cable CANADIAN MEXICO.


John M. Hill
Commercial Counsellor

REGISTRATION PROCEDURES FOR CANADIAN
COMPANIES WISHING TO SELL TO THE
MEXICAN GOVERNMENT AND ITS AGENCIES

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REGISTRATION PROCEDURES FOR CANADIAN
COMPANIES WISHING TO SELL TO THE
MEXICAN GOVERNMENT AND ITS AGENCIES

1. ROLE OF GOVERNMENT IN THE MEXICAN ECONOMY.

The Mexican government plays a key role in the economic development of the country. In common with many developing countries, the government regards its role as a catalytic one in promoting economic growth. The government's role includes not only the traditional activities of providing an adequate infrastructure within which growth may take place, but also extensive involvement in actual operating companies and agencies. It has been estimated that in excess of 50% of Mexico's GNP is generated within the government or government controlled sector.

State intervention in the economy has been a tradition of Mexican economic life. The Mexican government nationalized the oil industry in 1938, one of the first countries to take this step. Mexican legislation reserves certain economic activities exclusively for the state, including petroleum and other hydrocarbons, basic petrochemicals, uranium and the generation of nuclear energy, certain minerals, electricity generation, railroads, and telegraphic and wireless communications. The state's activities extend well beyond these specified sectors, as a number of dependent agencies and institutions under the Mexican government participate as either 100% shareholder, majority shareholder or minority shareholder in a variety of enterprises.

Mexican government Ministries often have extensive development budgets to undertake specific projects. For example, the Secretaria de Asentamientos Humanos y Obras Publicas (the Ministry of Human Settlements and Public Works) and the Secretaria de Agricultura y Recursos Hidraulicos (the Ministry of Agriculture and Hydraulic Resources) have major ongoing infrastructure projects. These Ministries may call for tenders and award contracts.

There are a number of agencies wholly owned by the government which have specialized responsibility for certain sectors, and which utilize their budgets for the purchasing of machinery, equipment and services required for their programs. Among these agencies are Petroleos Mexicanos (PEMEX) responsible for oil, gas and primary petrochemicals; Comision Federal de Electricidad (Federal Electricity Commission) responsible for electricity generation and distribution; Ferrocarriles Nacionales de Mexico (Mexican National Railways) and four other government railways responsible for railroad operations, expansion and equipment purchasing; FERTIMEX, a Mexican state agency producing fertilizers, and CONASUPO, a state agency responsible for the purchase of primary commodities.

It should be noted that there are over 900 agencies or dependencies of the Mexican government involved in a wide range of business activity. Six of Mexico's ten largest companies, when measured in terms of annual sales, are entities wholly state owned or with substantial state participation, including the four largest entities, PEMEX, CONASUPO, Ferrocarriles Nacionales de Mexico and the Federal Electricity Commission. The Mexican government is also heavily involved in the promotion of new industry in Mexico, through the activities of development banks in which it has a substantial interest (Nafinsa and Somex).

The Mexican government and its agencies have traditionally played an important role in Canada-Mexico trade. For the year 1978, six of the nine largest export items from Canada, representing at least 38% of Canada's export trade to Mexico, were purchased by the Mexican government and its agencies. These products include newsprint, skim milk powder, railway rolling stock, steel pipe, railway rails and dairy cattle.

2. WHY REGISTER?

(a) No contracts can be completed with foreign suppliers until the registration requirements with the central registry in the Ministry of Commerce have been fully met. Thus it is a pre-requisite that Canadian companies complete the registration process before a sale can be made.

(b) The Mexican government and its purchasing agencies

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also make use of the registration information in preselecting foreign suppliers who may receive notices of tenders. Thus for any ongoing business with the Mexican government, it is in the interest of Canadian suppliers to comply with the registration procedures.

3. WHEN TO REGISTER?

Companies are encouraged to undertake the registration formalities at the outset of their marketing program in Mexico. A number of documents required to complete registration must be certified by a Mexican Consul in Canada. In view of the lead time required to comply with registration requirements, it is prudent to complete the registration as soon as possible.

Postponing registration with the Ministry of Commerce serves no useful purpose. Experience has shown that the costs of completing a registration under the pressure of having to conclude such registration before a contract can be issued, are considerably in excess of what costs would have been had the registration been completed and maintained on an annual basis. At least one Canadian company has had the embarrassing experience of having had extensive technical discussions on product specifications for a multi-million dollar purchase requirement, only to find that it did not receive the invitation to tender as its registration had been allowed to lapse. The costs in anxiety, frustration and hand delivery of documents to the Ministry of Commerce well exceeded the modest annual registration fee.

Some Canadian companies have questioned the necessity of providing some of the information requested on sales figures, indicative pricing, etc. If you choose not to supply this information, you should do so with the realization that your competitors can and will.

The current cost of initial registration is 1,000.00 pesos (approximately \$50.00) and the annual renewal fee is 500.00 pesos (approximately \$25.00). It should be noted that the initial registration is valid for the calendar year in which it is completed, and that annual renewals must be

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completed in January of the subsequent year. If the initial registration is allowed to lapse, then the initial registration procedures have to be done once again.

The central registry, previously under the Secretaria de Programacion y Presupuesto and formerly under the Secretaria de Patrimonio y Fomento Industrial, was transferred to the Ministry of Commerce in late 1978. The address of the registry is:

Lic. Enrique del Val Blanco
Director General de Normas sobre Adquisiciones
y Almacenes
Padron de Proveedores del Gobierno Federal
Lorenzo Boturini 205, 6o Piso
Mexico 8, D.F.

Telephone: 761-41-66 and 761-49-10

4. REGISTRATION AND THE ROLE OF AN AGENT.

The registration documents filed with the central registry at the Ministry of Commerce provide for information to be included on the Canadian company's local agent.

While it is not a legal requirement that an agent be used, experience has demonstrated that it is virtually essential that a Canadian supplier selling to the Mexican government or its agencies appoint a local agent. An agent can provide introductions and arrange meetings with the appropriate purchasing and specifying authorities within the various government agencies. Inclusion of his name on your registration documents will ensure that he is in a position to receive any notices of tenders which may be issued. While Canadian companies may receive tender notices directly by mail, the mail service between Canada and Mexico is not always completely reliable, and information may be received too late for action to be taken. Some government agencies conduct correspondence in Spanish, which may further limit the scope for Canadian companies to proceed in a timely manner. Agents are familiar with the registration process and can undertake this function for you, thus saving time and frustration of your marketing staff.

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Completion of registration requirements and the selection of a local agent are thus two fundamental steps which should be taken at the outset of your marketing program.

5. REGISTRATION DOCUMENTATION FOR THE MINISTRY OF COMMERCE.

Appendix I contains a copy of the required registration forms supplied by the Ministry of Commerce. An unofficial Commercial Division translation of the relevant sections of the form has been overprinted on the original Spanish text.

The form is self explanatory. It should be noted that various documents must be authenticated by a Mexican Consul in Canada, and Appendix 2 provides the addresses and telephone numbers of Mexican Consular offices in Canada.

Payment of registration fees must be made by means of a certified cheque in Mexican pesos payable to the Tesoreria de la Federacion. Experience has shown that the use of Canadian bank drafts, certified dollar cheques, etc. has delayed the registration process. Companies are urged to make payment in dollars to their agent, requesting their agent to issue the appropriate local peso cheque to the Tesoreria de la Federacion.

6. REGISTRATION DOCUMENTATION FOR THE END USER / PURCHASING ENTITIES.

Registration with the central registry in the Ministry of Commerce completes the first stage of the registration process. As the Ministry of Commerce does not purchase on behalf of other government departments and agencies, it is a prerequisite that you register with the appropriate end user and/or purchasing entity. Providing these end user entities with your registration number with the Ministry of Commerce may ensure that you are considered as a potential supplier.

Your marketing trip to Mexico will provide you with an opportunity to meet with purchasing and specifying officials in various government agencies. You should ascertain

6.-

from these officials the current requirements which each of the end user agencies has for their own registration requirements for foreign suppliers. The names and addresses of appropriate officials of some of the main purchasing entities, together with the current registration requirements, are included in Appendix 3.

7. REGISTRATION FOR PURCHASES UNDER MULTILATERALLY FINANCED LOANS.

Under loans financed by the World Bank and the Inter-American Development Bank it is often required that published notices of tender request interested foreign suppliers to preregister with the purchasing entity. The purchasing entity will then select from the list of companies so registered in order to develop a short list of potential suppliers to whom invitations to bid may be issued. A number of these purchasing entities retain the right to select their own short list, and do not have an obligation to issue tenders to all interested suppliers.

The timing on multilaterally financed loans is often very tight with only 45 days from date of convocation sometimes provided for preregistration. There have been cases where it has been virtually impossible for a Canadian supplier to complete the registration process in time to have his company considered as a potential supplier. Thus companies considering business possibilities under multilaterally financed loans should ascertain the name of the implementing organization, determine that organization's registration requirements, and complete registration with both the Ministry of Commerce and with the individual entity as soon as possible. In order to respond to the tight deadlines and to provide the often extensive information required to prequalify on multilaterally financed projects, the services of a local representative become almost indispensable.

Information on multilaterally financed projects is available in a monthly publication "Multilateral Project Information System / Project Up Dates" published monthly by the Office of Overseas Projects, Department of Industry,

Trade and Commerce, Ottawa, K1A 0H5. Companies are encouraged to place their name on the mailing list for this publication, and to maintain close liaison with officials in the World Bank and the Inter-American Development Bank.

The practical realities of doing business in Mexico have proven that companies who (a) are duly registered with both the Ministry of Commerce and the relevant implementing agency, and (b) have appointed a local agent to represent their interests, are often the only companies in a position to pursue business opportunities under multilaterally financed loans. In one recent example, upon learning that invitations to tender were to be issued, the Commercial Division contacted potential Canadian suppliers directly by telex and also through the Department of Industry, Trade and Commerce, Ottawa. None of these companies managed to complete the registration formalities in time. The only companies now in a position to do business under this loan are those who had previously completed the registration requirements and who were contacted directly by their local agent.

8. REGISTRATION FOR CONSULTANTS.

The Fondo Nacional de Estudios y Proyectos-FONEP (The National Fund for Pre-Feasibility and Project Studies) is a trust fund responsible to Nacional Financiera, S.A. (NAFINSA), a government development bank. Founded in 1968 to finance preinvestment studies for project identification in both the private and public sector, the fund has offered a total of 339 credits valued at approximately \$42 million, of which 80% has been expended between 1974 and 1978.

FONEP also maintains a registry of consultants interested in doing business in Mexico. 760 consulting firms were registered with FONEP as of 1978, including 470 from Mexico, 103 from the US, 92 from Canada, 48 from England and 12 from France.

There is no charge payable for registration with FONEP. Information to be submitted includes:

8.-

- a) Company name and address.
- b) Date of constitution and notarized constituting act.
- c) Names of legal representatives.
- d) Names, positions and curricula vitae of officials.
- e) Areas of specialization, including previous projects and clients.

Further details on the registration requirements with FONEP can be obtained from:

Sr. Agustin Valdes Calderon
Gerente General
FONDO NACIONAL DE ESTUDIOS Y PROYECTOS
Paseo de la Reforma 136, 3er Piso
Mexico 6, D.F.
Tel: 536-31-97

Consultants should also register with the appropriate end user and purchasing entity and with the central registry maintained by the Ministry of Commerce.

Further information on registration procedures, selecting an agent and other aspects of doing business in Mexico are available from the Commercial Division, Canadian Embassy, Mexico.



SECRETARIA DE COMERCIO

DIRECCION GENERAL DE NORMAS
SOBRE ADQUISICIONES Y ALMACENES

REQUISITOS PARA EL REGISTRO EN EL PADRON DE PROVEEDORES
DEL GOBIERNO FEDERAL
(REQUIREMENTS TO REGISTER AS A SUPPLIER TO THE
FEDERAL GOVERNMENT)

Le estamos entregando las formas necesarias para que solicite el registro al Padrón de Proveedores del Gobierno Federal. (Attached are the necessary forms to register in the Padron de Proveedores del Gobierno Federal)

- A. Comprobante de pago, forma SC-1 (original y 5 copias).
(Receipt for registration payment, form SC-1 (original and 5 copies))
- B. Instructivo para llenar la Lista de Precios de productos.
(Instructions to fill out price list of products).
- C. Lista de Precios de productos, forma SC-2.
(Products price list - form SC-2)
- D. Solicitud de registro y relación de documentos.
(Registration form and documents)
Para el proveedor NACIONAL, solicitud forma SC-3 (original y 4 copias),
(For NATIONAL suppliers, form SC-3 original and 4 copies)
o para el proveedor EXTRANJERO, solicitud forma SC-4 (original y 4 copias).
(or for FOREIGN suppliers, form SC-4 original and 4 copies)

LA DOCUMENTACION COMPLEMENTARIA QUE SE DEBE ANEXAR A LA SOLICITUD, SE DETALLA EN LA RELACION RESPECTIVA. (THE DOCUMENTATION THAT MUST BE ATTACHED TO THE APPLICATION IS DETAILED IN THE RESPECTIVE DETAILED SHEET)

IMPORTANTE : (IMPORTANT)

Lea cuidadosamente las siguientes indicaciones: (Read carefully the following instructions)

Llene las formas a máquina o con letra de imprenta muy clara presentándolas SIN tachaduras NI enmendaduras.
(Type or print clearly without corrections)

Ocupé exclusivamente las líneas horizontales, los espacios encerrados en cuadros son para uso exclusivo de la Secretaría, haga caso omiso de los números que aparecen en estos, así como los que se encuentran al calce de cada concepto.
(Fill in only the horizontal lines, the closed squares are exclusively for use of the Secretaría, ignore the numbers that appear in relation to these)

Para este trámite, no utilice otro tipo de forma.
(For this procedure do not use any other forms)

El Representante legal de la empresa o Propietario, deberá firmar al calce TODAS LAS HOJAS DE LA SOLICITUD. (The legal representative of the company or proprietor must sign all pages of the registration form)

NOTA: Se consideran solicitudes de revalidación, únicamente las de los proveedores que hayan estado registra dos en el año inmediato anterior. Todos los demás casos se tramitarán como inscripción.
(NOTE: Applications for re-validation are only for those that were registered in the immediate previous year. All others are considered as inscriptions)

Antes de iniciar trámites para inscripción o revalidación, deberán cubrirse los derechos por tramitación de su solicitud en cualquier oficina Federal de Hacienda, en efectivo, con cheques certificados o con giro postal, expedidos a favor de la Tesorería de la Federación. En el caso de revalidación normal (solicitudes presentadas o remitidas hasta el 31 de enero) \$500.00; en los casos de revalidación extemporánea o inscripción \$1,000.00.
(Before initiating an inscription or re-validation, the costs of handling your application must be paid in any office by certified cheque, money order or cash in favour of the Tesorería de la Federación. In the case of a re-validation (those sent before Jan. 31) the cost is \$500 pesos and \$1,000 pesos for an inscription)



SECRETARIA DE COMERCIO

DIRECCION GENERAL DE NORMAS
SOBRE ADQUISICIONES Y ALMACENES

REQUISITOS PARA EL REGISTRO EN EL PADRON DE PROVEEDORES
DEL GOBIERNO FEDERAL

- 2 -

El eficiente servicio que deseamos proporcionarle para la tramitación de su registro en el Padrón de Proveedo--
(The efficient service we wish to render for your inscription in the Padron de Proveedores
res del Gobierno Federal, está supeditado a que se presente o envíe por correo certificado toda la documenta---
del Gobierno Federal is subject to your presenting or sending by registered mail all
ción inencionada en los puntos anteriores, correcta y claramente requisitada a la :

documents mentioned above in a clear and correct form to:

SECRETARIA DE COMERCIO
PADRON DE PROVEEDORES DEL GOBIERNO FEDERAL
LORENZO BOTURINI No. 205 - 6° PISO
MEXICO 8, D.F.

Si por algún motivo no se aceptara su solicitud, la notificación respectiva se hará a vuelta de correo.

(If for some reason your application is not accepted you will be notified by return mail)

NO SE DEVOLVERA LA CUOTA CUBIERTA POR DERECHOS DE TRAMITACION.

(YOUR PAYMENT TO COVER THE HANDLING COSTS IS NOT REFUNDABLE)

En caso de duda sobre la manera de llenar la solicitud, pida orientación a la Secretaría de Comercio a los telé
(If you have any doubts regarding questions for your applications call the Secretaria de
fonos 761-41-66 y 761-49-10.

Comercio at telephones 761-41-66 and 761-49-10)

EL DIRECTOR GENERAL. (THE DIRECTOR GENERAL)

LIC. ENRIQUE DEL VAL



SECRETARIA DE COMERCIO

DIRECCION GENERAL DE NORMAS
SOBRE ADQUISICIONES Y ALMACENES

SOLICITUD DE REGISTRO PARA PROVEEDOR EXTRANJERO
(APPLICATION FOR FOREIGN SUPPLIERS REGISTRATION)

RELACION DE DOCUMENTOS QUE SE ANEXARAN A LA SOLICITUD DE REGISTRO EN EL PADRON DE -
PROVEEDORES DEL GOBIERNO FEDERAL (P.P.G.F.) (LIST OF DOCUMENTS TO BE ATTACHED TO THE
APPLICATION FOR REGISTRATION OF SUPPLIERS TO THE FEDERAL GOVERNMENT OF MEXICO)
PARA SOLICITUDES DE INSCRIPCION DEBERAN PRESENTAR LOS DOCUMENTOS SEÑALADOS DEL 1 AL -
6, PARA REVALIDACION LOS MARCADOS CON UNA X.

(FOR APPLICATION FOR REGISTRATION YOU MUST PRESENT THE DOCUMENTS MARKED 1 TO 6 AND FOR
REVALIDATION THOSE MARKED X)

REVALIDACION
(REVALIDATION)

DOCUMENTOS
(DOCUMENTS)

- | | |
|---|--|
| X | 1. Comprobante de pago por concepto de derechos de tramitación o cheque --
(Receipt of payment to cover costs of handling your application
certificado a favor de la Tesorería de la Federación.
or certified cheque made to the Tesorería de la Federación) |
| X | 2. Solicitud de registro de inscripción o revalidación (original y 4 copias).
(Application form for registration or revalidation orig. & 4 copies) |
| | 3. Lista de precios de productos (4 tantos) certificadas por el Cónsul Mexicano.
(Price list of products (4 copies) certified by the Mexican
no. Consul in Canada) |
| | 4. Copia de poder del representante legal acreditado por el Cónsul Mexicano.
(Copy of the power of attorney of the legal representative duly
certified by the Mexican Consul) |
| | 5. Tratándose de proveedor con representante en México anexará copia del --
(If the supplier has a Mexican agent, attach copy of agency
contrato de representación certificado por el Cónsul Mexicano.
contract certified by the Mexican Consul) |
| X | 6. Resumen de los estados financieros de su último ejercicio anual que inclu-
(Resume of financial statements for the previous year which
ya la siguiente información: Activo, Pasivo, Capital, Ventas y Utilidades.
include assets, liabilities, capital, sales and profits) |
| X | 7. Copia de la constancia de registro en el Padrón de Proveedores del año in-
(Copy of registration in the Padrón de Proveedores for the
mediato anterior.
previous year) |

NOTA: PARA EVITAR DEVOLUCIONES, LAS COPIAS DE LOS DOCUMENTOS ACREDITADOS QUE SE RE-
(NOTE: TO AVOID YOUR APPLICATION BEING RETURNED, COPIES OF DOCUMENTS MUST BE
MITAN, DEBERAN SER LEGIBLES, SIN OMISION ALGUNA Y TRADUCIDOS AL ESPAÑOL.
LEGIBLE WITHOUT OMISSIONS AND TRANSLATED INTO SPANISH)



SECRETARIA DE COMERCIO
DIRECCION GENERAL DE NORMAS SOBRE ADQUISICIONES Y ALMACENES
PADRON DE PROVEEDORES
DEL GOBIERNO FEDERAL (PPGF)

HOJA
1

(APPLICATION FOR REGISTRATION
OF FOREIGN SUPPLIER)

SOLICITUD DE REGISTRO PARA PROVEEDOR EXTRANJERO

LA SECRETARIA DE COMERCIO, EN EL EJERCICIO DE SUS FUNCIONES, Y DE LO ESTIPULADO EN LA LEY DE INSPECCION DE ADQUISICIONES EN SUS ARTICULOS 15 Y 16, PREVIA REVISION Y APROBACION DE LOS DATOS CONSIGNADOS EN ESTA SOLICITUD, AUTORIZA O REVALIDA SU REGISTRO EN EL PADRON DE PROVEEDORES DEL GOBIERNO FEDERAL PARA EL AÑO DE 1979

DATOS GENERALES: (GENERAL DATA)

1	2	3	4
DIA	MES	ANO	
Day	Mo.	Year	

● TIPO DE SOLICITUD: 1. INSCRIPCION 2. REVALIDACION
(Type of application) (Inscription) (Revalidation)

● DE SER REVALIDACION, PROPORCIONAR EL No. DE REGISTRO DEL PPGF ANTERIOR: _____
(If revalidation give previous registration number)

5	6	7	8	9	10	11	12
---	---	---	---	---	----	----	----

(SPECIFIC INFORMATION OF SUPPLIER IN

DATOS ESPECIFICOS DEL PROVEEDOR EN EL PAIS DE ORIGEN: COUNTRY OF ORIGIN)

● RAZON SOCIAL (PERSONAS MORALES): _____
(COMPANY NAME)

● NOMBRE DE LA CAMARA A LA CUAL ESTA AFILIADO _____
(INDUSTRIAL OR COMMERCIAL CHAMBER TO WHICH AFFILIATED)

● No. DE REGISTRO RESPECTIVO EN LA CAMARA _____
(REGISTRATION NUMBER)

● No. DE REGISTRO PARA OBLIGACIONES FISCALES _____
(TAX REGISTRATION NUMBER)

● FECHA DE INICIACION DE OPERACIONES: DIA _____ MES _____ AÑO _____
(DATE OR START OF OPERATIONS) DAY MONTH YEAR

● ACTIVIDAD (ES) DEL PROVEEDOR: PRODUCTOR? _____ %
(ACTIVITIES OF SUPPLIER) (MANUFACTURER)
 COMERCIANTE? _____ %
(MERCHANT)
 REPRESENTANTE? _____ %
(REPRESENTATIVE)

● PERSONAL OCUPADO EN EL TRABAJO: OBREROS _____
(PERSONNEL) (LABOURERS)
EMPLEADO _____
(EMPLOYEES)
TOTAL _____

● MENCIONE LOS 3 GIROS PRINCIPALES QUE MANEJA.
(OUTLINE 3 MAIN PRODUCT LINES)
A) _____
B) _____
C) _____

● ESCRIBA EL DOMICILIO POSTAL DE LA EMPRESA, FABRICA Y ALMACEN (PRINCIPALES):
(MAIN ADDRESS OF COMPANY, FACTORY OR WAREHOUSE)

EMPRESA _____ TELEX _____
(COMPANY)

FABRICA _____ TELEX _____
(PLANT)

ALMACEN _____ TELEX _____
(WAREHOUSE)

13	14	15	16	17	18	19	20
21	22	23	24	25	26	27	28
29	30	31	32	33	34	35	36
37	38	39	40	41	42	43	44
45	46	47	48	49	50	51	52
53	54	55	56	57	58	59	60
61	62	63	64	65	66	67	68
69	70	71	72	73	74	75	76
77	78	79	80	81	82	83	84
85	86	87	88	89	90	91	92
93	94	95	96	97	98	99	100

LUGAR Y FECHA
(Place and date)

NOMBRE Y FIRMA DEL JEFE O PROPIETARIO
(Name and signature of Manager or owner)

● PARA USO DE LA SECRETARIA DE COMERCIO: (FDR OFFICIAL USE)

FECHA DE APROBACION Y SELLO DE REG EN PPGF EL DIRECTOR GENERAL

291	292	293	294
DIA	MES	ANO	

LA COPIA FOTOSTATICA DE ESTA SOLICITUD AUTORIZADA SE PRESENTARA POR EL PROVEEDOR EN LAS ENTIDADES DE SU INTERES Y SERVIRA COMO CONSTANCIA DE REGISTRO EN EL PADRON DE PROVEEDORES DEL GOBIERNO FEDERAL.



SECRETARIA DE COMERCIO
DIRECCION GENERAL DE NORMAS SOBRE ADQUISICIONES Y ALMACENES
PADRON DE PROVEEDORES
DEL GOBIERNO FEDERAL (PPGF)

HOJA
2

SOLICITUD DE REGISTRO PARA PROVEEDOR EXTRANJERO
(APPLICATION FOR REGISTRATION OF FOREIGN SUPPLIER)

2

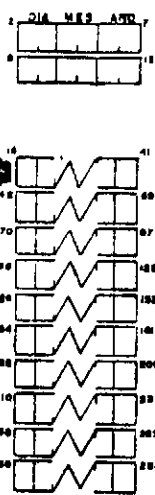
NOMBRE O RAZON SOCIAL (NAME OF COMPANY) _____ (REG. NO.) _____
NO REG PPGF: _____

RELACION DE LOS PRINCIPALES PRODUCTOS VENDIDOS: (LIST OF PRINCIPAL PRODUCTS SOLD)

CONSIGNESE LA INFORMACION DEL EJERCICIO INMEDIATO ANTERIOR O LA MAS RECIENTE, EN ORDEN DE IMPORTANCIA, RESPECTO A SUS VENTAS TOTALES (CIFRAS EN MILES DE _____)
(Enter information of last fiscal year or latest, in order of importance for total sales in thousands of _____)

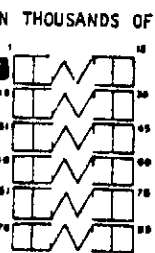
DEL (FROM) _____ DIA MES AÑO
AL (TO) _____ Day, Mo. Year

PRODUCTOS (PRODUCTS)	VENTAS EN MILES DE (SALES IN THOUSANDS OF)			
	TOTALES EXCEPTO MEXICO (TOTALS EXCEPT MEXICO)	GOBIERNO FEDERAL MEXICANO (FEDERAL GOVT)	SECTOR PRIVADO MEXICANO (PRIVATE SECTOR)	PARA USO S.C. (FOR OFFICIAL USE)
1				
2				
3				
4				
5				
6				
7				
8				
9	IMPORTE DE LOS PRODUCTOS RESTANTES VENDIDOS (TOTAL OF OTHER PRODUCTS)			
	TOTAL DE VENTAS: SOLD (TOTAL SALES)			



VENTAS DEL SECTOR PUBLICO DEL GOBIERNO FEDERAL MEXICANO: (PUBLIC SECTOR SALES TO THE MEXICAN FEDERAL GOVERNMENT)

NOMBRE DE LA DEPENDENCIA O ENTIDAD (NAME OF DEPARTMENT OR AGENCY)	PARA USO S.C. CATALOGO (FOR OFFICIAL USE)	IMPORTE (VALUE EN MILES DE) (IN THOUSANDS OF)
1		
2		
3		
4		
LAS DEMAS DEPENDENCIAS O ENTIDADES (OTHER DEPARTMENTS NUMBER (NUMERO))		
TOTAL:		



OTROS DATOS: (EN MILES DE) (OTHER DATA IN THOUSANDS OF)
CAPACIDAD INSTALADA DE PRODUCCION MENSUAL (MONTHLY INSTALLED PRODUCTION CAPACITY)
PRODUCCION MENSUAL (MONTHLY PRODUCTION)



CAPACIDAD DE CREDITO: (CREDIT OUTSTANDING)

NOMBRE DE LA INSTITUCION DE CREDITO (NAME OF CREDIT INSTITUTION)	TIPO DE CREDITO (TYPE OF CREDIT)	MONTO AUTORIZADO EN MILES DE (AUTHORIZED AMOUNT IN THOUSANDS OF)
A		
B		
C		
D		
E	OTROS (OTHERS)	
TOTAL:		



NOMBRE Y FIRMA DEL PROVEEDOR O REPRESENTANTE
(NAME AND SIGNATURE OF SUPPLIER OR REPRESENTATIVE)



SECRETARIA DE COMERCIO
DIRECCION GENERAL DE NORMAS SOBRE ADQUISICIONES Y ALMACENES
PADRON DE PROVEEDORES
DEL GOBIERNO FEDERAL (PPGF) (APPLICATION FOR FOREIGN SUPPLIER)

HOJA
3

SOLICITUD DE REGISTRO PARA PROVEEDOR EXTRANJERO

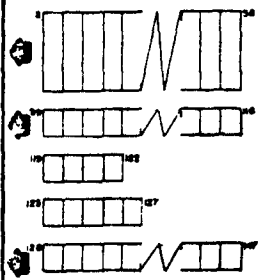
NOMBRE O RAZON SOCIAL (NAME OF COMPANY) _____ No. REG. DEL PPGF (REG NO.) _____

DESIGNACION DE REPRESENTANTES (ASSIGNMENT OF REPRESENTATIVES)

HABILITAMOS A LA(S) SIGUIENTE(S) PERSONA(S) CON PODER AMPLIO, PARA
(THE FOLLOWING PERSON(S) ARE AUTHORIZED TO NEGOTIATE OR TO TAKE
NEGOCIAR O TOMAR CUALQUIER DECISION EN NUESTRA REPRESENTACION ANTE
ANY DECISION ON OUR BEHALF BEFORE THE MINISTRY OF COMMERCE)
LA SECRETARIA DE COMERCIO

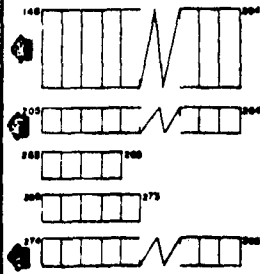
REPRESENTANTE AUTORIZADO EN MEXICO
(AUTHORIZED REPRESENTATIVE IN MEXICO)

NOMBRE DEL REPRESENTANTE (NAME) _____
NUM. DE REG. DEL PPGF EN CASO DE ESTAR REG. COMO PROVEEDOR (REGISTRATION NUMBER AS SUPPLIER) _____
DOMICILIO (ADDRESS) _____ TEL. _____
NOMBRE CAMARA INDUSTRIAL O COMERCIO (INDUSTRIAL OR COMMERCIAL CHAMBER) _____
NUMERO DE REGISTRO EN LA CAMARA (REGISTRATION NO.) _____
No. REG. FED. DE CAUS. (INCOME TAX REG. NO.) _____ No. REG. EN EL IMSS (SOCIAL SECURITY NUMBER) _____
FIRMA (SIGNATURE) _____



REPRESENTANTE AUTORIZADO SUSTITUTO EN MEXICO
(AUTHORIZED SUBSTITUTE REPRESENTATIVE IN MEXICO)

NOMBRE DEL REPRESENTANTE (NAME) _____
NUM. DE REG. DEL PPGF EN CASO DE ESTAR REG. COMO PROVEEDOR (SUPPLIER REGISTRATION NO.) _____
DOMICILIO (ADDRESS) _____ TEL. _____
NOMBRE CAMARA INDUSTRIAL O COMERCIO (INDUSTRIAL OR COMMERCIAL CHAMBER) _____
NUMERO DE REGISTRO DE LA CAMARA (REGISTRATION NO.) _____
No. REG. FED. DE CAUS. (INCOME TAX REG. NO.) _____ No. REG. EN EL IMSS (SOCIAL SECURITY REG. NO.) _____
FIRMA (SIGNATURE) _____



LOS PROVEEDORES DE GOBIERNO FEDERAL MEXICANO TIENEN LA OBLIGACION DE COMUNICAR A LA SECRETARIA DE COMERCIO CUALQUIER CAMBIO QUE EFECTUE ESTAS DESIGNACIONES

(Suppliers to the Mexican Federal Government have the obligation to inform the Ministry of Commerce any changes in the above)

NOMBRE Y FIRMA DEL REPRESENTANTE O PROVEEDOR

(Name and signature of representative or supplier)



SECRETARIA DE COMERCIO
DIRECCION GENERAL DE NORMAS SOBRE ADQUISICIONES Y ALMACENES

COMPROBANTE DE PAGO (RECEIPT OF PAYMENT)
PARA SOLICITUD DE REGISTRO EN EL PADRON DE PROVEEDORES DEL GOBIERNO FEDERAL

<p>EN CASO DE REVALIDACION, No. DE REG. DEL PADRON DE PROVEEDORES: []</p> <p>(REG. NO. IN CASE OF REVALIDATION)</p> <p>RECIBIMOS DE LA PERSONA ABAJO INDICADA:</p> <p><input type="checkbox"/> CHEQUE No. [] <input type="checkbox"/> GIRO No.: [] <input type="checkbox"/> EFECTIVO (CHEQUE) (DRAFT) (CASH)</p> <p>• POR CONCEPTO DEL PAGO DE: (IN PAYMENT OF)</p> <p><input type="checkbox"/> INSCRIPCION \$ 1,000.00 <input type="checkbox"/> REVALIDACION NORMAL \$ 500.00 <input type="checkbox"/> REVALIDACION EXTEMPORANEA \$ 1,000.00</p> <p>(REGISTRATION) (REVALIDATION) (ELAPSED REVALIDATION)</p> <p>NOMBRE O RAZON SOCIAL Y DOMICILIO DEL PROVEEDOR: (NAME OR COMPANY OF SUPPLIER AND ADDRESS)</p>	<p>(PARA SER LLENADO POR LA SECRETARIA DE COMERCIO:)</p> <p>RECIBO DE SOLICITUD No.: [] SELLO DE LA CAJA RECAUDADORA: []</p> <p>ORDEN DE COBRO No.: []</p> <p>FECHA DE COBRO: [] DIA [] MES [] AÑO []</p> <p>A ANTES DE INICIAR ALGUN TRAMITE, CUBRA LOS DERECHOS POR TRAMITACION DE SU SOLICITUD EN CUALQUIER OFICINA FEDERAL DE HACIENDA.</p> <p>B EL PAGO PODRA EFECTUARSE CON CHEQUE CERTIFICADO O GIRO POSTAL O BANCARIO A FAVOR DE LA TESORERIA DE LA FEDERACION, O EN EFECTIVO.</p> <p>C A LOS <u>PROVEEDORES</u> SU CONSTANCIA DE REGISTRO LE SERA ENVIADA EN UN PLAZO NO MAYOR DE 45 DIAS, POR CORREO.</p>
--	---

• NO SURTE EFECTOS COMO REGISTRO (NOT USED AS REGISTRATION FORM)

FORMA SC-1 /UIE

SECRETARIA DE COMERCIO
DIRECCION GENERAL DE NORMAS SOBRE ADQUISICIONES Y ALMACENES

RELACION DE DOCUMENTOS RECIBIDOS, ANEXOS A LA SOLICITUD DE REGISTRO AL PADRON DE PROVEEDORES DEL GOBIERNO FEDERAL (P.P.F.)

REVERSE SIDE

DOCUMENTOS (DOCUMENTS)
INSCRIPCIONES (PRESENTED) SOLICITUDES (REQUESTED)

	1	2	3	4	5	6	7	8	9	10	11	12	13	14
PROVEEDOR NACIONAL	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	2	1	1	1	1	1	1	1	1	1	1	1	1	1
	3	1	1	1	1	1	1	1	1	1	1	1	1	1
	4	1	1	1	1	1	1	1	1	1	1	1	1	1
	5	1	1	1	1	1	1	1	1	1	1	1	1	1
	6	1	1	1	1	1	1	1	1	1	1	1	1	1
	7	1	1	1	1	1	1	1	1	1	1	1	1	1
	8	1	1	1	1	1	1	1	1	1	1	1	1	1
	9	1	1	1	1	1	1	1	1	1	1	1	1	1
	10	1	1	1	1	1	1	1	1	1	1	1	1	1
	11	1	1	1	1	1	1	1	1	1	1	1	1	1
	12	1	1	1	1	1	1	1	1	1	1	1	1	1
	13	1	1	1	1	1	1	1	1	1	1	1	1	1
	14	1	1	1	1	1	1	1	1	1	1	1	1	1
PROVEEDOR EXTRANJERO	1	1	1	1	1	1	1	1	1	1	1	1	1	1
	2	1	1	1	1	1	1	1	1	1	1	1	1	1
	3	1	1	1	1	1	1	1	1	1	1	1	1	1
	4	1	1	1	1	1	1	1	1	1	1	1	1	1
	5	1	1	1	1	1	1	1	1	1	1	1	1	1
	6	1	1	1	1	1	1	1	1	1	1	1	1	1
	7	1	1	1	1	1	1	1	1	1	1	1	1	1

FOREIGN SUPPLIER

(see below)

- 1 Receipt of payment for handling charges or certified cheque in favour of the Tesoreria de la Federacion.
- 2 Application for registration or revalidation forms (original and 4 copies).
- 3 Price list (4 copies) certified by the Mexican Consul.
- 4 Copy of power of attorney of legal representative certified by the Mexican Consul.
- 5 Copy of representation contract duly certified by the Mexican Consul.
- 6 Copy of registration in the Padron de Proveedores for previous year.
- 7 Resume of financial statements for last fiscal year which should include assets, liabilities, capital, sales and profits.

NOTE: Copies of documents must be legible and without omissions.



SECRETARIA DE COMERCIO

DIRECCION GENERAL DE NORMAS SOBRE ADQUISICIONES Y ALMACENES

LISTA DE PRECIOS POR PRODUCTOS (PRICE LIST BY PRODUCTS)

(DAY) (MO) (YEAR) (SHEET NO) (OF)

(GROUP) GRUPO	REGISTRY NO. REGISTRO EN EL PRG.F.	(DATE) FECHA	DIA	MES	AÑO	HOJA No.	DE
------------------	---------------------------------------	-----------------	-----	-----	-----	----------	----

PROVEEDOR (SUPPLIER) _____

DIRECCION (ADDRESS) _____ TELEFONOS (TELEPHONE) _____

No.	DESCRIPCION (DESCRIPTION)	CABS	UNIDAD (UNIT)	CONTENIDO (CONTENTS)	L. A. B. (FOB)	PRECIO GOBIERNO (GOVT. PRICE)	PRECIO MAYOREO (WHOLESALE PRICE)	PRECIO AL PUBLICO (CONSUMERS PRICE)

(NAME)
NOMBRE _____

CARGO (POSITION) _____ FIRMA _____



SECRETARIA DE COMERCIO (INSTRUCTIONS FOR THE FORMULATION OF PRICE LISTS AND PRODUCTS)
INSTRUCTIVO PARA LA FORMULACION DE LISTA DE PRECIOS Y PRODUCTOS
DIRECCION GENERAL DE NORMAS
SOBRE ADQUISICIONES Y ALMACENES

La forma deberá llenarse de acuerdo con las siguientes instrucciones:
(The form must be filled according to the following:)

- A) GRUPO. Los materiales deben separarse en grupos convencionales, tales como: productos químicos, herramientas de mano, muebles para oficina, etc. Incluir aquí el nombre del grupo correspondiente.
(GROUP. The materials must be separated in conventional groups, such as chemical products, hand tools, office furniture, etc. Include here the corresponding group.)
- B) REGISTRO. En el Padrón de Proveedores del Gobierno Federal.
(REGISTRY NO. In the Padron de Proveedores del Gobierno Federal)
- C) FECHA. Fecha de entrega de la forma en la Secretaría de Comercio.
(DATE. Delivery of the form to the Secretaría de Comercio)
- D) HOJA No. DE. Debe indicarse el número progresivo de cada hoja y el total de -
hojas que se entreguen (Ejemplo: Hoja No. 2 de 5).
(SHEET NO... OF... Indicate the progressive number of pages and the total.)
- E) PROVEEDOR, DIRECCION Y TELEFONO. Incluir la razón social de la empresa, la dirección y los teléfonos (El Número de Registro del Padrón de Proveedores del Gobierno Federal se llenará por la -
Secretaría de Comercio). (SUPPLIER, ADDRESS AND TELEPHONE. Include name of the company,
address and telephone numbers. The Registration number will be filled in by the Sec. de Comercio)
- F) NUMERO. Se asignará un número progresivo a cada uno de los artículos o materiales incluidos.
(NUMBER. A progressive number shall be given to each of the articles or materials)
- G) C.A.S. Catálogo de Adquisiciones de Bienes y Servicios (Se llenará por la Secretaría de Comercio).
(Catalogue of Acquisitions of Goods and Services - to be filled by Secretaría de Comercio)
- H) DESCRIPCION. Describir en forma completa y detallada cada artículo e incluir las especificaciones,
marca y número de catálogo correspondiente en caso de que lo haya y se anexe.
(DESCRIPTION. Detail each article and include specifications, brand and catalogue number if
available and attached)
- I) UNIDAD. Incluir la unidad correspondiente (Ejemplo: Unidad - lata, bolsa, etc.).
(UNIT. Include the corresponding unit (i.e. can, bag, etc.)
- J) CONTENIDO. Indicar el contenido correspondiente a la unidad (Ejemplo: contenido - 1kg., 30 ml.,
etc.).
(CONTENTS. Indicate the corresponding contents (i.e. 1 kg, 30 ml)
- K) L. A. B. (LIBRE A BORDO). Debe indicarse cual es el punto L. A. B., correspondiente al precios que
se ha cotizado.
(F.O.B. Indicate the FOB point corresponding to prices quoted)
- L) PRECIO GOBIERNO. Debe incluirse el precio unitario en moneda nacional y neto, que se cotiza al -
gobierno.
(GOVERNMENT PRICE. Include unit price in Mexican currency and net quoted to the government)
- M) PRECIOS MAYOREO. Debe incluirse el precio monetario en moneda nacional y neto, que se cotiza -
a mayoristas.
(WHOLESALE PRICES. Include price in Mexican currency and net to wholesalers)
- N) PRECIO AL PUBLICO. Debe incluirse el precio unitario en moneda nacional y neto que se cotiza al
público.
(CONSUMERS PRICE. Include unit price in Mexican currency and net to consumers)

NOTA IMPORTANTE

Esta forma la debe utilizar el proveedor como modelo o a título de ejemplo para formular las listas de precios a que se refiere el Artículo 15 de la Ley de Inspección de Adquisiciones y, por supuesto, en el tamaño y papel que considere adecuado para sus necesidades. Deben entregarse cuatro ejemplares.

Las relaciones y negociaciones necesarias para efecto de registro de lista(s) de precios y productos, serán -
realizadas exclusivamente con la persona facultada, cuyo nombre, cargo y firma deberán aparecer en el espacio asignado para este objeto.

(This form must be used by the supplier as a format to prepare price lists referred to in Article 15 of the Law of Inspection of Acquisitions, and can be used in the size and paper which fits its needs. Four copies are required.)

Any clarifications or negotiations necessary for the registration of price lists and products, will be undertaken exclusively with the authorized person, whose name, position and signature must appear on the form.)

10. APPENDIX 2: OFFICES OF THE MEXICAN GOVERNMENT IN CANADA.

EMBASSY OF MEXICO	130 Albert Street, Suite 206 Ottawa, Ontario K1P 5G4 (Tel: 613 233-8988)
CONSULATE GENERAL OF MEXICO	1000 Sherbrooke St. W., Suite 2170 Montreal 109, Quebec (Tel: 514 288-2502)
CONSULATE OF MEXICO	P.O. Box 255 Suite 2701, Commerce Court East King and Bay Streets Toronto, Ontario (Tel: 416 368-5798)
CONSULATE OF MEXICO	1055 West Georgia Street Suite 1402, Royal Centre P.O. Box 11108 Vancouver, B.C. V6E 3P6 (Tel: 604 684-3547)
CONSULATE OF MEXICO	1808-275 Portage Ave. Winnipeg, Manitoba (Tel: 204 943-6940)
CONSULATE OF MEXICO	1330 Maguire Ave. Sillery, Quebec G1T 2P3 (Tel: 418 681-4124)

NOTE: The Mexican government's Institute of Foreign Trade (IMCE) maintains an office in Toronto. This office has as its responsibility the promotion of Mexican exports to Canada and is not directly involved in assisting Canadian exporters.

Lic. Victor Alvares de la Torre
Commercial Counsellor of Mexico
Commerce Court West, Suite 2725
P.O. Box 235, Commerce Court Postal Station
Toronto, Ontario M5L 1E3
Tel: 416 364-4725 / 416 364-4770
Telex: 06-217 862

**11. APPENDIX 3: SELECTED END USER / PURCHASING ENTITY
REGISTRATION REQUIREMENTS.**

Set out below are the current registration requirements for a selected number of purchasing organizations. These requirements may change, and Canadian companies should determine what current registration requirements are during their business visit to Mexico, or through liaison with their local agent.

1. Registration with PEMEX.

Contact: Ing. Raul Cisneros Jimenez
Gerente
Gerencia de Proveeduría y Almacenes
Petroleos Mexicanos
Marina Nacional 329-9o Piso
Mexico 17, D.F.
Tel: 531-30-20 and 531-60-17

- Supply:
- a) Company name and address.
 - b) Names and positions of executive officers.
 - c) Name and address of Mexican representative (if any).
 - d) Products manufactured.
 - e) Price lists and catalogues (if available).
 - f) Registration number with Mexican federal government as foreign supplier, or copy of receipt showing payment of said registration.
 - g) Designated (if local agent not available) person to obtain at PEMEX registration number (CLAVE) which corresponds to Canadian supplier on PEMEX lists.

2. Registration with Federal Electricity Commission.

Contact: Ing. Mario Medrano Lubreras
Jefe del Departamento de Concursos
Gerencia General de Abastecimientos
Comision Federal de Electricidad
Rio Elba 22, 3er Piso
Mexico 5, D.F.
Tel: 533-10-75

- Supply: a) Company name and address.
b) Names and positions of executive officers.
c) Mexican Federal government registration number as foreign supplier.
d) Name and address of Mexican representative (if any).
e) Product line manufactured.
f) Price lists and catalogues.

NOTE: Above requirements are for general purchase requirements by the CFE.

In the case of specific international projects, the Canadian supplier, in addition to items a, b, c, d, should also supply:

- g) The project name and CFE international tender reference number relating to the specific project under review.
h) Description of specific equipment being offered (e.g. type and characteristics of turbine, generators, etc.).
i) Price list and descriptive catalogue of the specific equipment under review.

3. Registration with CONASUPO.

Contact: Lic. Juan Tellez
Sub-Gerente Juridico
CONASUPO
Morelos 110, Desp. 104
Mexico, D.F.
Tel: 546-93-11

- Supply: a) Name and address of company.
b) Name of responsible officer and position in company.
c) Copy of company charter notarized by Mexican Consul.
d) Name and address of Mexican agent with notarized power of attorney to act on behalf of his Canadian representation.

13.-

- e) Photocopy of Ministry of Commerce registration number (registered as foreign supplier to Mexican government).
- f) List of products being offered with respective description.

4. Registration with FERTIMEX.

Contact: Lic. Jose Estrada Olguin
Gerente General de Planeacion y Desarrollo
FERTIMEX
Zacatecas 80
Col. Roma Sur
Mexico 7, D.F.
Tel: 584-45-33

- Supply:
- a) Company name and address.
 - b) Names and positions of executive officers.
 - c) Name and address of Mexican representative
 - d) Registration number as foreign supplier to Mexican government.
 - e) Description of manufacturing capacity.
 - f) Availability of spare parts in Mexico.
 - g) Last two financial statements.
 - h) Experience in the line, years in the market, number and type of customers, number and capacity of equipment sold in the last five years.

5. Registration with Siderurgica Lazaro Cardenas-Las Truchas.

Contact: Ing. Javier Contreras
Gerente Administrativo
Siderurgica Lazaro Cardenas-Las Truchas, S.A.
Yucatan 15
Mexico 7, D.F.
Tel: 533-16-40

...

- Supply:
- a) Name and address of company.
 - b) Names and positions of executive officers.
 - c) Name and address of Mexican representative (if any).
 - d) Products manufactured.
 - e) Price lists and catalogues (if available).
 - f) Registration number of Mexican federal government as a foreign supplier.

6. Registration with Ferrocarriles Nacionales de Mexico.

Contact: Sr. Gaspar Hernandez Tapia
Sub Gerente de Adquisiciones
Ferrocarriles Nacionales de Mexico
Av. Central 140
Mexico 3, D.F.
Tel: 547-62-73

- Supply:
- a) Name and address of company.
 - b) Name and position of responsible company officer.
 - c) Name and address of Mexican agent.
 - d) Description of product being offered.
 - e) Prices and catalogues (if available).
 - f) Registration number with Mexican federal government as a foreign supplier.

7. Registration with PIPSA.

Contact: Lic. Jose de Jesus Taladrid
Director
Productora e Importadora de Papel, S.A. C.V.
Pomiente 140 #840
Mexico, D.F.
Tel: 567-06-37

- Supply:
- a) Name and address of company.
 - b) Name and position of responsible officer.
 - c) Name and address of Mexican agent (if any).
 - d) Description of product line being offered and prices.
 - e) Registration number with Mexican federal government as a foreign supplier.

12. OTHER TITLES IN MEXICO MARKET BOOKLET SERIES

- NOTES ON THE MEXICAN PHARMACEUTICAL INDUSTRY, August 1977.
- TRANSPORTATION SERVICES FROM CANADA TO MEXICO, August 1977.
- THE ELECTRONIC INDUSTRY IN MEXICO, September 1977.
- ELECTRICAL POWER AND THE ELECTRIC EQUIPMENT INDUSTRY IN MEXICO 1977-1982, October 1977.
- MEXICAN FORESTRY PULP AND PAPER INDUSTRIES, April 1978.
- CANADA-MEXICO COMMERCIAL AND ECONOMIC RELATIONS / A STATISTICAL PROFILE, May 1978.
- OIL, GAS AND PETROCHEMICALS IN MEXICO 1977-1982 (SECOND EDITION), May 1978.
- QUARTERLY SURVEY OF THE MEXICAN ECONOMY, June 1978 and subsequently.
- THE MINING INDUSTRY IN MEXICO 1978-1982, June 1978.
- MEXICO'S FISHERIES INDUSTRY DEVELOPMENT PROGRAM 1977-1982, August 1978.
- STATE OF THE UNION REPORT: PRESIDENT JOSE LOPEZ PORTILLO'S SECOND INFORME TO THE MEXICAN CONGRESS, SEPTEMBER 1, 1978, September 1978.
- MEXICAN FEDERAL ELECTRICITY COMMISSION'S PURCHASE REQUIREMENTS 1979-1986, November 1978.
- BUSINESS WITH MEXICO - A REPORT ON THE FINANCIAL TIMES OF LONDON CONFERENCE, MEXICO CITY, NOVEMBER 16-17, 1978, November 1978.
- MEXICO'S LIVESTOCK SECTOR: A PRACTICAL GUIDE, December 1978.
- MEXICO'S SECONDARY PETROCHEMICAL INDUSTRY: PRIORITY INVESTMENT PROJECTS 1978-1982, March 1979.
- PETROLEOS MEXICANOS 41ST ANNUAL REPORT, March 1979.
- NOTES ON BANCO DE MEXICO ANNUAL REPORT 1978, March 1979.

APPENDIX F

DEPARTMENT OF INDUSTRY, TRADE AND COMMERCE

Ottawa, Ontario

M E X I C O

SHIPPING DOCUMENTS

AND

CUSTOMS REGULATIONS

(NINTH EDITION)

Compiled by

The Western Hemisphere Bureau

JUNE 1978

Mexico
Shipping Documents
and
Customs Regulations
(Ninth Edition)

Amendment No. 1

Page 1 - heading "Commercial Invoices" should
be amended as follows -

The requirement for consular legalization
of commercial invoices for shipments to
Mexico was abolished effective January 1, 1980.

Western Hemisphere Bureau
Department of Industry, Trade and Commerce

MEXICO

DOCUMENTS:

The following documents are required for freight shipments to Mexico:

Commercial Invoices	1 original and 4 copies
Bill of Lading	5 copies (3 for customs purposes)
Packing list, when necessary	3 copies
Sanitary Certificates	4 copies (animal, vegetable products, etc.)

Commercial Invoices

Legalized commercial invoices must accompany all shipments valued at 1,000 pesos f.o.b. or more, whether or not for sale (i.e. including gifts, goods imported under temporary permits, etc.). For shipments valued at less than 1,000 pesos, the original and two copies of the commercial invoice are required but do not need consular legalization. Mexican custom house brokers may, however, request legalized invoices on all shipments regardless of value in which case, five copies of the invoice are required.

The original and four copies of the commercial invoice must be legalized by the nearest Mexican consulate or by the consulate located in the maritime port of shipment. In practice, documents can be legalized by any Mexican consulate in the country where the invoice is issued. Each copy of the invoice must be signed manually by the actual seller and must contain a statement to the effect that the value and other details thereon are true and correct. Two copies are retained by the consulate. The three stamped copies should be sent by registered air mail directly to the consignee or to his customs broker at the Mexican port of entry. In addition to the legalized copies, the consignee should be furnished other copies in whatever number is necessary to meet their requirements, usually six copies.

Commercial invoices must be legalized before the arrival of the goods in Mexico, not on the same date and should be in the possession of the importer before that time, otherwise, heavy fines will be imposed by the Mexican authorities.

Invoices should be prepared in Spanish or if they are prepared in another language a translation signed by the seller, consignee or custom house broker should be attached. Most exporters show the Spanish translation below the English text on the invoice and this has been acceptable to the Mexican Customs. Metric equivalents of non-metric weights and measures must be shown.

As the consignee or his agent is also required to sign the invoice with a certification that the data on the value and specification of the merchandise are correct, the legalized invoices should be sent to him in time to sign the invoice and forward it to his customs broker. The other required copies, together with all other documents should be sent to the consignee, agent or customs broker as directed.

The invoice must contain the following information:

- a) Place and date of issuance;
- b) Complete name and address of consignee;
- c) Mexican sea or border point of entry. However, the invoice will be valid for presentation at any customs house. Also the name of the customs broker;
- d) Marks on packages; number of packages; kind of packages; and quantity of items. If the packing information is too detailed or lengthy to include on the invoice, a packing list not requiring consular legalization may be attached to each copy of the invoice. Although it is not required, it is desirable to give the gross, legal and net weights in kilograms on the invoice;
- e) Detailed description of the merchandise, including its value (f.o.b. value and itemized charges to c.i.f.). This should include all relevant data pertaining to marks, serial numbers and where applicable, in the case of machinery, motor numbers engraved at the factory, manufacturers' imprints, brand name, etc. Trade marks, patent names, abbreviations and commercial terms are not accepted. On shipments of automobiles, machinery, pharmaceuticals etc., product characteristics, such as brand name, model and serial number, motor number, manufacturer's trade mark etc. must be shown. Failure to do so will impose a burden on the customs broker at the Mexican port of entry and will necessitate the opening of cases by customs officials;
- f) Signature of the seller, giving his street address and city in ink on the original and all copies;
- g) Shipper's invoice number and customer's order number.

The value to be shown is the true value of the merchandise at the place or market where the invoice is drawn, with no deductions except for freight and insurance premiums when these expenses are included in the value of the merchandise. The value must be itemized for merchandise of the same kind. Quote in pesos or U.S. dollar, if possible. If not, provide current exchange rate between one of these and the Canadian dollar.

F.o.b. value of each item and itemized charges to c.i.f. or c.&f. value must be shown, freight and insurance charges being estimated if not known at the time of shipment. Charges other than freight and insurance shown in the invoice will be included in the value for ad valorem duty.

Bills of Lading

This document is required only on maritime shipments, but freight forwarders usually request it on rail shipments as well. The original and four copies should be sent to the consignee or the customs broker. The bill of lading should show the marks, quantity of the shipment, types of packages making up the shipment, weight of the goods in the metric system and volume of the shipment. A bill of lading also customarily shows the name of the shipper, name and address of the consignee, port of destination, description of the goods, listing of freight and other charges, number of bills of lading in the full set, and date and signature of the carrier's official acknowledging receipt on board of the goods for shipment. The information should correspond with that shown on the invoices and packages.

Consular legalization of the bill of lading is not required.
"To Order" bills of lading are recognized.
Freight collect shipments are generally accepted.

Consular Manifest

In the case of overland shipments of merchandise, a consular manifest in quintuplicate legalized by the Mexican consulate nearest the custom house through which the shipment will be cleared, is required. This document is customarily prepared by the customs broker or forwarding agent at the border rather than by the shipper. The manifest must contain the following information:

1. Destination of the goods.
2. Marks, countermarks, numbers and quantity of packages, in figures. All markings must appear on consular manifests exactly as they appear on packages.
3. Kind of packages. If in bulk, it should be so stated, listing separately each lot of the same kind of goods.
4. Gross weight of the packages.
5. Detailed description of the merchandise.
6. Total quantity of the packages in figures and writing.
7. Place and date of issuance of the manifest and signature of the shipper.
8. Name of the consignee or customs broker for the purpose of applying for the clearance of the goods at the custom house.

The lack of a legalized manifest shall be subject to a fine equal to the amount of the import duty applicable to the goods.

Packing List

This document should be furnished in triplicate (additional copies are sometimes required), to the custom broker or forwarding agent at the border for use in preparing the necessary customs documents. The packing list should show the gross, net and legal weights (if applicable) of each package in kilograms, the total number of packages, and suitable description of each for Mexican customs purposes.

Correction of Errors

When errors are discovered in commercial invoices after they have been legalized by the Consul, a letter of correction in four copies should be prepared which will be legalized by the same Consul who legalized the invoice provided that the visa is obtained before the arrival of the goods in Mexico or before the ship carrying the merchandise arrives at the port of destination. The same fee will be paid on the letter of correction as on the original commercial invoice.

When sets of commercial invoices legalized by the consulate are subsequently lost or misplaced, the shipper should notify the consulate in writing that the invoices are missing at the time he makes his request for legalization of the new set. Otherwise the new legalization date will be later than the arrival of the shipment in Mexico and a fine will be assessed in Mexico against the consignee.

Special Certificates

Sanitary certificates issued by the proper official of Agriculture Canada or in some cases by competent provincial or municipal authorities, are required on shipments of livestock or animal products and for most seeds, plant and plant products. Four copies should be presented to the Mexican consulate for legalization and should accompany the other shipping documents.

The importation of every kind of agricultural seed and of products intended for sowing and propagation is permitted when accompanied by a phytosanitary certificate indicating the origin issued by an authorized provincial inspection service; except in cases where partial or absolute quarantine are in effect against the imported product. Consular legalization is required. A certificate of origin is also required for agriculture products and must be legalized by the Mexican consulate.

More information regarding the sanitary and health regulations for the importation of animals or animal products and plant or plant products may be obtained from the Health of Animals Branch or the Plant Protection Division of Agriculture Canada either at Ottawa or at one of their regional offices.

Because of the complexity of the sanitary and health regulations, exporters also should obtain information on documentation requirements for the importation of agricultural products directly from the importer prior to shipment.

Importers in Mexico must obtain import permits in advance for most shipments of plants, plant parts and plant products, including fresh, frozen and dried fruits and vegetables and vegetable oils. Applications for such import permits must include the names and addresses of the consignor and consignee, the locality and country of origin, the name and quantity of plant or plant products, the port of entry and the port of embarkation.

Special import regulations govern the importation of many items among which are:- firearms, drugs, perfumes, samples, beverages, foods and food additives, feed, fertilizers, insecticides, cotton, tobacco, franking machines, matches, benzol, salt, petroleum, books and magazines, motion picture film, radioactive materials, wool, saccharin, milk, milk in powder form, vehicles, pallets and containers.

Electrical Standards

Licences for the importation of certain electrical equipment will be granted only when such equipment can operate in a satisfactory manner on 60 cycles per second. Among the items affected are electrical equipment for household use and industrial, commercial and agricultural equipment sensitive to electrical frequencies and equipment for generation and distribution of electricity.

Food and Drug Regulations

All foodstuffs, beverages, and similar products in closed packages intended for public consumption, as well as drugs, toilet and beauty preparations must be registered with the Mexican Secretaria de Salubridad y Asistencia prior to importation. Food products to which any therapeutic properties are attributed must be registered both under the Food Regulations and the Medical Regulations. There must be incorporated into the labelling of every registered product the legend, "Aceptado S.S.A. No. _____", followed by the number of the corresponding licence. Application for registration should be made in triplicate to the Mexican Secretariat de Salubridad y Asistencia, and must be accompanied by three photographs (16 by 24 cm each) of

containers as they will be offered to the public; chemical analysis of the product in the case, of alcoholic beverages; a certificate issued by a recognized Chamber of Commerce or Board of Trade and legalized by a Mexican consulate, stating that the sale of the product is permitted in the country of origin; three copies each of labels, prospectuses, notices, pamphlets and other printed matter and commercial propaganda intended for use in connection with the product, and samples of the product if requested by the Department of Public Health which may be required for analysis.

Packaged foods and beverages, as well as patent medicines, pharmaceutical specialties, toilet preparations and hygienic and beauty products must be reexamined every five years.

Standards of purity have been established for alcoholic and non-alcoholic beverages, oils, fats, canned and preserved foods, milk and derivative products, coffee, tea and chocolate.

Information concerning food and drug regulations for specific products may be obtained from the Commercial Counsellor, Mexico City.

Consular Fees

The fees for legalization of documents by Mexican consulates are shown below. Fees are set in Mexican pesos. Canadian dollar equivalents are adjusted periodically in accordance with exchange rate fluctuations. Shippers are advised to check with Mexican consulates to obtain applicable charges in Canadian dollars.

	<u>Pesos</u>
Commercial Invoice (per set)	250
Certificate of origin	500
Letter of correction	250
Cargo Manifest	2,500
Duplicate copy of Cargo Manifest	750
Health certificate (for animal and vegetable products)	1,250
Health certificate (for live plants)	625
Veterinary health certificate	125
Certificate of analysis	625
Certificate of free sale	625
Certificate for shipments of firearms, explosives, etc.	1,875

Labelling of Goods

Goods for sale in Mexico must show the net weight of the contents in metric units, and all reference to other systems of measure must be obliterated. Food and beverages in closed packages or containers, and products which are claimed to have therapeutic properties, whether in bulk or in containers, must bear the names and addresses of the manufacturer and the Mexican importer or distributor on the label before they are offered for sale. This information, as well

as that concerning the weights or volume, can be added by means of a sticker over the original label before they are offered for sale.

Special labelling requirements apply to packaged food-stuffs, pharmaceutical products, veterinary preparations, prepared feeds, fertilizers and insecticides.

Labelling regulations also require that containers of insecticides or fungicides shall be marked plainly with the word Veneno (poison), plus the label or printed name of the manufacturer when the goods are sent by parcel post.

Wearing apparel, leather goods, silver, silver plated and nickel plated articles must be labelled to show the trademark registration number, if any, and the name and location of the factory where the articles were produced. Labels for textile products must list all fibres used in apparel or made-up articles. Where trade marks are registered in Mexico, imported goods should bear the words "marca registrada" together with the location of the factory in the country of manufacture so as to be completely protected by Mexican trade mark laws.

Under terms of the Consumer Protection Law which took effect February 5, 1976, all data shown on products as well as on wrappings, packaging, containers or in advertising must be in Spanish. The Law affects imports as well as domestic products. Information must be legible and in understandable terms and the system of weight or measure used in Mexico must be shown.

Marking of Outside Containers

Shipping marks and numbers should appear on the packages. Packages should be numbered consecutively, whenever possible and there should be no repetition of numbers except in the case of packages of the same size, weight and shape and containing the same material.

Packing

Shippers may form a single package of several boxes, bundles, etc., containing the same kind of merchandise, provided the number of boxes or bundles in the package, the gross and legal weight of each and the gross weight of the package are declared in the packing list. No such declaration is required on articles which are usually bound in that manner, such as iron bars, sheet iron, piping, buckets, machinery parts, etc.

The exact kind of each package, whether box, barrel, bundle, etc., should be declared in the commercial invoice and other documents.

All boxes should be strapped or wired. Machinery having small parts exposed should be boxed. All other machinery should be crated.

Entry and Warehousing

Goods entering Mexico are deposited in a customs warehouse and may be entered for consumption upon the presentation of the required documents and the payment of duties and other charges. Shipments of products under import control valued at less than 1,000 pesos can be withdrawn from customs without the corresponding import licence. Storage charges begin after 15 days from the time the shipment is unloaded, except for explosives, which must be fully entered and cleared within three days after discharge of the cargo. Goods which are not claimed within 90 days after unloading are considered legally abandoned (tacit abandonment) and become the property of the customs administration.

Goods stored in customs warehouses may be reexported without payment of duty provided the goods are not prohibited in Mexican trade, have entered the country legally, are still under customs custody, the applicable duties have not been paid and tacit abandonment has not occurred. Products requiring import licences normally require a special permit for reexportation. However, once goods have cleared the Mexican customs they are considered as having been nationalized. If subsequently reexported, no refund of import duties will be made and the shipment will be subject to applicable export duties and regulations. Most exports, however, are exempt from duty and other restrictions.

Veracruz and Tampico are the only sea ports of entry that have bonded warehouses. With the exception of these ports, merchandise intended for storage in bond must be transported to Mexico City where it may be placed in a authorized bonded warehouse for a maximum period of one year renewable for another year, without paying import duties. Bonded warehouses also are located at ports of entry along the United States/Mexico Border at Nuevo Laredo, Metamoros, Reynosa, Piedras Negras, Ciudad Juarez, Mexicali and Tijuana.

Air Cargo

Air cargo shipments are handled at Mexico's International Airport by the airline carrying the goods, or by authorized dispatching agencies (whose functions are less extensive than customs brokers). Goods should be addressed to the consignee c/o the appropriate agency or airline, with a notification included in the address to notify the consignee at his address or telephone number on arrival.

A commercial invoice in triplicate must accompany all shipments regardless of the content and value but consular legalization is not required. These copies should be given to the carrier, who may require additional copies. For shipments valued over Mexican 1,000 pesos f.o.b. carrier the invoice should be in Spanish, or if in English, a translation into Spanish must be presented at the time of customs clearance. If the value of the merchandise exceeds 1,000 pesos the package must show the import licence number or bear a notation that no import licence is necessary. The number of the air waybill should be shown on each copy of the commercial invoice.

Airmail to the importer four additional copies of the commercial invoice, three copies of the packing list (if necessary), three copies of the airway bill, plus sanitary and inspection certificates as required. On important shipments, telegraph to the consignee the shipping date, airline waybill number and flight number so that he can alert the receiving agency or airline.

Parcel Post Shipments

No consular legalization is required for shipments by parcel post. Three copies of the commercial invoice must accompany all parcel post shipments. If several packages are being shipped the packages should be numbered and the package containing the invoice should be endorsed to that effect and the other packages should be endorsed. "Invoices contained in Package No. _____". An additional copy of the invoice should be sent directly to the consignee.

On shipments valued in excess of Mexican 1,000 pesos, the invoice should be prepared in Spanish, or if prepared in English, a Spanish translation must be provided by the shipper or consignee.

Parcel shipments are subject to import licences, where applicable. If the value of the merchandise exceeds Mexican 1,000 pesos, the package should be marked, "Addressee possesses Mexican import licence (number must be shown) or addressee does not require Mexican import licence".

Most imports are subject to a 2 percent ad valorem tax.

Gift parcels are subject to duty.

Samples

All samples are subject to import duties.

Samples of commercial value, except jewellery, may be temporarily imported for up to one year under bond of the applicable duties plus 10% upon application by the consignee, his customs broker or when carried by a traveller to the chief of the customs house concerned. They must be re-exported within one year unless special extension is obtained from the Director General of Customs. The usual number of commercial invoices legalized by the Mexican Consulate and a complete inventory of the articles are required.

Mexico permits temporary duty-free entry of convention and exhibition materials. Requests for exemption must be addressed to the Director de Convenciones, Consejo Nacional de Turismo, Mariano Escobedo 726, Mexico 5, D.F., at least two months ahead of time, and must include details of the convention together with samples of the materials the convention group wants to import.

Advertising Matter

Catalogues in a language other than Spanish when imported in consignments not larger than three copies to an importer are duty free.

Other catalogues require an import licence and are dutiable at 50 percent of the invoice value or of an official value of 25 pesos per legal kilogram, whichever is higher.

Advertising circulars, lithographed or printed, are dutiable at 50 percent of the invoice value or of an official value of 63 pesos per legal kilogram, whichever is higher. An import licence is also required.

Temporary Importation

Mexico permits the temporary duty-free importation of apparatus which is necessary for exploration, development and scientific work under very special conditions. A customs broker with offices in Mexico City is usually employed to make the necessary arrangements, which involve the posting of a bond in the amount of the import duty plus 10 percent to guarantee re-exportation. The permission, to effect temporary entry is generally for a period of six months and is renewable for two additional six month periods. Requests for temporary importation should be addressed to the Departamento de Procedimientos, Direccion General de Aduanas, Secretaria de Hacienda, Mexico D.F.

Fines and Penalties

Mexico imposes fines for infractions of its customs regulations, such as the lack of prescribed documentation or errors or omissions therein. Goods requiring an import licence which are imported without one are subject to a fine of from 100 to 20,000 pesos and a fine equal to twice the value of the imported goods. The importer may also be required to remove the article from Mexico at his own expense or deliver them at cost plus duties and other charges to the distributors or customers. Where the importer fails to comply with the foregoing directive, a fine of from 100 to 10,000 pesos will be imposed.

A tolerance of 2 percent on weight is allowed without penalty, and 3 percent on goods subject to change in weight due to atmospheric conditions. Discrepancies between actual and declared quantity or quality are liable to a fine of 5 percent of the duty on the difference.

Insurance

All shipments to Mexico must be insured in the Mexican Domestic insurance market.

Shipping Restrictions

Many state-owned agencies require that imports on their behalf be carried on national-flag ships when brought in by ocean freight. Approval for application for the import licence is in some cases accompanied by a proviso that goods covered by the application be imported in Mexican flag ships.

Customs Tariff

The new tariff structure which went into effect on January 1, 1975 generally conforms to the Customs Cooperation Council Nomenclature (CCCN) formerly the Brussels Tariff Nomenclature (BTN).

All specific duties have been eliminated. The ad valorem duty is assessed either on the invoice value or an "official price" whichever is higher. Official prices have been established on most products listed in the customs tariff to prevent underinvoicing and are expressed generally in pesos per gross, legal or net kilogram. Official prices do not include transportation or insurance costs.

The invoice value is defined as the market value at the place of purchase without any deductions other than those pertaining to transportation charges and insurance premiums when these expenses are included in the price shown in the commercial invoice. If, in the price shown in the commercial invoice there are included in the total other expenses or charges, the total of these charges is to be distributed in proportion in the net value of each of the goods that the invoice covers.

The tariff now in force eliminated Rule 14 which allowed substantial duty reductions on imports of machinery and equipment for industrial development. Under revisions to concessions announced August 27, 1975 imports of machinery for manufacturing products for exports are eligible for a subsidy of 75 percent of the import duty applied; imported machinery for producing capital goods for the domestic market is eligible for a 60 percent subsidy.

Mexican duties apply equally to imports from all countries with the exception of preferential rates granted to member countries of the Latin American Free Trade Association (LAFTA). The other members of LAFTA are Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Paraguay, Peru, Uruguay and Venezuela.

Additional Taxes

Most items listed in the tariff are subject to a surtax of 2 percent ad valorem.

Internally there are special taxes of between 5% and 30% on new passenger cars, a 10% to 30% tax on certain toilet and luxury items and a 30% tax on yachts, sailboats, sports boats, airplanes, precious stones, fur garments, firearms, certain equipment for swimming pools and outdoor games and sport.

Import Controls

Importers must obtain import licences from the Mexican Ministry of Industry and Commerce for about 50% of the items in the customs tariff. These are issued according to the importer's proven requirements and without discrimination as to supplier. The usual criterion for the issuance of import licences is that the goods are not currently available in Mexico in sufficient quantity or only at a substantial disadvantage to the buyer. Import licences are usually valid for a period of six months. Validity may be extended for three months; a second three month extension may be granted in very rare cases. Licences issued to public sector importers may be valid up to one year. Mexican customs are authorized to grant a tolerance of 2 percent in weight and 10 percent in the value of the import licence.

Some products such as firearms, narcotics, agriculture, livestock and forest products require special licences. Other products such as pharmaceuticals, insecticides, prepared feeds, fertilizers and packaged foodstuffs must be registered with and approved by appropriate Mexican agencies before their importation and sale are permitted.

Imports by official Mexican agencies are subject to prior approval by the Foreign Trade Institute. In general, this approval is not given if a reasonably competitive domestic equivalent is available, a price differential of 15% to 20% being considered acceptable.

Single shipments of controlled items valued below 500 pesos are permitted without an import licence. The purpose of the exemption is to permit individuals to clear small-value packages. Alcoholic beverages are not covered by the exemption.

Exchange Controls

There are no exchange controls in Mexico. Foreign currencies may be freely converted into pesos.

Free Trade Zones

Free zones or perimeters cover all of Baja, California and the adjacent area of northwest Sonora and Quintana Roo. Specified goods may be shipped to these free zones and perimeters without payment of duty and are generally exempt from the import licence requirement. Under terms of Acuerdo No. 102-D-3788 published in the Diario Oficial of November 14, 1975, a wide variety of goods are subject to duties when imported into the free zone of Quintana Roo. However, most of the items may be allowed duty-free entry at the discretion of the local representative of the Secretaria de Hacienda y Credito Publico and with the permission of the Comité de Promoción Económica de Quintana Roo.

As the lists of products eligible for duty free entry and exempt from licensing requirement into Mexican free zones are subject to change without notice, exporters should check current status prior to shipment in order to avoid penalties or costly return charges.

The free ports in Mexico were abolished in February 1973. However, limited free zone activities may be carried in the Pacific ports of Ensenada, Mazatlan, Guaymas, Manzanillo and Salina Cruz, and in the Gulf ports of Tampico, Veracruz, and Progreso. Activities in these free zone areas are under the jurisdiction of the superintendent of each port.

Under the Mexican Border Industrialization Program, Mexican and foreign firms which establish processing plants along the border with the U.S.A. are permitted duty-free importation of machinery, raw materials and components provided all their end products are exported. The Program is designed to attract foreign firms assembling products with high labour input to take advantage of Mexican wage rates.

There is also a provision for this type of duty treatment of imported raw materials and components to be used in export industries located in the interior of the country. A bond for the amount of the duties applicable is required. Such operations must be approved in advance by the competent Mexican authorities.

Agency Regulations

There is no legislation in Mexico specifically covering agency agreements. Principal agent relationship is governed by the Civil and Commercial Codes. Under these codes a principal may at any time revoke an agency agreement without notice unless a period for termination and notice had been agreed upon in the contract. Any undue or premature termination of an agency agreement may make a principal liable for compensation damages. Appointment of a new agent for the same business amounts to a revocation of the agency agreement.

Addresses of Mexican Consuls in Canada

Consul General of Mexico	1000 Sherbrooke Street West Suite 2170 Montreal, Quebec
Honorary Consul	1330 Maguire Avenue Sillery, Quebec G1T 2P8
Consul of Mexico	Commerce Court West Suite 2701 King and Bay Streets P. O. Box 255 Toronto, Ontario
Trade Commissioner	Commerce Court West Suite 2725 King and Bay Streets P. O. Box 255 Toronto, Ontario
Consul of Mexico	1055 West Georgia Street Royal Centre, Suite 1402 P. O. Box 11108 Vancouver, British Columbia V6E 3P6
Consul of Mexico	275 Portage Avenue Suite 1808 Winnipeg, Manitoba

Notwithstanding anything mentioned herein, exporters should be prepared to comply with specific instructions received from agents, importers and Mexican Consuls.

The co-operation and assistance of the Commercial Counsellor in Mexico City in the compilation and revision of this pamphlet is greatly acknowledged.

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