

IBS 220: Survey of Mexico Business Environment

Dr. James Rassi

Paradise Valley Community College

Phoenix, Arizona

COURSE DESCRIPTION

Survey of Mexico Business Environment encompasses Mexico's history, culture, economic and political systems, geography, foreign investment and trade opportunities, demographics, export/import strategies, legal environment and current issue concerning NAFTA.

COURSE NEED

This course is needed in order to provide students an opportunity to study Mexico from the business perspective- This course would be a transfer elective for the International Business Program with A.'S-U. - West

COMPETENCIES

- (1) Describe the Mexico Market including geography, climate population, government, political situation, education, language, religion, agriculture, aquaculture, energy, transportation, and communications
- (2) Analyze the influences of the Mexican customs--office hierarchies, business hours, socializing, business dress, negotiations -- in understanding the business climate
- (3) Explain the economy as it pertains to foreign investment, foreign exchange, real estate investment, and direct acquisition in Mexico
- (4) Explore modern developments the labor work force, federal labor law, unions, minimum wage, employee training, work safety, fringe benefits, housing, and insurance
- (5) Describe and analyze the intellectual property protection concerning patents, trademarks, trade secrets, transfers of technology, licensing, copyrights and enforcement under NAFTA.
- (6) Identify and explain the finance and tax structure of Mexico encompassing the banking system, stock market, money market, capital market, income taxes, gross assets tax, payroll tax, value-added tax, and real estate transfer tax.
- (7) Describe the export consulting services to Mexico and the economic sectors with strong growth for U-S. exporters
- (8) Explain the business environment involving retail sales, Maquiladoras, franchising, selling to the Mexican public sector, and government influence
- (9) Define the sources of financing an export transaction to Mexico as well as the services which are available in Mexico and the United States
- (10) Relate the U.S. government export regulations and Mexico's importing regulations including shipping requirements
- (11) Explain the North American Free Trade Agreement and its influence on the border infrastructure
- (12) Describe the influence of culture on the business context of Mexico involving holidays, business etiquette, punctuality, meetings, and common phrases

COURSE REQUIREMENTS

A total of 550 points are available to all students in the course-

Examination 1	100 points
Examination 2	100 points
Examination 3	100 points
Management Interview Report	50 points

Mexico Business Environment Reports (2)	100 points
Mexico Country Profile Report	50 points
Class Participation and Attendance	50 points

LETTER GRADE BREAKDOWN

490 - 550 = A
430 - 489 = B
370 - 429 = C
310 - 369 = D
Below 309 = F

REQUIRED TEXTBOOK

James L Nolan, Mexico Business, World Trade Press, 2nd Edition, 1996- ISBN 0-9631864-0-X

BIBLIOGRAPHY

A General Information Resource Guide (bibliography) is attached with references of books, periodicals, directories/ software, and telephone/ fax,

COURSE OUTLINE

Overview of Mexico

- Geography and Climate
- Population
- Government P
- Political Situation
- Education
- Language
- Religion
- Holidays
- Agriculture
- Aquaculture
- Forestry
- Energy
- Minerals
- Principal Industrial Centers
- Infrastructure/Transportation
- Communications
- International Affiliations

Mexican Business Customs

- Business Hierarchies
- Titles and Names
- Business Hours
- Socializing
- Business Dress
- Office Setup
- Initial Contact with Mexican Company
- First Appointment
- Negotiations

Economy and Foreign Investment

- Stabilization

- Privatization
- Mexico's Exports
- Foreign Investment Classifications
- Direct Acquisition
- Expansion of Existing Foreign Investments
- Foreign Investment in Restricted Mexican Companies
- Foreign Investment in Real Estate
- Foreign Exchange

Labor Work Force

- Composition of the Work Force
- Federal Labor Law
- Minimum Wage
- Unions
- Employee Training
- Work Time and Vocations
- Work Safety
- Employment Termination
- Fringe Benefits
- Pensions
- Housing
- Insurance

Intellectual Property Protection

- Patents and Trademarks
- Trade Secrets
- Transfers and Technology and Licensing
- Copyright Protection
- Enforcement of Intellectual Property Rights Under NAFTA

Finance and Taxes

- Banking System -
- Stock Market
- Money Markets
- Capital Markets
- Income Taxes
- Gross Assets Tax
- Payroll Tax
- Value-Added Tax
- Real Estate Transfer Tax

Export Consulting Services

- U.S. Government Assistance
- Mexican Government Resources
- Chambers of Commerce and Associations
- Development and Commercial Banks
- Top Ten Sectors for U.S. Exporters

Business Environment

- Retail Sales
- Maquiladoras
- Franchising
- Public Sector Purchasing
- Government Influence

Financing an Export Transaction

U.S. Commercial Banks
U.S Federal Government Financial Assistance
U.S. State Government Financial Assistance
Mexican Commercial Banks
Mexican Government - Financial - Assistance
Bonds
Leasing
Credit Checks and Collection Problems

U-S- Government Export Regulations

- U-S- Department of Commerce Controls
- U-S- Department of State Controls
- Food and Drug Administration Controls
- Environment Protection Agency Controls

Mexico's Importing Regulations

- Product Inspection
- Import Licensing and Permits
- Certificates of Quality
- Tariffs and Other Import Changes
- Mexican Customs Procedures

North American Free Trade Agreement (NAFTA)

- Tariffs
- Rules of Origin
- Regional Value
- Job Market
- Environment
- Dispute Resolution
- Negotiations Process
- Progress Under NAFTA
- Future of NAFTA

Influence of Culture on Business Context

- Holidays
- Business Etiquette
- Punctuality
- Meetings
- Common Phrases
- Communication Style
- Leadership/Status
- Organization Structure

General Information Resource Guide

Books

- Castafieda, Jorge G.; Pastor, Robert A. *Limits to Friendship: A study of Mexican-U.S. relations.* New York: Alfred Knopf, 1988.
- Condon, John. C. *Good Neighbors.. Communicating with the Mexicans.* Yarmouth, Maine: Intercultural Press, 1985
- Gandy, Dr. Ross. *Twenty Keys to Mexico: (Door to Latin America).* 11000 Mexico, D.F.: The Center for Bilingual and Multicultural Studies, Cuernavaca, 1990. Mail: Apartado Postal 555, 06000 Mexico, D.F Phone: 202-4600
- Kandell, Jonathan. *La Capital: The Biography of Mexico City.* New York: Random House, 1988.
- Kras, Eva S. *Management in Two Cultures: Bridging the Gap Between U.S. and Mexican Managers.* Yarmouth, Maine: Intercultural Press, 1989
- Kras, EvaS. *Modernizing Mexican Management Style.*
- Manzella, John L . *Opportunity in Mexico: A Small Business Guide.* Buffalo, New York: Free Trade Consultants, 1992.
- Newman, Gray. *Business International 's Guide to Doing Business in Mexico.* New York: McGraw Hill Inc., 1993.
- Oster, Patrick. *The Mexicans: A Personal Portrait of a People.* New York: William Morrow and Co., 1984.
- Paz, Octavio. *The Labyrinth of Solitude: Mexican personality and culture.* New York: Grove Press, 1985.
- Riding, Alan. *Distant Neighbors: A portrait of the Mexicans.* New York: Random House, 1984.
- Ruiz, Ramón E. *Triumphs and Tragedy: A history of the Mexican people.* New York: VW Norton and Co.,
- The Inter-Hemispheric Resource Center. *Mexico: A Country Guide.* Box 4506, Albuquerque, New Mexico 87196 (505) 842-8288

Periodicals

Business and Investment Guide: North America. Thompson Publishing's monthly bulletins on NAFTA issues. (800) 925-1878

Business Latin America. Weekly newsletter published by the Economist for managers of Latin American operations. (800) 938-4685

Business Mexico. Monthly magazine published by the American Chamber of Commerce in Mexico. (011) [521 (5) 724-3800

El Financiero. Weekly English-language edition of Mexico's leading business newspaper. (213) 747-7547

Global Production. Bi-monthly magazine focusing on manufacturing in Latin America. (303) 9398440

NAFTA Watch. Twice-monthly newsletter on NAFTA issues. (800) 835-5224

Twin Plant News. Monthly magazine focusing on manufacturing in Mexico. (915) 532-1567

U.S. - Latin Trade. Monthly magazine with strong coverage of Mexican business. (305) 358-8373

Directories & Software

Access Mexico. 650-page handbook and directory. (703) 525-3282

Origin. Software program for determining preferential duty status for goods under NAFTA.
(800) 387-7582 x3500

Trade Directory of Mexico. Printed or computer listings for more than 4,350 Mexican companies.
(214)871-3184

US-Mexico Trade Pages. 330 - page directory of contacts that assist companies doing business in Mexico. (800) 366-5968

WorldTariff. Guidebook outlining Mexican import duties and taxes for more than 5,000 items.
Available in loose-leaf or software edition. (415) 391-7501

Telephone and Fax Resources

Export Hotline. Free fax service offering information on business issues and more than 50 different industries in Mexico. (800) USA-XPORT

Flash Facts. U.S. Commerce Department's automated fax information service. (202) 482-4464, ext. 0101

Mexican Investment Board's FaxLine. Offers information on business issues and specific industries in Mexico. (602) 930-4802