

## INDUSTRY STRUCTURE

The Mexican chemical sector is dominated by a small number of large companies. About 4,000 companies are registered as chemical producers with the *Cámara Nacional de la Industria de la Transformación (Canacintra)*, National Chamber of Manufacturing Industries. Almost 90 percent are classified as small or micro enterprises. There are 180 large firms and 251 medium-sized companies. The medium and large companies account for more than three-quarters of production. However, this is based on a very broad definition of chemicals, and most studies have concluded that there are fewer than 1,000 companies producing "chemical substances" as defined by the *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics, of which about 300 are medium or large.

The larger companies tend to have a strong export orientation, especially since the devaluation of the peso. The industry as a whole exports about 40 percent of production, and some companies export as much as 90 percent.

Small companies generally sell only in the domestic market. They tend to use outdated equipment and many of them have been hard-pressed to meet increasingly rigorous environmental standards. The industry is concentrated in the Valley of Mexico, with 60 percent of all production coming from the Federal District and the State of Mexico. Nuevo León and Jalisco are also important producers, accounting for 6.8 percent and 5.2 percent of industry output respectively.

## CHEMICAL INDUSTRY ACTIVITY, 1994 PERCENT OF CHEMICAL INDUSTRY GDP

Activity	%
Basic petrochemicals	9.1
Chemical substances	59.2
Oil by-products	10.0
Rubber and plastic products	21.7
<b>Total</b>	<b>100.0</b>

Source: *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics.