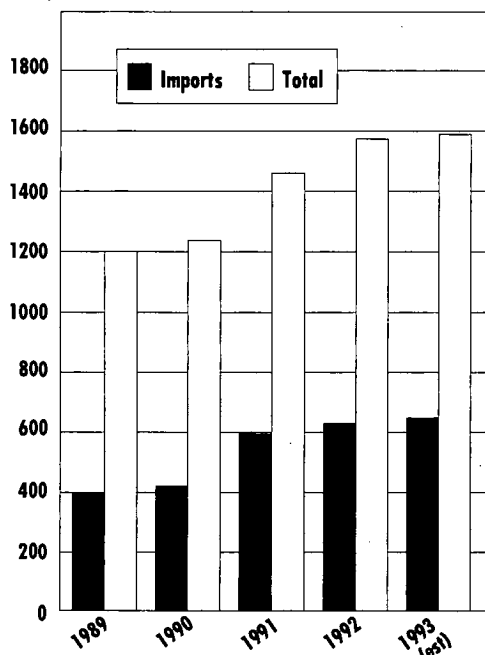


3. SECTORAL OPPORTUNITIES - PLASTIC RESINS

MARKET DEMAND

THE MARKET FOR PLASTICS PRODUCTION MACHINERY AND EQUIPMENT IN MEXICO, 1989 TO 1993

US \$ millions



Source: Secretaría de Comercio y Fomento Industrial (SECOFI), Secretariat of Commerce and Industrial Development, and Comisión Petroquímica Mexicana, Mexican Petrochemicals Commission.

Per capita consumption of plastic resins in Mexico is estimated at 22 kilograms, a dramatic increase from the 12 kilograms recorded in 1986, and 6 kilograms in 1976. This consumption level is still considerably lower than the 90 kilograms consumed in the U.S., but it is expected to continue to grow as the Mexican economy develops. The world trend towards substitution of plastics for traditional materials will also contribute to increased per capita consumption. It is estimated that over the next five years, consumption will grow to 25 kilograms per person, while the population will increase 2.3 percent per annum. The two effects combined will result in an overall increase in demand of about 5 percent per year. This growing market will represent increasing sales for both local and foreign suppliers of plastic resins.

THE MARKET FOR PLASTICS RESINS IN MEXICO, 1989 TO 1993 PERCENTAGE OF TOTAL USES FOR EACH RESIN

Low Density Polyethylene (LDPE)		Styrene Polymers	
	%		%
Transparent film	76	Containers	44
Industrial film	8	Consumer electronics	19
Household articles	6	Construction	14
Pipes and tubes	5	School and home	7
Inside recycling pack	5	Packaging	5
		Industrial	3
		Other	8
Total	100	Total	100
High Density Polyethylene (HDPE)		Polyvinyl chloride (PVC)	
	%		%
Home articles	37	Pipes and tubes	29
Large containers	19	Bottles	13
Boxes	12	Flexible film	11
Leisure	8	Decoration	9
Food containers	6	Shoes	8
Industrial	6	Cable	5
Pharmaceuticals	5	Profiles and hoses	5
Medium containers	4	Textile coverings	4
Other	3	Rigid film	3
		Other	13
Total	100	Total	100

Source: Asociación Nacional de la Industria Química, National Association of the Chemical Industry.

Mexico's total apparent consumption of plastic resins dropped off by 12 percent during the 1982-1984 recession, but increased at an average annual rate of six percent between 1985 and 1989. Consumption grew at an average of eight percent up to 1993, when it reached a level of US \$1.6 billion. In volume terms, total

