

FOREIGN TRADE

Mexico enjoys a surplus of fisheries products equal to \$399 million U.S. dollars in 1991. Imports of fisheries products totalled 55,663 tons in 1991, including 11,298 tons of animal meal; 8,481 tons cod; 3,430 tons tuna; 746 tons squid; 518 tons of fat and oils; and 31,190 tons of all other species. Exports of fisheries products totalled 454,238 tons in 1991, including 263,450 tons shrimp; 36,059 tons of tuna and such; 22,131 tons abalone; 18,424 tons algae and kelp; 15,890 tons lobster; 3,399 tons of skins; and 94,885 tons of all other species.

FOREIGN INVESTMENT

New investments are required for all phases of the Mexican fisheries production process and the government is encouraging investment to help generate profits. Access to Mexico's national fishing waters for foreign vessels is allowed under specific conditions, namely when the Secretariat of Fisheries declares a surplus for a specific species; permission is then granted in accordance with reciprocal treatment and within international agreements to which Mexico has subscribed. Canadians may also have access to commercial catch from Mexican waters through the creation of joint ventures with up to 49% foreign capital. In order to permit Canadian entrepreneurs full participation in the modernization of Mexico's fisheries infrastructure, the Fisheries Law permits foreign capital to own up to 100% of ventures involved in the production, distribution, and marketing of marine products.

AQUACULTURE

The development of aquaculture has been identified as a priority program within the national fisheries policy of Mexico, helping to create a favourable environment for potential Canadian investors. Canadian participation in aquaculture projects requires the creation of a joint-venture, with Canadian capital accounting for up to 49% of capital formation. Canadians can participate with up to 100% of the capital involved in the production, distribution, and marketing of aquaculture products. The Mexican government will grant licenses for up to 50 years for aquaculture projects which can be renewed for similar terms thereafter.

PROCESSED FOOD & BEVERAGE SECTOR

Mexico currently imports in excess of \$2 billion of agricultural and food products annually. The Canadian and Mexican agricultural sectors are more complementary than in competition with each other, given the climatic conditions of each country. There is a growing sector of aggressive food processing firms emerging from the economic reforms of President Salinas de Gortari, firms using new technologies and advanced production systems.

PRODUCTION

The food industry in Mexico represents 17% of total employment, generated from over 60,000 different companies. Most food processing firms are largely comprised of bakeries, corn mills and tortilla retailers with a small number of employees per firm; in addition to the larger operations like breweries, mineral and soda drinks and sugar mills. The processed food industry is largely concentrated around Mexico's large metropolitan centres, primarily the Distrito Federal which includes Mexico City. With the development of the frozen food industry in Canada, the possibility of establishing plants in Mexico has become attractive for the following reasons: 1) the counter-growing season which could reduce inventory costs; 2) low labour costs; and 3) long-term political stability.