

MONTERREY'S GRUPOS

Monterrey's business environment is dominated by big family-based conglomerates, known in Mexico as *grupos*. The number of important *grupos* varies depending on who compiled the list. A feature article in the December 1996 issue of *Mexico Business* magazine concluded that of the top 10 Mexican *grupos*, six are headquartered in Monterrey and five of those are controlled by the extended Garza Sada family. This section includes descriptions of the 15 conglomerates that are usually considered the leading Monterrey-based *grupos*.

The *grupos* tend to have a strong export orientation and are anxious to use the most effective technologies available. They are, therefore, good prospects for direct sales by Canadian producers as well as for inputs manufactured by Mexican companies with Canadian joint venture partners.

GRUPO ALFA

Grupo Alfa is one of the largest industrial conglomerates in Mexico, with 1995 sales of US \$2.8 billion and assets of US \$4.4 billion. It is controlled by the Bernardo Garza Sada family. It was created in 1993, when the Garza Sada family broke its massive holdings in the Monterrey *grupo* into four separate companies, including *Alfa*, *Visa*, *Vitro* and *Cydsa*. *Alfa* has four main areas of activity:

- **Steel and metalworking.** Several companies are clustered under *Hylsamex* which is the principal steel-making company in the group and the largest steel maker in Mexico. *Hylsa*, the most important component, produces flat steel, pipe, and other products using direct reduction technology. Other important subsidiaries include *Hylsa Bakaert*, which produces wire products, *Galvak*, a producer of galvanized and coated plate, and *Galvamet*, which makes insulating panels.
- **Petrochemicals and synthetic fibres.** *Alpek* is the leader of a cluster of companies which includes *Petrocel* and *Temex*, which together are the world's fourth-largest polyester producer. Another subsidiary, *Akra*, produces nylon and polyester fibres, and is the only producer of Licra in Mexico. *Poliolles* is a producer of urethane and polyester as well as a wide variety of specialized artificial fibres. *Indelpro* is a leading producer of polypropylene resins.