

4.6 Sanitary and Facial Paper Products

The Mexican sanitary and facial paper industry, from the production of pulp paper, to the production of the final consumer product, is concentrated in two large, multinational firms: Kimberly Clark and Crisoba (Scott Paper). Together they cover 48 percent and 31 percent respectively, of the Mexican market. Smaller contributions are made by firms such as Fábricas de Papel Loreto y Peña Pobre (10 percent), Cía. Papelera Maldonado (4 percent), Fábrica de Papel San Francisco (3.5 percent) and Fábrica de Papel Finess (0.7 percent). Total production of sanitary and facial paper products was 387,950 tons in 1991. This includes toilet paper (293,758 tons, 75.7 percent), tissue paper (8,857 tons, 2.3 percent), paper napkins (58,891 tons, 15.2 percent) and other tissue towels (6.8 percent).

Additionally, there is a very large production of diapers and sanitary napkins, for which no data were available. They are distributed in Mexico through two major channels: consumer and institutional. The first basically moves through major supermarkets and small stores, while the institutional sector, which includes industry, hospitals, hotels and restaurants, high rotation offices and schools, is addressed mainly through the company distribution channels.

5. MARKET ACCESS

The import climate for pulp and paper has improved as a result of commercial liberalization. Imports in this industry, classified under the Harmonized System Number 47 and 48, are subject to an *ad valorem* duty of a maximum 20 percent and a customs processing fee of 0.8 percent that are assessed on the invoice value. A 10 percent value-added tax (recently reduced from 15 percent) is then assessed on the total. Some manufacturers who use imported inputs for their products under a Mexican government-approved manufacturing plan may have the duty and/or VAT waived or rebated. Raw materials, intermediates and machinery for use in manufacturing or assembling products for export are generally eligible to be imported either duty-free or under bond.

As of July 1991, foreign suppliers are required to have a local agent or representative and to be registered, through the local representative, as an accepted supplier with each government ministry

and/or decentralized agency according to the international tender requirements.

International tenders financed by the World Bank or the International Development Bank are open to all member countries of these institutions. More recently, the World Bank, where its credits are involved, has required that bid documents should also include an affidavit confirming that the Canadian company is a bona fide Canadian company with an official residence in Canada and that Canada is recognized as a contributing member to the World Bank.

There are no official metric requirements applicable to imports into Mexico. However, because the metric system of units is the official standard of weights and measures in Mexico, importers usually require metric labelling for packaged goods. The English system is also used and dual labelling is acceptable.

Imported products should be labelled in Spanish and the label should contain, as applicable: name of the product, trade name and address of the manufacturer, net contents, serial number of equipment, date of manufacture, electrical specifications, precautionary information on dangerous products, instructions for use, handling and/or product conservation and mandatory standards.

Mexico adheres to the International System of Units (SI).

Electric power is 60 cycles with normal voltage being 110, 220 and 400. Three-phase and single-phase 230 volt current is also available.