

## **PAINT**

The *Asociación Mexicana de Fabricantes de Pinturas y Tintas (Anafapyt)*, National Association of Manufacturers of Paints and Inks, includes about 100 member companies, which together account for about 90 percent of the domestic market. Imported specialty products not produced in Mexico comprise most of the rest. This category includes powdered paints, paints for metal finishing and specialized wood finishing products.

These domestic producers depend heavily on imported raw materials. *Comercial Mexicana de Pinturas (Comex)*, is the leading Mexican producer of paints for residential use and has the most extensive distribution network in the industry. Several foreign companies have well established manufacturing plants in Mexico, including Du Pont, Sherwin Williams and BASF.

Growing export markets for manufactured products, as well as government initiatives designed to promote the construction industry, are two factors driving increased demand in this sector. Manufacturers are demanding higher quality to meet export requirements, while consumers are generally more price conscious. Depressed demand for new homes and cars as a result of the peso devaluation is also creating larger demands for supplies for refurbishing and renovation. Paints for domestic use make up almost 60 percent of the market, with industrial paints and solvents, and thinners accounting for 18 percent and 17 percent respectively. The remaining 5 percent is automotive refinishing.

## **PHARMACEUTICALS**

The pharmaceuticals industry in Mexico has become increasingly export-oriented and is dominated by multinational corporations. Most of the major American pharmaceutical producers have Mexican operations. Since these companies often have internationally integrated procurement practices, Canadian chemical companies that produce pharmaceutical inputs usually make sales through purchasing offices in Canada or the United States.

The market for pharmaceuticals, especially for over-the-counter products, has grown substantially over the past few years. Vitamins and other health care products are regarded as a defence against unhealthy conditions caused by air pollution and inadequate sanitation. Mexico is also a significant exporter of these products, mostly to Central and South America. Major exports include steroids and antibiotics.

Domestic producers, including subsidiaries of multinationals, dominate the market for over-the-counter and health care products, claiming more than 90 percent of the market. The United States Department of Commerce has estimated that this market will grow by an average of 10 to 12 percent annually between 1997 and 2000, with imports growing at 5 to 8 percent.