

## CANADIAN COMPANIES IN MEXICO

### RAISIO CHEMICALS

Raisio Chemicals Inc. (formerly Diachem Industries) of Vancouver, manufactures and markets specialty chemicals for the pulp and paper industry as well as water treatment chemicals for municipal and industrial applications.

The Canadian operations have recently become a part of the Raisio Group, a Finnish company with a network of production and sales facilities throughout Europe and North America. As Diachem Industries, the company has operated five plants in Canada for several years, as well as a sales company in the US and joint ventures in Chile and Mexico.

Diachem began to explore the Mexican market in the early 1990s because there was potential for its pulp and paper and water treatment products. The company obtained market research assistance from the Government of Canada, including help from the Canadian International Development Agency (CIDA). Diachem executives made a number of visits to Mexico to make first-hand assessments of markets, the capabilities of potential joint venture partners, and their ability to overcome cultural obstacles. This was a time-consuming endeavour, but it eventually resulted in a joint venture with a Mexican firm.

The Mexican venture is known as *Diaztec*, and it produces and sells a range of chemicals, some of them with inputs from the Canadian plants. After considerable research, a Mexican general manager was hired, on the basis of his contacts and knowledge of local markets. As a result, the company is very competitive in the Mexican market, having efficient production facilities and an attractive product line. Although the initial sales projections were overly optimistic, the company was able to restructure to become more competitive. *Diaztec* has prospered even through the recent economic crisis, and has plans to expand operations in 1997.

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## MEXICAN IMPORTS OF ORGANIC CHEMICALS AS DEFINED BY HARMONIZED SYSTEM, CHAPTER 29 US \$ THOUSANDS

Commodity	World		US		Canada	
	1994	1995	1994	1995	1994	1995
Halogenated derivatives of hydrocarbons	24,407	25,891	18,225	22,374	999	218
Sulphonated, nitrated or nitrosated derivatives of hydrocarbons, whether or not halogenated	82,744	109,266	53,095	63,999	77	23
Acyclic alcohols and their halogenated, sulphonated, nitrated or nitrosated derivatives	73,654	103,370	49,637	62,138	12	23
Phenols; phenol-alcohols	15,047	14,668	14,229	11,598	0	2
Ethers, ether-alcohols, ether-phenols, alcohol peroxides, ketone peroxides etc. and their halogenated, sulphonated, nitrated or nitrosated derivatives	110,288	110,450	78,055	67,852	0	1
Aldehydes; cyclic polymers of aldehydes; paraformaldehyde	13,158	14,698	5,820	6,578	2	64
Ketones and quinones, and their halogenated, sulphonated, nitrated or nitrosated derivatives	33,777	54,758	21,194	39,959	47	69
Saturated acyclic monocarboxylic acids and their anhydrides, halides, peroxides and peroxyacids; their halogenated, sulphonated etc. derivatives	40,029	40,513	26,159	24,035	27	95
Acyclic (unsaturated) and cyclic monocarboxylic acids, their anhydrides, halides, peroxides etc.; their halogenated, sulphonated etc. derivatives	39,809	34,453	31,271	25,690	194	143
Carboxylic acids with added oxygen function and their anhydrides, halides, peroxides etc.; their halogenated, sulphonated, nitrated etc. derivatives	65,785	59,553	31,423	20,955	355	314
Amine-function compounds	46,813	30,819	33,907	20,483	326	397
Oxygen-function amino-compounds	81,743	87,098	17,193	20,396	3330	2,134
Quaternary ammonium salts and hydroxides; lecithins and other phosphoaminolipids	4,478	6,032	4,852	5,045	9	74

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