

4. CONCLUSION

Opportunities for Canadian companies are tremendous. There are even some products, such as foundation garments, for which the NAFTA rules of origin do not apply.

There is a significant push to develop the apparel industry in Mexico because of the need for jobs. There are several apparel firms and subcontractors that are ready and willing to make a strategic alliance.

Recently, there has been a lot of Mexican investment in very high technology for cotton or spun poly-cotton yarns manufacturing. These yarn producers are buying the cotton from the United States and the spun poly locally. The latter, however, is very expensive and the quality is not good. As a result, the yarn producers are finding it difficult to be competitive. Some are vertically integrated in order to export either fabrics or finished products. A joint venture with a yarn producer or a strategic alliance with a fibre company could be a win-win situation.

Although there are many textile mills, most manufacture only basic fabrics. Not all of them have access to current fashion trends and/or do not have the technology needed to weave and finish delicate fabrics. A Canadian joint venture with a Mexican textile mill could provide the Mexican company with technology and fashion trends, and could open new sources of distribution.

Research is essential for success. This industry is very geographically dispersed and each state claims it has the most to offer the relocating company. Accurate information is, however, difficult to come by.