

manufacturers of molds, of which approximately 10 firms offer modern technology and good service. A myriad of small shops manufacture simple molds. Some plastics processing firms produce their own molds, but they are mostly small operations which do not produce sophisticated products.

In 1992, total domestic production of plastics processing machinery and equipment amounted to US \$158 million, up from US \$47.4 million in 1988. This significant growth in local manufacturing has mostly been the result of increased exports of molds. Total Mexican exports were valued at US \$11 million in 1988, and grew to US \$66 million in 1992. The proportion of exports accounted for by molds rose from 83 percent to 87 percent over the same period.

Domestic production for local consumption has also grown, from US \$36.3 million in 1988 to US \$91.5 million in 1992. Lower costs and better availability have been assets in this rapidly expanding market. Since the 1987 reduction in import duties, imported machinery has become much more competitive. Increasingly, local production will be mainly devoted to producing replacement equipment and making molds.

MAJOR MEXICAN PLASTICS MACHINERY AND EQUIPMENT PRODUCERS

COMPANY	PRODUCT
AFISA (Alta Frecuencia Industrial)	thermoforming
Beutel Spacher	extrusion
Nieto	extruders
FAMA (Fabricación de Máquinas)	injection and molds
Mecánica de Oriente	injection
Vulcano	manual injectors and blow molders
Maquinaria Plástica Mexicana	extrusion
ITI S.A.	extrusion
PRIPSA	peripheral equipment
Frigotherm McQuay	chillers
Friomold	molds

Source: C. Verut, *Market Study for the Mexican Market for Plastics Production, Machinery, Equipment and Resins*, Canadian Embassy in Mexico, 1993.

Leesona, a company operating under licence of Negri Bossi Italy, recently closed its plant in Mexico because of low productivity and declining sales. Its locally-produced equipment was perceived to be expensive and technologically outdated, and customers were switching to other brands. This trend towards development of efficient and cost-effective production will create increased opportunities for foreign suppliers.

