

doc  
CA1  
EA89  
94M21  
ENG

M M A R Y M A R K E T O P P O R T U N I T Y

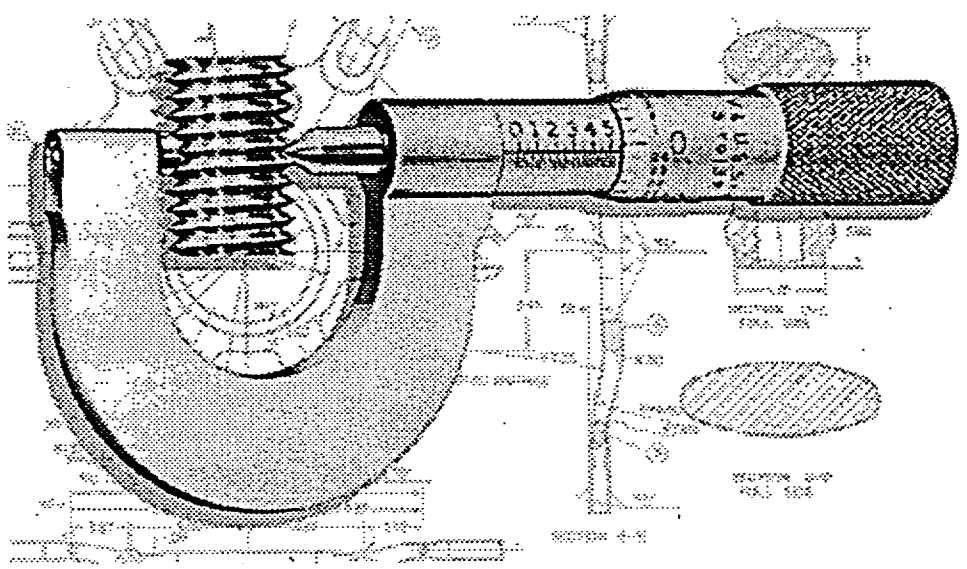
# ie Mexican Custom Toolmaking Sector

## THE OPPORTUNITY

Custom tools are used by manufacturers to shape or form parts made of materials such as plastic, rubber or metal. Included are the tools and dies used to punch, stamp and form metal; or moulds and dies to shape or form plastic and rubber.

Mexico's efforts to modernize its manufacturing industries and make them internationally competitive are causing a substantial and growing demand for custom tools and custom toolmaking. This creates an excellent opportunity for Canadian producers, because Mexico imports more than 90 percent of the custom tools it needs.

Mexican consumption of custom tools more than doubled over the past two years to reach an estimated US \$266 million in 1993. Market growth for 1994 is expected to fall off to less than three percent because of a sluggish economy but sustained growth is forecast, beginning in 1995.



Canadian suppliers have not yet made major inroads in the Mexican market: 1993 exports were less than US \$14 million. Canada is still viewed as a distant country, but this perception is changing rapidly as more information about Canada and its industries is disseminated in Mexico. Canadian producers are

perceived as technologically advanced and have a reputation for fair business practices. Potential exporters of custom tools can take advantage of this reputation when doing business or choosing a partner in Mexico.

### SUMMARY REPORT

The Department of Foreign Affairs and International Trade has prepared this summary report on the **Mexican Custom Toolmaking** sector. It has been published by Prospectus Inc. under the Access North America program along with other sector profiles and summaries on business opportunities in Mexico. It is available from:

**InfoCentre**  
Tel.: 1-800-267-8376 or  
(613) 944-4000  
Fax: (613) 996-9709  
FaxLink: (613) 944-4500

© Minister of Supply and Services  
Canada, 1994  
Cat. No. E73-9/13-1994-1E  
ISBN 0-662-22184-2

### HIGHLIGHTS

**The custom toolmaking sector in Mexico offers excellent opportunities for Canadian suppliers:**

- Mexican government programs have increased the level of competition and fostered modernization of industries that use custom toolmaking;
- Mexico has no significant domestic custom toolmaking industry and imports more than 90 percent of its needs;
- the plastics industry is growing rapidly, as plastics are substituted for other materials; and
- numerical control is still in its infancy and offers long-run growth as the metalworking industry upgrades its infrastructure.

