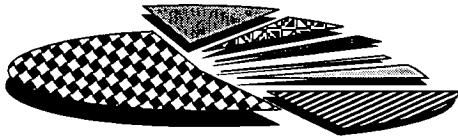


# COMPETITION

## TEXTILE IMPORT SHARES TO MEXICO, 1992



USA 51%	JAPAN 3%
S. KOREA 12%	CANADA 1%
N. KOREA 9%	REST 18%
HONG KONG 6%	

Source: Statistics Canada World Trade Database.

Mexican textile producers do not generally produce a full range of fabrics, and they are having problems competing with both higher quality and lower prices of imported fabrics. In association with foreign partners, some domestic producers are upgrading to remain competitive.

The United States continues to dominate the market, although competition from Hong Kong, Korea, Japan, and Europe has pushed the U.S. share down in the last few years. India and Brazil have also been promoting cotton and silk yarns and fabrics.

New relationships among Mexican, U.S. and Canadian manufactures under the North American Free Trade Agreement (NAFTA) will help to boost the North American share. Mexican manufacturers have to comply with the NAFTA rules of origin if they want to export their products to the U.S. or Canada. Mexico is also erecting trade barriers against some Asian suppliers, especially China.

Many Mexican companies are forming partnerships with U.S. firms. This sometimes involves U.S. clothing manufacturers making alliances with Mexican textile producers, and sometimes the reverse. Some Mexican firms are also integrating vertically with other domestic manufacturers. Some of the Mexican companies which already have vertical operations include:

- *Avante*
- *Celulosa y Derivados*
- *Dupont*
- *El Asturiano*
- *Kadima*
- *Kaltex*
- *Magatex*
- *Martex*
- *Omnitex*
- *Parras*
- *Qualitel*