

Canadian exports to Mexico have not been very significant in the past four years and have shown a general decreasing tendency, falling from Cdn\$1.6 million in 1988 to the present Cdn\$865,000. Canada has mostly exported low and high density polyethylene, polypropylene and silicones to Mexico. Canadian imports from Mexico, on the other hand, have also been minimal and falling from Cdn\$4 million in 1989 to Cdn\$377,000 in 1991. Canada has mostly imported PVC, ABS and polystyrene from Mexico.

Canadian manufacturers could benefit from a more aggressive marketing strategy, including participating in trade shows, exhibiting materials and examples of the types of products manufactured with them, preparing brochures and promotional materials in Spanish, contacting companies directly with sales agents, if possible in Spanish, using local associations and chambers as multipliers, preparing technical seminars to inform on latest technologies and innovations, setting up a representative office in Mexico or even establishing a joint venture.

3.2.3 Domestic production

Mexico's production of plastics materials and resins started only some 43 years ago and has been very dynamic since, growing at rates beyond general GDP growth. Most of the demand for plastic resins is satisfied through domestic production. Mexico is practically self sufficient in polyvinyl chloride, low density polyethylene, polystyrene, urea resins, polyurethanes, unsaturated polyester, melamines, polyethylene terephthalate and polymethyl methacrylate, but imports all its consumption of polypropylene, much of its consumption of high density polyethylene and most, if not all, special application and engineering resins (see Table 5).

Total installed capacity of plastic resins in Mexico has increased significantly in the past. Between 1970 and 1980 it grew at an average annual rate of 15%, reaching 525,000 tons the latter year. Between 1980 and 1984, capacity increased 50%, while in the following four years it doubled, reaching 1.6 million tons in 1987 and 1.7 million tons in 1989. Presently installed capacity is estimated at 1.9 million tons.

Domestic production has increased similarly. Between 1975 and 1980, it increased 14.3% annually, while between 1981 and 1985, the years of Mexico's economic downturn, production increased 6.2% a year, an average still above that of the economy as a whole. Between 1985 and 1989, local production of plastic resins increased 8.5% annually, and another 6% annually between 1990 and 1991. Domestic production now represents close to 90% of total apparent consumption, as compared to 67% in 1981. Until 1987, PVC was the predominant resin produced in Mexico, representing 27% of total production. In the following three years, low density polypropylene increased its participation significantly,