CUSTOMERS

Advanced machine tools are used by many industries in Mexico, including the automotive, autoparts, appliance, tools and plastics industries. Large factories operated by multinational corporations are the most important because they are in a better position than smaller firms to invest in imported technology. On the other hand, many of their purchasing decisions are made outside of Mexico. For this reason, the larger Mexican-owned manufacturers, especially those which export, are often the best prospects for Canadian suppliers.

Small- and medium-sized enterprises represent a large untapped market that will develop more fully once the economy has stabilized. They are in great need of modernization and are the target of government programs to encourage the rationalization of Mexican industry. In the short term, however, lack of financing will prevent many of these firms from investing in numerically-controlled (NC) machine tools.

AUTOMOTIVE INDUSTRY

The automotive industry is Mexico's second largest source of foreign exchange, after the petroleum sector. The original equipment manufacturers (OEMs) make up an estimated 20 percent of the market for imported machine tools in Mexico.

According to executives of major automobile manufacturers who were interviewed for this profile, their demand for numerically-controlled (NC) machinery has not been severely affected by the devaluation. This is true even though domestic sales have dropped because of price increases brought about by the decline of the peso in December 1994.

Nissan has recently had to postpone some planned projects that include purchases of NC tools, but their short-term demand has not been reduced. Nissan imports about 85 percent of its requirements from its parent company in Japan. The balance comes from the United States.