

AGRICULTURE

There are about 25 fertilizer plants in Mexico. Major fertilizer producers include *Fertirey*, *Notroamonía de México*, *Fertilizantes Químicos del Bajío*, *Propitécnica*, *Eleativo* and *Servicios Corporativos Internacionales*. The plants operated by the state-owned *Fertimex* were privatized beginning in 1990. *Pemex* is a major supplier of fertilizers that are by-products of natural gas. Most domestic firms are dependent on imported raw materials. In particular, Mexico has no domestic sources of raw materials for potassium-based fertilizers.

There are about 10 pesticide producers, mostly subsidiaries of multinational companies, which produce about 20 different products. They include *Polaquímica*, *Dupont*, *Fax*, *Rohm and Haas*, *Shell* and *Unicarb*.

AUTOMOTIVE INDUSTRY

The automotive industry was badly hurt by the peso devaluation of December 1994, which cut deeply into domestic demand. The industry recovered quickly, however, on the strength of increased exports. Production rose by more than one-third in the first five months of 1996, compared with the same period a year earlier. The domestic market grew by only 8 percent, after having fallen by 71 percent during 1995. But export production was up by more than 42 percent. Exports now account for 84 percent of automotive production.

CONSTRUCTION

The construction industry is a major user of paints and other coatings. The industry was hard-hit by the peso devaluation but it is recovering rapidly in 1996 as postponed projects come back on-stream. The government is now using new infrastructure projects as a means of stimulating the economy. Public programs financed 275,000 new homes and renovated 350,000 others in 1995.

FIRE ABATEMENT

About 70 percent of Mexican fire abatement equipment production consists of fire extinguishers, most of which use chemicals. About 40 percent of extinguishing preparations are imported. There are about 150 firms in the industry, the largest of which include *Kondor México*, *SICISA*, *Fielding* and *Grinnell*.

FOOD AND BEVERAGE PROCESSING INDUSTRY

The Mexican food processing sector has more than 2,500 companies, but more than 86 percent of them are classified as micro-sized. Large Mexican *grupos* and multinational firms dominate the industry. The leading Mexican firms are *Bimbo*, *Maseca* and *Hérdez*. *Nestlé* and *Anderson Clayton* are among the largest multinationals.

There are about 250 companies in the beverage industry. The soft drink subsector is dominated by *Coca-Cola* and *PepsiCo* and their Mexican partners. Several Mexican companies manufacture beer, which is an important export product. The large brewers include *Grupo Modelo*, *Cervecería Cuauhtémoc-Moctezuma* as well as several others.

METALLURGY

Mexico is an important producer of several metals, including copper, lead, silver, molybdenum and zinc, but iron and steel are by far the most significant. In 1982, the government began to relax its control over steel production by privatizing more than 50 steel production facilities. The *Cámara Nacional de la Industria del Hierro y del Acero (Canacero)*, National Chamber of the Iron and Steel Industry, has about 200 registered firms. They account for 97 percent of domestic production. *Altos Hornos de México (AHMSA)* is the largest steel producer, with more than one-quarter of the nation's production. *Hojalata y Lámina*

(*HYLSA*), the other major player in the industry, is owned by the Mexican conglomerate, *Grupo Alpa*. There are three other fully-integrated producers: *Ispat Mexicana*, *Tubos de Acero de México (TAMSA)* and *Siderúrgica Lázaro Cárdenas (Sicartsa)*.

MINING

There are about 15,000 mines in Mexico operated by 800 companies. The bulk of mining activity is controlled by a small number of corporate groups. The largest mining group in Mexico is *Grupo México*. According to media reports, the company exports 55 percent of its sales, and is 100 percent Mexican owned. *Grupo México* owns *Mexicana de Cobre*, *Mexicana de Cananea*, *Industrial Minera México* and *Zinc de México*. It also has holdings in *Minerales Metálicos del Norte* and *México Desarrollo Industrial Minero*.

PAINT

The *Asociación Mexicana de Fabricantes de Pinturas y Tintas (Anafapyt)*, National Association of Manufacturers of Paints and Inks, includes about 100 member companies, which together account for about 90 percent of the domestic market. Domestic producers depend heavily on imported raw materials. *Comercial Mexicana de Pinturas (Comex)* is the leading Mexican producer of paints for residential use and has the most extensive distribution network in the industry. Several foreign companies have well established manufacturing plants in Mexico, including *Du Pont*, *Sherwin Williams* and *BASF*.

PHARMACEUTICALS

The pharmaceuticals industry in Mexico has become increasingly export-oriented. Domestic producers, including subsidiaries of multinationals, dominate the market for over-the-counter and health care products, claiming more than