

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. The construction of homes for low-income people is also a major government priority. Public programs financed 275,000 new homes and renovated 350,000 others in 1995.

FIRE ABATEMENT

Mexico imports much of its fire abatement equipment. Although the domestic industry produces about two-thirds of Mexico's consumption, the industry imports most sophisticated equipment. Domestic producers are heavily oriented towards fire extinguishers and hoses. About 70 percent of Mexican fire abatement equipment production consists of fire extinguishers. This creates a demand for chemicals.

Although Mexico imports all of its carbon dioxide fire extinguishers, the Mexican industry manufactures almost all of the dry powder and foam extinguishers sold in the country. It also produces about 60 percent of halon extinguishers.

There are about 150 firms in the industry, the largest of which include *Kondor México*, *SICISA*, Fielding and Grinnell. The industry is primarily oriented towards the domestic market, but it also exports extinguishing foams and preparations. About 40 percent of extinguishing preparations are imported.

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 *Hérx*. 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*, and *Cervecería Cuauhtémoc-Moctezuma* as well as several others.