

The United States has traditionally been the largest foreign supplier of food processing and packaging equipment to Mexico. The country's geographic proximity allows for fast service and the ready availability of replacement parts. The U.S. also enjoys faster and cheaper delivery than its European competition. As a result, end users tend to be quite familiar with equipment made in the U.S.

If Canadian manufacturers want to improve their two percent share of the Mexican imports market, food processors say they must be more aggressive and offer more liberal licensing arrangements. Flexible credit and financing terms are also a big consideration. Successful equipment vendors work closely with their clients, offering the range of technological sophistication that fit within existing equipment. Canadian manufacturers must also match the excellent service and pre-sales consulting services currently provided by the most successful importers.

CUSTOMERS

WHEAT AND CORN

Wheat, in the form of bread, cookies and pasta, now represents a significant component of the Mexican diet. Nonetheless, the more traditional corn-based products still account for 80 percent of the Mexican baked-goods market. This tradition goes back to Aztec times. Corn is a food staple in the majority of households.

In almost every subsector, the top three or four producers claim 80 percent or more of the market. Small- and medium-sized enterprises compete for what is left.

The level of equipment sophistication required by domestic food-packaging companies varies from basic, semi-automated machinery to high-efficiency, multi-task systems. While most plants have set up in-house maintenance departments, customers using imported products demand comprehensive training packages for technicians and operators. Normally these sessions are conducted during installation, but some major food companies like their senior engineers to become familiar with leading-edge technology overseas.

Imports are not confined to high-technology equipment. Many small- and medium-sized firms in Mexico find that refurbished machinery from plants in North America serves their needs very well. This second-hand equipment is reasonably priced and it can be easily serviced or repaired by in-house technicians.