

The state of Jalisco boasts a high level of development in all economic areas. Due to its location on the Pacific coast of Mexico, it is a strategic zone for industry and commerce, one of Mexico's principal food producers and one of the country's most technologically advanced industrial zones. The National Development Plan calls for the state of Jalisco to promote medium and light industries. In and around Guadalajara, a Mexican "Silicon Valley" has emerged where world industry giants such as IBM, AT&T, Wang, Motorola, Hewlett-Packard, Mitel and Unisys have established operations.

Agriculture is still the most important economic activity in this state. A significant proportion of Mexico's corn, sorghum, wheat, fruit, and vegetables originates from this area. Tourism is well developed in Jalisco. The popular Puerto Vallarta is a prime example of existing tourism infrastructure as well as an indication of future potential.

Monterrey: The capital of the state of Nuevo León, Monterrey is situated in the northeast corner of the country about 240 kilometres from the Texas border. It has a population of 3.3 million and is Mexico's third largest city and second most important industrial centre. The state of Nuevo León accounts for an estimated 6 percent of Mexico's GDP and ranks third in GDP per capita. Iron and steel, glass production, textiles, petrochemicals, and capital goods are the state's principal manufacturing activities.

Of Mexico's top 500 businesses, 53 percent are based in Monterrey. The city's five biggest corporations — Grupos Vitro, Cydsa, Cemex, Alfa and Visa, which are all owned by branches of two local families, rank among the largest enterprises in the country and have considerable international exposure.

Since 1982, when the Mexican market collapsed and the debt crisis hit the country, the city's leading industrial conglomerates have been quietly restructuring, striking up joint ventures, modernizing, expanding into new markets, and investing heavily in their core sectors. In 1991 alone, the ten largest Monterrey groups invested close to \$US2 billion and achieved sales of around \$US10 billion.

More than 250 foreign firms, including *maquiladoras*, operate in Monterrey and the state of Nuevo León. It is an excellent site for joint venture operations, given its established industrial infrastructure. Monterrey boasts an abundance of skilled labour, and one of the most prestigious technical universities in the country, the Tecnológico de Monterrey, from which highly-skilled engineers and technologists graduate.

Other Industrial Areas: Apart from the three major industrial centres described above, there are several smaller cities that have recently experienced spectacular growth.

- *León* is located in the state of Guanajato. Its recent growth is based on newly established foreign companies specializing in footwear, cement, chemicals, and food processing.
- *Puebla* enjoys a central geographic location and excellent communications. Traditionally focused on textiles, it has now become a centre for the automotive industry.

Monterrey's Industrial Groups

CEMEX: Cemex is the fourth largest cement company in the world and holds first place among the producers and exporters of portland cement in North America. The strategic location of its plants and constant upgrading of its technology have permitted CEMEX both to satisfy national cement demand and to compete successfully in international markets. Annual revenues are estimated at \$US1.7 billion. CEMEX continues to grow and has diversified into the tourism sector. Through a joint venture with Marriott Corporation, it has taken a lead in hotel construction in areas such as Cancun and Puerto Vallarta.

Grupo Alfa: The group operates in four main sectors: basic steel, petrochemicals, diversified products, and food. Operations are carried out through 108 subsidiary enterprises located in more than 50 cities throughout Mexico. In 1988, ALFA's foreign market sales were \$US310 million. ALFA has achieved a highly advanced technology base due in part to its association with world leaders such as BASF of Germany, DuPont, Ford Motor Company, and Kawasaki Heavy Industries of Japan.

Grupo Cydsa: Dominating Mexico's petrochemical industry, Grupo Cydsa began in 1945 as a manufacturer of continuous rayon filament. Today, Cydsa operates in four areas of activity: fibers, film, packing, and basic chemistry and runs an international division. Cydsa produces cellophane films, bio-oriented polypropylene, acrylic fibers, resin, and P.V.C. piping. In 1987, Cydsa's total assets exceeded \$US500 million and it employed more than 8,000 people.

Grupo Vitro: Grupo Vitro is a pioneer in the manufacture of industrial glass. Today, as Mexico's largest industrial group, its core activity remains the production of glass, though it has expanded into such diverse activities as furniture, non-ferrous mineral production, construction and mining equipment, and soaps and detergents. Its activities are divided among six operating divisions: containers, crystal, flat glass, heavy equipment, fiber, and silicates, and house wares.

Valores Industriales, S.A. de C.V. (Grupo VISA): This group specializes in the food and beverage, and packaging businesses. It began in 1890 as Cervecería Cuauhtemoc, a brewery, and has grown to become one of the main industrial groups in the country. Sales are estimated at \$US900 million for 1988. Assets are valued at about \$US1.5 billion, and it has 39,000 employees. VISA's exports totalled \$US55 million in 1988.