

The privatization of 61 plants owned by *Petróleos Mexicanos (PEMEX)*, the national oil company, which is now underway, should create the need for administrative and financial consultants. The plants are in desperate need of modernization. According to one expert, most *PEMEX* equipment is 20 years out of date. Once these plants have been separated from the main *PEMEX* operations, there will also be a need to rationalize the remaining *PEMEX* facilities to improve efficiency.

There is increasing awareness in Mexico of the need for recycling. The industry will require better technology to recycle effectively, creating a demand for specialized consulting services.

PET BOTTLES

Polyethylene terephthalate (PET) was mentioned by a number of experts interviewed for this profile, as a product with particular potential. PET is expected to gradually displace polyvinyl chloride (PVC) and glass bottles. Its use is projected to rise dramatically in the edible oil, water and soft-drink sectors.

Currently, Eastman holds 44 percent of the market share, followed by HCC with 26 percent. Both companies have ambitious plans to extend their production capabilities. Shell is planning to open two PET plants by 1998 but since exports are planned, Mexico is not expected to have excess supplies in the long run.

The expected rise in PET consumption will come from the replacement of glass containers with PET containers, as well as from the growth of bottled products in consumer markets. Mexicans consume 37 gallons of soft drinks per capita each year. Sales of bottled water are growing rapidly, driven by health concerns and Mexico's badly polluted environment. Mexicans also consume 220 million gallons of edible oils per year.

The demand for discardable bottles is expected to outpace that for reusable products. PET bottles in Mexico typically last for 15 trips, compared with about 40 in many other countries. This is partly because of mishandling and partly because Mexicans use soft drink bottles for a variety of other purposes, such as gasoline containers and footballs. The low return rate makes reusable PET products generally uneconomical and producers are adopting non-recyclable PET containers instead.