

major coal mining operations, both owned by *Altos Hornos de México (AHMSA)*, which is part of *Grupo Acerero del Norte (GAN)*. They include both open pit and underground mines.

*Minera Carbonífera Río Escondido (Micare)* has mines at Nava and Piedras Negras. This operation was purchased from the government by *GAN* in 1992. The second major coal producer is *Minerales Monclova (Mimosa)*, which has mines at Palau and a coking plant at Monclova.

*GAN* is also responsible for Coahuila's major iron mining operation, located around Hormigas. This operation supplies most of the iron ore requirements of *AHMSA*. Hormigas is in an isolated desert region and the company recently committed US \$5 million to build a 34-kilometre railway from there to Monclova. The railway will carry both passengers and cargo.

The mining sector in the northwestern region is expected to continue to grow. Between January 1995 and January 1996, Coahuila's coal and iron ore production increased by 13.2 percent and 9.4 percent respectively. *GAN* is expected to invest more than US \$300 million to expand output of its Coahuila coal mines through improved extraction methods. The deposits are still being explored and about one-quarter of the reserves are classified only as "possible."

## **AUTOMOTIVE MAINTENANCE EQUIPMENT AND AFTERMARKET PARTS**

The Mexican automotive sector is dominated by five multinational corporations. The "Big Three" American-based automakers (Chrysler, Ford and General Motors) all operate plants in northeastern Mexico. These operations are integrated on a continental basis, and the local facilities do not generally include purchasing departments. Canadian producers participate in the Mexican original equipment manufacturer (OEM) parts market mainly through their affiliations with these companies in Canada.

For small- to-medium sized enterprises (SMEs), most opportunities for direct sales are found in the markets for maintenance and repair equipment as well as aftermarket parts and accessories. The high average age of Mexican automobiles and pressure to reduce emissions have contributed to a substantial and growing demand for both types of products.

The opportunities for independent parts suppliers are increased by the fact that a large proportion of aftermarket parts are sold by retail stores rather than car dealerships. It is common for Mexican car owners to buy parts and accessories from retail stores and take them to small garages or individual mechanics for