

concentrated in the northwest, especially in Sinaloa where modern production methods prevail. Flower producers are also important customers for both fertilizers and pesticides.

There are about 25 fertilizer plants in Mexico. Major fertilizer producers include *Fertirey*, *Nitroamonia de México*, *Fertilizantes Químicos del Bajío*, *Propitécnica*, *Eleativo* and *Servicios Corporativos Internacionales*. The plants operated by the state-owned *Fertimex* were privatized beginning in 1990. *Petróleos Mexicanos (Pemex)*, the national oil company is a major supplier of fertilizers that are by-products of natural gas. Most domestic firms are dependent on imported raw materials. In particular, Mexico has no domestic sources of raw materials for potassium-based fertilizers.

There are about 10 pesticide producers, mostly subsidiaries of multinational companies, which produce about 20 different products. They include *Polaquímica*, Dupont, Fax, Rohm and Haas, Shell and Unicarb.

AUTOMOTIVE INDUSTRY

The automotive industry was badly hurt when the peso devaluation of December 1994 cut deeply into domestic demand. The industry recovered quickly, however, on the strength of increased exports. Production rose by more than one-third in the first five months of 1996, compared with the same period a year earlier. The domestic market grew by only 8 percent, after having fallen by 71 percent during 1995. But export production was up by more than 42 percent. Exports now account for 84 percent of automotive production.

The industry is dominated by large multinational corporations who tend to have locked-in sources of supply, at least in the short run. Volkswagen is the market leader, followed by Nissan, Chrysler, Ford and General Motors. Mercedes-Benz and BMW also have plants in Mexico, and Honda recently entered the market.

There is a large domestic parts industry, with some 70 percent of production going to the multinational original equipment manufacturers and the balance to the aftermarket. The *Industria Nacional de Autopartes (INA)*, National Autoparts Industry Association, represents the 140 largest parts manufacturers, clustered into 13 groups.

Domestic truck and bus manufacturers are also potential customers. The bus sector has traditionally been dominated by two producers, *Mexicana de Autobuses (MASA)* and *Diesel Nacional (Dina)*. Major truck manufacturers include *Dina* and *Trailers Monterrey* as well as Kenworth, Mercedes-Benz and Chrysler.