

of volume. Imports are expected to continue increasing in the future as a result of Mexico's trade liberalization policies and the expected growth in the plastics processing industry and per capita consumption of plastics. By 1994, imports are estimated to reach approximately \$631 million, reflecting a 9% average annual growth rate.

While in 1991 54% of import corresponded to low density polyethylene (LDPE), 32% to polypropylene and 6% to high density polyethylene (HDPE), by 1989 HDPE represented 33% of imports, polypropylene 33% and LDPE 12%. This trend was mostly a result of the decrease in imports of low density polyethylene (from 170 million tons in 1981 to only 2.3 million in 1987 and 37.5 million tons in 1989), since it is now produced in Mexico by Petroleos Mexicanos (PEMEX), the national oil monopoly. The importation of other resins and materials has doubled since 1982, in particular that of specialty and engineering resins, polypropylene and high density polyethylene. In 1989, PEMEX opened a new HDPE production plant which has greatly reduced the flow of imports of this resin in 1990 and 1991. However, in the long run, HDPE imports will continue to grow since installed capacity is not enough to cover growing local demand for this product.

The types of resins available in Mexico are still limited, both because they are not produced in Mexico and because firms exporting to Mexico do not offer the variety of products they have available. Plastic processors have expressed much interest in exploring new materials and finding new applications in the plastics industry. Engineering resins, usually produced in low volume and at higher cost than commodity resins, are particularly sought in Mexico. These are all of imported origin because their production process is technologically more advanced and production volume is too low to justify domestic production. Engineering resins used in Mexico include ABS, PBT, polycarbonate, polyacetal resins, nylon, fluoropolymers, polyamide, polyesters, polyurethans, epoxy resins, unsaturated polyester, alloys and blends. This is an area particularly suited for companies interested in selling or expanding their operations in Mexico, as well as other products such as acrylic, epoxic, melamine, alkyd and urea resins.

Additives for plastics have also become increasingly important in the plastics industry. Here again, Mexico relies entirely on imports to satisfy local demand. Since foreign suppliers of these products have not marketed their products sufficiently in Mexico, this area represents an excellent export potential for U.S. manufacturers.

Some of the most important suppliers of plastic resins to Mexico, both local and foreign, are: Amoco, BASF, Bayer, BF Goodrich, Borden, Borg-Warner Chemicals, Celanese, Chevron Chemical, Ciba Geigy, Cyanamid, Dayton Chemicals, Dow, Du Pont de Nemours, EGC Corp., Fuller, Hercules, Himont, K.J. Quinn, Mobil Polymers, Monsanto Chemical Co., Pemex, Phillips Petroleum, Plastiglas,