

Annual consumption of plastic resins per capita in Mexico rose from 1/2 kilograms four decades ago to reach presently 13 kilograms. However this is still low as compared to West Germany which is 112 kilograms and the United States 93 kilograms. Consumption in Mexico by 1992 is expected to reach 17 kilograms per person.

Both the Mexican markets for plastic resins and plastics processing machinery offer significant and growing sales opportunities for foreign manufacturers and suppliers. The new open market policies adopted by the Mexican Government since joining GATT in August 1986, should greatly benefit Canadian companies. On the one hand tariffs and other trade barriers have been greatly reduced or eliminated making importation easier and less costly. On the other hand Mexico's export development policies, and increased competition from abroad (such as the United States, Germany, Italy,) are forcing the domestic industry to be more efficient and productive. This should translate into increased imports of foreign technology, products, equipment and materials. Canadian suppliers should heed these circumstances and take full advantage of these potential sales opportunities.

II ECONOMIC ENVIRONMENT

It is estimated that Mexico's gross domestic product (GDP) will grow at an average annual rate of 2%-3% during the period 1988-1992. Domestic economic activity is showing signs of recovery, headed by the export and import substituting sectors. During 1989 the Mexican Government plans to continue the programs set forth in 1987/88 of increasing public sector investment, promote non-oil exports, further develop and promote in coming tourism and the in-bound industries, as well as strengthen internal demand. In this light Mexico had a favorable trade surplus of US\$8.4 billion dollars in 1987, over 80% higher than in 1986.

III PLASTICS INDUSTRY-RESINS

Annual consumption of plastic resins in Mexico is slightly over 1 million tons annually and projected to reach 2.3 million by 1995, or a growth increase of 12% annual for this sector.