

These optimistic forecasts are based on expectations that the slump in 1995 will simply postpone projects. Most experts believe that the market will have to recover soon because the solutions are needed for survival. The companies capable of staying in the market are those that will adopt the new technologies while the others will tend to disappear.

CUSTOMERS

Customers for industrial automation products are found throughout the Mexican manufacturing sector. The most promising industries have been identified through interviews with industry observers in Mexico.

AUTOMOTIVE INDUSTRY

The automotive industry is the most highly automated sector in Mexico, and is also by far the largest user of robotics. The robots are mostly electro-mechanical, assembly, manipulating and parts-selecting robots. They have many applications in potentially dangerous processes such as assembling, welding and smelting. The artificial intelligence capabilities of robotics have not yet found widespread application.

Almost all of Mexico's automobile manufacturing is conducted by five companies: The "Big Three" of the United States (General Motors, Ford, and Chrysler); Germany's Volkswagen; and Nissan from Japan. For the most part, these companies manage their sourcing on a global basis. The major Mexican bus and truck manufacturers are Mercedes-Benz, *Diesel Nacional (DINA)* and *Mexicana de Autobuses (MASA)*. *DINA* has a technological partnership with Navistar International and recently merged with Motor Coach Industries International (MCII) based in Phoenix. *MASA* has a similar arrangement with Flexible, a U.S.-based bus producer. These companies are, therefore, unlikely to be shopping for industrial automation on the open market in Mexico.

On the other hand, the automotive parts industry is a more likely prospect. This industry is made of medium- to large-sized firms that supply the major original equipment manufacturers (OEMs). The industry consists of about 500 companies, employing some 165,000 people. About two-thirds of them are located in the Mexico City region with another 12 percent in Monterrey. Smaller automotive parts centres include Querétaro, Puebla, Toluca and Guadalajara.