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Advanced Manufacturing Technology



THE OPPORTUNITY

The Mexican market for advanced manufacturing technology offers important opportunities for Canadian suppliers.

- The Mexican market for industrial automation equipment, software and services has been growing rapidly, and is heavily dependent on imports. In spite of the recent economic crisis, the need to modernize is expected to lead to a quick recovery for automation products.
- The strongest demand is for technologies to automate existing production systems, with quick results and relatively low capital costs. Computer software that can run on high-end personal computers (PCs) rather than workstations is particularly popular.
- Increasingly, Mexican consulting firms will need technological partnerships with foreign firms to stay competitive, especially in the area of systems integration services.
- The best prospects are industries with a heavy reliance on exports as well as those which face intense domestic competition.
- A stronger local presence through partnerships with Mexican firms, combined with better use of Mexican university research centres, could help to overcome Canada's low profile in the industrial automation field.

MODERNIZING MEXICO'S MANUFACTURING INDUSTRY

Advanced manufacturing technologies (AMTs) are computer-controlled or microelectronics-

based products and systems used in the design, scheduling, production, storage and distribution of manufactured products. They include "hard" technologies such as computer aided design (CAD), numerically controlled machine tools (DNC) and robotics as well as "soft" technologies such as concurrent engineering and "just-in-time" (JIT) production. In Mexico, these technologies are referred to as "industrial automation" and they are in growing demand.

The Mexican manufacturing sector developed in a highly-protected environment. The result was an industrial structure characterized by small family-controlled firms, combined with a group of much larger state-owned factories. Both types of producer were focused on the domestic market and were highly inefficient.

Beginning in the late 1980s, the government began to reverse the industrial policies that created this structure. It liberalized trade, deregulated the economy and privatized government enterprises. It rescinded the "decrees" that formerly prevented the importation of most computer products. The result has been rapid and sweeping industrial re-organization.

SUMMARY REPORT

In addition to this market summary, the Department of Foreign Affairs and International Trade (DFAIT) has prepared a market profile entitled **Opportunities in Mexico: Industrial Automation**. This market information on the Mexican Industrial Automation Market has been produced and published by Prospectus Inc. under contract with DFAIT, along with other market profiles and summaries on business opportunities in Mexico. It is available from:

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The market profiles are available in electronic form from the IBB and in hard copy at a cost of \$10.00 plus shipping and applicable taxes, from Prospectus Inc. Please contact:

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