

latter. This is due in part to the smaller, less sophisticated and less automated nature of this equipment. However, this does not mean that imports are limited to highly sophisticated equipment. On the contrary, the strongest demand is for medium sized machines and automatic and semi-automatic equipment at reasonable prices.

The most important types of packaging used in Mexico are: rigid and semi-rigid containers (75%), flexible packaging (18%) and others (7%) such as metal and cork. Four materials, paper & cardboard, plastics, glass and metal, cover 90% of all packaging needs. Paper & cardboard are used for corrugated and solid-fiber containers, folding cartons, set-up boxes, composite cans, tubes, drums, bags, sacks, sterile packaging and wrapping paper. Glass is widely used for bottles, flasks, ampules and tubes. Plastics are used for semi-rigid containers, such as bottles and flasks, and for flexible packaging such as bags, sacks and plastic film. Metal is used for tin and aluminum cans, containers, drums and pails. During 1986, the food packaging industry purchased five billion tin cans, two billion glass bottles, 300 billion cardboard boxes and seven billion labels. The most important Mexican companies which supply packaging materials are Vitro (glass), Mexicana de Envases, Envases de Hoja de Lata, Industria Metálica del Envase, La Continental and Cartón y Papel.

The U.S. has always been the largest foreign supplier of food processing and packaging equipment to Mexico for the following reasons: its geographical proximity to Mexico allowing better service and availability of replacement parts and faster and cheaper delivery; the familiarity of the Mexican end user industry with U.S.-made equipment; and the international price competitiveness of its equipment. The U.S. accounts for an average 55% of the total import market, followed by West Germany (15%), France (5%) and Italy (10%), who have made forceful efforts to increase their market share through direct promotion of their products, high quality equipment and service, flexible credit and financing terms, a variety of options in technology and processes and technical advisory and consulting services.

Canadian companies have been almost absent in this market, as shown by total exports to Mexico of Cdn\$1.7 million in 1989, Cdn\$1 million in 1990, and Cdn\$1 million in 1991, as follows: