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(SECOFI), Secretariat of Commerce and Industrial Development. Fibre and yarn make up 70 percent of the total, fabrics about 14 percent, with the balance spread among several different products.

CUSTOMERS

FABRIC MANUFACTURERS

Mexican fabric manufacturers are the largest direct importers of fabric. They tend to distribute their own products and sell directly to end users. They import fabrics to round out their product lines. Fabric manufacturers also purchase imported yarn for their spinning, weaving and knitting operations.

YARN MANUFACTURERS

Yarn manufacturers import fibre for their spinning operations. In many cases, yarn manufacturing is done by fabric manufacturers who have integrated-spinning operations. A large proportion of Canada's textile exports are destined for these customers. Mexican yarn producers are heavily dependent on imports for such fibres as nylon, rayon and polypropylene.

APPAREL MANUFACTURERS

Apparel manufacturers account for as much as 70 percent of the domestic market and more than 85 percent of imports. The larger apparel makers prefer to buy direct from Mexican textile manufacturers, who sell both their own and imported fabrics. In the case of imported fabrics, some major producers buy through New York brokers, or direct from foreign textile producers when exclusive lines are involved.

The large integrated companies manufacture most of the yarns and fabrics which they use to make clothing. They are significant importers of fibres and yarn, because they are adept at recognizing fashion trends, and need a wide variety of materials.

RETAIL STORES

Mexican retail stores play a bigger role in the distribution of textile products than their counterparts in Canada. One reason is that Mexicans are more likely to make their own clothes. In addition, many relatively affluent Mexicans hire seamstresses or tailors to custom-make their clothing. The same points apply to draperies and other home decoration items. Much of this fabric, along with linens, carpets and other household items, is purchased from retail stores. Some retail stores double as distributors.

INDUSTRIAL CUSTOMERS

Not much is known about the engineered textiles industry in Mexico, but it is believed that there is relatively little production of these products. Mexico imported "technical articles of textile materials" valued at US \$74.4 million in 1993. Canada's exports to Mexico of these products totalled US \$1.8 million or about 2.4 percent of the import market in that year.

VEHICLE MANUFACTURERS

Seats, headrests, armrests, convertible tops and other automobile parts containing fabric are imported in substantial quantities by Mexican vehicle manufacturers. The Mexican automotive industry is integrated with the operations of foreign multinationals, including the U.S. "Big Three", Nissan and Volkswagen. This market appears to offer few opportunities for imported textiles. There is, however, some demand from the automotive industry for "engineered textiles".

FURNITURE MANUFACTURERS

Furniture manufacturers purchase a wide variety of yarns, broadwoven fabrics, coated fabrics, knitted fabrics, felts, waddings, non-wovens, braid and other ornamental trimmings. Large, home-furniture manufacturers in Mexico use 80 percent synthetic fabrics, 19 percent blends and 1 percent natural fabrics. According

to one estimate, 30 percent of these textiles are locally made and 70 percent are imported. The larger companies buy direct from producers, but many also purchase from distributors. Significant purchases of imported fabrics are made by *tapiceros*, furniture refinishers, and *cortineros*, curtain makers.

AGENTS AND DISTRIBUTORS

Many of the customers for imported fabric are small- to medium-sized companies which cannot meet the minimum order sizes imposed by the domestic fabric manufacturers. They tend to buy from independent fabric distributors or agents. These intermediaries usually specialize in imported fabrics because Mexican manufacturers sell mostly through their own agents. Six distributors account for half of the market for apparel, furniture and home decoration.

Leading Importers and Distributors of Fabrics for Apparel, Furniture and Home Decoration

Casa Armand
Artell
Casa Bayon
Telas Junco
Rosela
Morel's

Source: United States Department of Commerce.

COMPETITION

Mexican textile producers do not generally produce a full range of fabrics, and they are having problems competing with both the higher quality and lower prices of imported fabrics. In association with foreign partners, some domestic producers are upgrading to remain competitive.

The United States continues to dominate the market, although competition from Hong Kong, Korea,

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