

PROCESSED MEAT

Competition from imported processed meat producers is challenging domestic suppliers to import more efficient technology that can lower production costs.

The market for processing and packaging equipment in the meat and poultry subsector was estimated at about US \$16 million in 1993. Imports accounted for 88 percent of the total sales of more than US \$14 million. This was a decline from the almost US \$23 million imported in the previous year. Imports continued to be strong in 1994, and the industry forecasts 15 percent growth in 1995, followed by increases of between 5 percent and 10 percent each year thereafter.

The equipment market is driven by strong price competition, strict sanitary requirements, and a demand for less labour-intensive processes. More sophisticated equipment and storage facilities can satisfy all three of these needs.

In order to export, meat processors must first get their plant accredited as a *Tipo Inspección Fiscal (TIF)* plant, which means it complies with high sanitary and production standards. Equipment is typically changed every five-to-ten years, fueling demand for high-technology equipment from foreign suppliers.

SALTY FOODS

Except for the very large producers, Mexican salty food manufacturers tend to use medium-level technology. At least 70 percent is imported, and users are generally looking for increased production efficiency. Demographics alone suggest that consumption will continue to increase, and many firms will be adding capacity to meet this demand.

Since this is a very image-conscious industry, there are major opportunities in packaging. Plant managers are looking for multi-tasking equipment that can weigh, fill and pack in one production run.