

SULTAN OF THE NORTH

Monterrey is one of Mexico's leading industrial and financial centres. It is the capital of the state of Nuevo León, and the industrial focal point of northeastern Mexico. Half of all Mexican industry and financial services is controlled from Monterrey. It is one of Mexico's most important steel-making centres and is also home to a wide variety of light industries. In addition to smelting and metalworking, its major industries include cement, glass, petrochemicals and food processing. The region's service sector includes important financial, transportation, construction and telecommunication enterprises. Monterrey is known in Mexico as the "Sultan of the North."

Monterrey is about 250 kilometres south of Laredo, Texas. Nuevo León is bounded on the north mostly by neighbouring Coahuila and Tamaulipas, but it has a narrow corridor through to the Texas border, in the Colombia region. This is where the new Solidarity International Bridge crosses the Río Grande into the United States. The region features a great variety of geographical and climatic conditions. The north is semi-arid, but the southern mountain slopes support many crops, including cotton, fruit and vegetables, sugar cane and grains. Nuevo León is the principal Mexican beneficiary of the Falcón Dam on the Río Grande, which supplies both irrigation and hydroelectric power. Rail links connect the region to Laredo, Texas, Mexico City and the Gulf port of Tampico.

Monterrey is known for its large family-based *grupos*, integrated, industrial giants of Mexico. In particular, the intertwined Garza and Sada families control seven of Mexico's largest public companies. The Zambrano family dominates the cement industry, while the Garza Lagüera family holds diversified interests in banking, soft drinks and telecommunications. The González family controls a US \$1 billion corn and tortilla empire, with major holdings in banking. While most of these companies remain family controlled, many of them are now broadly held, and have affiliations with companies in other parts of Mexico as well as in other countries.

Nuevo León is highly urbanized, with 95 percent of its population located in Greater Monterrey. The region is known for a rugged entrepreneurial spirit and sense of self-reliance, borne from many decades of isolation from the rest of Mexico. Residents are known as *regionmontanos*, or *regios* for short. The term has come to symbolize a family-oriented, conservative business style.

As a major industrial centre, the region was hard hit by the economic crisis that rocked Mexico following the peso devaluation in December 1994. Industrial production fell by almost 17 percent, more than double the drop for the country as a whole.