

Interviews with industry representatives indicate that Canadian textiles are virtually unknown in this market. In fact, some believed there were no Canadian fabrics available in Mexico. This partly reflects the fact that Canadian exports of fabric totalled only about US \$2.3 million in 1993. Industry observers also suggest that the Canadian products may be primarily destined to Mexican textile producers seeking to round out their product lines. In these cases, they would not necessarily be identified as Canadian. The people interviewed for this report agreed that any Canadian product wishing to enter the Mexican market must be reasonably priced and of good quality or a niche luxury good.

Fabric producers in Mexico consider the Canadian textile industry too fragmented to represent a serious threat or potential partner in Mexico. The only Canadian firm mentioned as having potential in Mexico is Dominion.

YARNS

Product trends are towards natural fibres with a shift from low quality/low price to high quality/competitive price. Mexico lacks capacity for dyeing and finishing, creating an opportunity for strategic alliances. A Canadian partner could supply needed technology while the Mexican firm provided market knowledge and access.

With the North American Free Trade Agreement (NAFTA), the availability of yarns as required under the rules of origin, is also very important. The yarns and filaments that are available in Mexico are commodity yarns such as cotton, nylon and polyester. This leaves a substantial market for imported yarns, including:

- fancy yarns
- bouclé
- mocktwist
- space dyed
- yarns with flambé
- bicomponent
- stretch
- microdeniers