

RECOCHEM INC.

continued from page 16

Recochem has found that credit is an important problem when dealing with Mexican firms. With smaller companies, payment in advance is a more important business practice than is the case in Canada or the United States.

The firm has found it difficult to locate agents that are both credit worthy and possess a solid technical understanding of the chemicals business. This has led them to mainly deal directly with large companies, and to avoid intermediaries.

For example, one of Recochem's important Mexican customers is *Productos Químicos ALEN* of Monterrey. This is a solid family business which uses Recochem ingredients to supply the domestic market and to export products such as air fresheners and insecticides. They also deal with a number of large multinationals with branches in Mexico, including Bayer and BASF, which ship to Latin America and the American market.

Ralph Carmichael, an executive with Recochem's industrial division in Montreal, notes that shipping logistics are a key issue when operating in Latin America. Recochem has traditionally enjoyed an advantage because it can ship to Mexico by truck, achieving delivery times of a few days compared with three-to-four weeks for similar products coming from Europe. Bagged material is shipped via cost-insurance-freight (CIF) Laredo or Brownsville, where customers take delivery.

Lately, Recochem is experiencing some competition from American producers, especially those from the Southwest. But in a business with only a handful of major suppliers, reputation is an important asset, and Recochem does not expect to lose established customers in Mexico.

Commodity	World		US	
	1994	1995	1994	1995
Polycarboxylic acids, their anhydrides, halides, peroxides and derivatives	0	23,211	0	0
Phosphoric esters and their salts, including lactophosphates; their halogenated, sulphonated,				
Nitrated, or nitrosated derivatives	4,214	3,575	2,894	2,878
Esters of inorganic acids (excluding esters of hydrogen halides) nesoi* and their salts; their halogenated, sulphonated, nitrated etc. derivatives	11,273	10,287	4,225	3,793
Nitrile-function compounds	26,780	22,660	10,793	8,752
Organo-sulphur compounds	57,499	53,422	26,348	26,870
Glycosides, natural or reproduced by synthesis, and their salts, ethers, esters and other derivatives, nesoi*	2,778	2,544	13	14
Vegetable alkaloids, natural or reproduced by synthesis, their salts and other derivatives, nesoi*	36,541	17,299	2,916	1,675
Sugars, chemically pure, other than sucrose, lactose, maltose, glucose and fructose; sugar ethers and sugar esters, and their salts, nesoi*	765	506	80	42
Antibiotics, nesoi*	133,430	116,895	42,353	22,161
Diazo-, azo-, or azoxy-compounds	1,864	1,324	1,356	1,206

Notes: Includes chemicals not exported to Mexico by Canada.
HS commodity descriptions were edited for brevity.
*nesoi means not elsewhere specified or implied.

Source: Instituto Nacional de Estadística, Geografía e Informática (INEGI), National Institute for Statistics, Geography and Informatics.