

COMPETITION

IMPORT SHARES OF NC METALWORKING MACHINE TOOLS, 1994

Source: United States Department of Commerce.

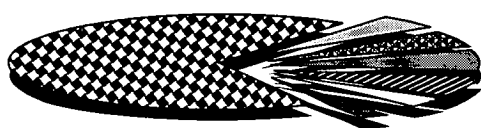
American, European and Asian manufacturers dominate the market. More and more, they are selling directly to Mexican buyers, and thus bypass the traditional distributors.

Competition for sales of machine tools and related products comes almost entirely from foreign suppliers. The principal competitors are the United States, France, Germany, Italy, Spain and Japan. Interviews with industry experts revealed that Canadian products are almost unknown.

Traditionally, imported machine tools have been sold by Mexican distributors, and several companies have specialized in this field. But in recent years, foreign machine tool producers have begun setting up representative offices in Mexico to bypass local distributors. In other cases, customers are placing orders with foreign suppliers directly, using fax and other recently-available electronic communications. Both developments have caused a crisis among Mexican distributors, and some of them have gone out of business. This trend has been advanced by the economic crisis, because end users are now more dependent on fast service to keep their equipment in operation.

The Mexican distributor *Forel* distributes products for Excelo of Germany, Lucas Advanced Technology and Testing Systems, OGP Optical Gauging Products, National Acme, Bryant Grinder Corporation and Allen-Bradley. Other major machine tools distributors include *León Weill*, *Herramientas Exclusivas y Maquinaria*, *Metal MAQ*, and *Herramientas Stanley*.

IMPORT SHARES OF CONVENTIONAL METALWORKING MACHINE TOOLS, 1994



USA 67%	JAPAN 2%
ITALY 8%	CANADA 3%
GERMANY 8%	SPAIN 7%
OTHERS 5%	

Source: United States Department of Commerce.

Market shares differ markedly for numerically-controlled (NC) and non-NC metalworking equipment. In 1993, Japan had 42 percent of the NC equipment market, but only 2 percent of the conventional machine tools market. Canada's share was very small in both categories, but concentrated in non-NC equipment.

For plastics production equipment, the American share in 1993 was 43 percent. Germany, Italy and Taiwan were the other major suppliers. Japan did not have significant sales of this equipment.

Foreign suppliers to the market include EMCO, Matsushita and Hewlett. Products used in the production of autoparts are built by Hitachi, Komatsu and Berson. Brands used in the production of electrical products include AXIS (Italy), Altus (Brazil), Siemens, Allen-Bradley and Cincinnati Milacron.