

## PRODUCER PROFILE:

### GRUPO INDUSTRIAL ALFA

*Alfa* is a major conglomerate with sales exceeding US \$2 billion. It has a large petrochemical focus, supplying two divisions linked to the textile industry:

- *Fibras Químicas*. A 40 percent share of this division is held by the Dutch Akzo NV. It specializes in the manufacture of nylon and polyester fibres.
- *Nylon de México*. This division produces nylon, polyester and lycra fibres, using technology from Dupont U.S.A., which holds a 40 percent share.

## Wool

There is a very limited amount of wool fibre and yarn production in Mexico, despite there being a large demand for carpets, rugs and blankets. Mexico does not produce the fine wools used for fashion apparel. There is no production of cashmere, angora or alpaca. According to the *Cámara Nacional de la Industria Textil (CANAINTEX)*, National Chamber of the Textile Industry, domestic wool production was 2,473 tonnes in 1993, compared with domestic consumption of 7,172 tonnes.

## ARTIFICIAL AND SYNTHETIC FIBRES

Mexico is an important producer of artificial and synthetic fibres. According to statistics released by the publication *Fiber Organon*, domestic production in 1993 was 431,000 tonnes while net exports stood at 8,600 tonnes. About 70 percent of the synthetic fibre produced in Mexico is in the form of staple and tow, with the remaining 30 percent in filament form.

Mexico's strength in man-made fibres derives from a large domestic petrochemical industry. The most important petrochemical producer is *Petróleos Mexicanos (PEMEX)*, the state-owned oil company. Close behind is *Celanese*, with an installed capacity of 1.1 billion tonnes, in 47 plants in 15 states. Hoechst-Celanese of Germany directly owns 40 percent of *Celanese*, and holds another 11 percent in trust. *Celulosa y Derivados (CYDSA)* is the other major private sector producer. Both firms initially produced fibre from cellulose but are now more active in the production of petrochemical-based fibres.

There are also a number of smaller companies in the industry, but most of them do not have the technology to produce a competitive product. After the North American Free Trade Agreement (NAFTA), these companies are now under pressure to form strategic alliances with foreign firms.

*CYDSA*, *AKRA*, *Celanese* and *Kaltex* are just some of the Mexican companies which now produce in this sector for export. *CYDSA* sells its acrylic fibres and yarns around the world.

In spite of their competitive advantages, Mexican manufacturers of man-made fibres and yarns produce a relatively narrow line of products, limited mainly to acetate, acrylic and polyester. Mexico is dependent on imports for other types of fibre including nylon, rayon and polypropylene. Canada's exports to Mexico are heavily concentrated in synthetic fibres and yarns. In 1993, for example, 76 percent of exports were in these categories. This proportion is expected to decrease when Canadian exports of higher value-added products, such as engineered textiles, increases.