

THE PLASTICS PROCESSING MARKET

The Argentine plastics processing industry has shown a high growth rate in the last few years, and this trend is expected to continue in the near future. Between 1986 and 1992, the industry grew at an average annual rate of 6%. The plastics industry in general represents 1.04% of Argentina's GDP.

Total apparent consumption of processing equipment products has been increasing in the last few years. This is mostly due to Argentina's stable economy since the new government took office and started an economic reform program which included currency convertibility among other measures.

ESTIMATED SIZE OF MARKET IN CANADIAN DOLLARS FOR THE PLASTICS PROCESSING EQUIPMENT SECTOR

There are approximately 2,800 plants in the country and the plastics industry as a whole employs over 39,000 workers. More than half of the companies in the plastics industry employ between 10 to 49 workers. The majority of companies, over 74%, can be found in the Greater Buenos Aires Area. Santa Fé, Córdoba and Mendoza are also important industrial centres.

In 1992, total apparent consumption was approximately 551,000 tons, production capacity was 675,000 tons, and the average raw material price was \$1,400/ton, giving an approximate total market of \$771 million. In 1986 per capita consumption was 12 kg, in 1993 it reached 19 kg. The implementation of Mercosur will be important for Argentine companies in the plastics industry. In 1986 the total Mercosur trade value was \$9.8 million whereas in 1992 it increased to \$91 million. Exports to Mercosur members also increased from 26.4% in 1986 to 58.1% in 1991. Argentina's main trading partners are Brazil (31.9%) and Uruguay (20%).

The plastics industry is the third industrial sector in machinery and equipment investments. The Argentine plastics processing equipment market amounted to about 25,600 machines being used by local companies in 1991. Over 60% of companies have less than 10 machines installed in their processing plants. This, and the fact that most companies employ less than 50 workers, indicates that companies in the plastics industry are mostly small and medium sized businesses. They are also relatively young, with over 80% being in existence less than 20 years.

DOMESTICALLY MANUFACTURED PRODUCTS VERSUS IMPORTS, BROKEN DOWN BY PRODUCT CATEGORY

There is no data available for domestically manufactured products. However, estimates placed production at 20-25 units per month before 1990. With import tariffs and regulatory structures