

COMPETITORS

Mexican companies are confined mostly to the low-technology construction side of the industry. But companies from the United States, Europe and Japan are putting up stiff competition for high-tech equipment and services.

MEXICAN COMPETITORS

The strength of Mexico's domestic environmental industry lies mainly in construction services. In general, the smaller the role of technology in a project, the more competitive Mexican companies can be. Nonetheless, the trend towards build-operate-transfer (BOT) infrastructure programs is cutting into the domestic market share because foreign competitors often make the key purchasing decisions.

Most Mexican environmental consulting companies are small- to medium-sized. There are only a few Mexican companies that produce technology-based products. Typically, they are either spin-offs of local consulting companies that have developed their own technologies or representatives of foreign manufacturers.

Two of Mexico's largest construction firms, *Fypasa/Operadora de Ecosistemas* and *Grupo Mexicano de Desarrollo* are regarded as the market leaders. They have consistently underbid foreign competitors, especially in the price-sensitive municipal infrastructure field. They are expected to be major players in the emerging market for BOT water projects. These companies are capable of doing most of their own design work, but typically import considerable amounts of equipment. *Tribasa, ICA, Atlatec, Obras Portuarias de Coatzacoalcos* and *Bufete Industrial* are other Mexican companies frequently mentioned as BOT competitors.

The Monterrey conglomerate *Cydsa* is another major participant in Mexico's environmental market. Its environmental improvement division has increased its annual sales from US \$5 million in 1991 to US \$65 million in 1993; in 1994 sales were projected to increase by 35 percent. According to a company spokesperson quoted in *Business Mexico*, the firm is designing, constructing and operating two municipal BOT water treatment plants in Chihuahua, as well as two more located at refineries owned by *Petróleos Mexicanos (PEMEX)*, the national oil company.