COMPETITORS

Mexican fish processors and distributors dominate the market, but direct competition for Canadian fish and seafood more often comes from other importing companies. Mexico has a more than adequate supply of fish. It mainly imports specialized products that are unavailable from Mexican sources, or else to obtain better quality products. Superior handling and packaging is regarded as a competitive advantage for importers. For this reason, Mexican seafood producers may be seen as potential joint venture partners as well as competitors.

Distributors of processed fish products tend to be sister companies to the processors and producers. *Dolores, Calmex, Formex-Ybarra* and *La Torre* are regarded as the principal companies in the sector. They tend to specialize in the capture, processing, distribution and sale of particular species. Other important producers include *Trinsa de Mazatlán, Empacadora Mar, Conservas del Pacífico,* and *Formex-Ybarra*, all of which are tuna packagers.

Processing centres are usually on the Pacific Coast, which includes 233 of Mexico's 309 fish processing plants. The rest are mostly on the Gulf Coast. Most products are sent to Mexico City for distribution to the rest of the country, although some companies have regional distribution centres in Tijuana, Guadalajara and Villahermosa.

TRENDS AND OPPORTUNITIES

Considering that Mexico has substantial fishery resources, seafood is a relatively small part of the national diet. Per capita consumption is about 9 kilograms. This has been attributed to a lack of promotional efforts on behalf of both the public and private sectors, and also to poor distribution and storage facilities which have historically made fish expensive and kept quality low.

CANNED PRODUCTS

Traditionally, sardine and tuna have been the most popular canned fish products. Recently, consumption of sardine has fallen because prices of tuna have been low. Concerns about cholera infection, combined with a surplus of tuna because of the American embargo on Mexican tuna, have depressed demand. Mexican production of tuna is strong and domestic prices are lower than for tuna from Thailand, which is considered the world leader.

Mexican tuna producers are hoping that the embargo will be completely lifted in 1997. This will lead to increased prices, which will create more demand for sardines. In addition, the domestic sardine catch has been falling and some analysts are predicting a supply shortage for 1997.

In the case of sardines, Brunswick has been relatively successful. Mexican observers believe that the packaging of Canadian sardines is the key to its positive image and relatively high price-position. On the other hand, this market niche is considered saturated and there are probably only limited opportunities for additional Canadian suppliers.

The second most popular type of canned fish are purchased for hors d'œurves. This includes octopus, squid, scallops, abalone and mussels. The most common varieties are packed in oil, garlic oil, tomato or pickling preparations. Most of these products are imported from Spain and are considered a luxury.

FRESH FISH

The fresh fish market is divided into shellfish and scalefish components. In the scalefish sector the most popular domestic varieties are snapper, yellowfin snook, striped *mojarra*, sawfish, and wahoo. The most popular fresh shellfish are shrimp and oyster.

Demand is heavily influenced by price fluctuations and purchasing power. Prices fluctuate widely because of sporadic production levels. Imports are more prevalent during the off-season.

PRESERVED FISH

Salt cod is popular in Mexico. Traditionally most of it has been imported from Norway, but recently, lower-priced Canadian cod has been making inroads in the market. In 1995, Canada's share of dried cod imports rose to 26 percent from 17 percent a year earlier, even though the volume dropped by about 40 percent.

TRANSPORTATION

Poor distribution systems is one of the reasons that Mexican seafood consumption is relatively low. There are opportunities for the design, construction and operation of systems for refrigerating and transporting fish products. Freezing and frozen-storage facilities will become increasingly important as Mexico develops its fish export business.

JOINT VENTURES

Industry observers believe that there are opportunities for joint ventures with Canadian companies who could assist fishing and processing operations to modernize and integrate. Most of them, however, lack capital and expect the Canadian partner to bring financing as well as expertise.

Although Canadian companies should be cautious in the selection of partners, there are emerging opportunities in this area. For example, *Formex-Ybarra* entered into a joint venture with an American company to build a processing plant in Chiapas that