Beverages

Beverage packaging is fairly standard, with brand name products being marketed in bottles or cans. Juices and nectars are regularly merchandised in one-litre and 250-millilitre tetrapaks, and in one-litre bottles. About 80 percent of all soft drinks are purchased in reusable containers.

Canned Products

Mexican-made equipment for canned food processing accounts for between 40 percent to 50 percent of the market. Locally-made equipment is less expensive than imports, and quite a few manufacturers have the in-house capability to equip an entire plant. These domestic manufacturers tend to specialize in processing equipment and rarely in packaging equipment. Many of them have developed their own technologies, while others have technology transfer agreements with foreign firms.

Equipment imports accounted for US $88 million in 1993. Imports tend to fill market niches where the technical requirements cannot be met by domestic producers. Imports range from large-volume, high-efficiency machines for processing and packaging, to smaller, semi-automatic equipment. Local technicians are either trained at the plant or abroad.

There is also a healthy import market for used and rebuilt equipment from the U.S. and Canada. This less-sophisticated equipment meets the needs of many small- and medium-sized firms, where servicing can often be done by in-house technicians.

Candy and Confectionery

Opportunity in Sugar

The Mexican government used to own 54 of the country's 70 sugar mills. Today it is out of the sugar business altogether, but price controls and government intervention has left a legacy of inefficiency and outdated equipment. Now, the industry is scrambling to modernize and automate plants to make Mexico self-sufficient in sugar products. The soft drink industry is a major customer, as are confectioners.

There is growing recognition that the confectionery and candy subsector needs to upgrade its packaging. For example, imported Chilean chocolates are taking market share from domestic producers through the use of colorful wrappers depicting cartoon characters. Industry watchers say this subsector is 10 to 15 years behind its competition in terms of packaging, suggesting major opportunities for imported equipment.

Domestic processing and packaging equipment for this subsector is not very sophisticated. It consists mainly of sugar mixers and medium-technology packaging equipment. Some packaging is still done by hand. Most imported equipment comes from the United States, Germany and Italy. Products include cleaners, pre-dryers, roasters, presses, refiners and pulverizers. Often, large companies such as Nestlé prefer to buy directly from the manufacturer abroad, even when local representation is available.