

PRODUCT TRENDS

Under current economic conditions, Mexican companies will be striving to replace imported textiles with domestic product. The main opportunities for Canadian companies lie in replacing the high-class European products that the Mexican industry cannot supply at a cost that consumers can afford. Additional opportunities, possibly through joint ventures, are created by the need to recover the market lost to inexpensive Asian imports.

A series of interviews was conducted in Mexico to identify products where foreign producers have the best competitive advantage relative to domestic manufacturers. The following products of the Mexican industry were considered by knowledgeable observers to be either competitive or not competitive.

COMPARISON OF STRENGTHS AND WEAKNESSES OF MEXICAN TEXTILE PRODUCTS

Strengths	Weaknesses
denim	woven polyesters especially those using high twisted yarns, such as jacquards, satins and chiffons
cotton woven fabrics	fashion fabrics in general
knits in cotton and blends	flannels
laces	light wool blends
lycra blends	linen or linen blends
some wool blends	silk

An official of *Kaltex*, one of the principal Mexican producers, noted that cellulose fibres could be a potential niche for Canadians. Most of the Mexican supply is presently from the Far East. Textile products from this region are under attack from the Mexican government for alleged dumping.

Industry experts lamented the extremely poor infrastructure of the Mexican cotton industry. Strikes in Río Blanco, State of Veracruz, are now resolved. But as a whole, the system is too primitive to allow for strict quality or quantity control. They note that it could take ten years to change the situation and, in the meantime, imports should grow.