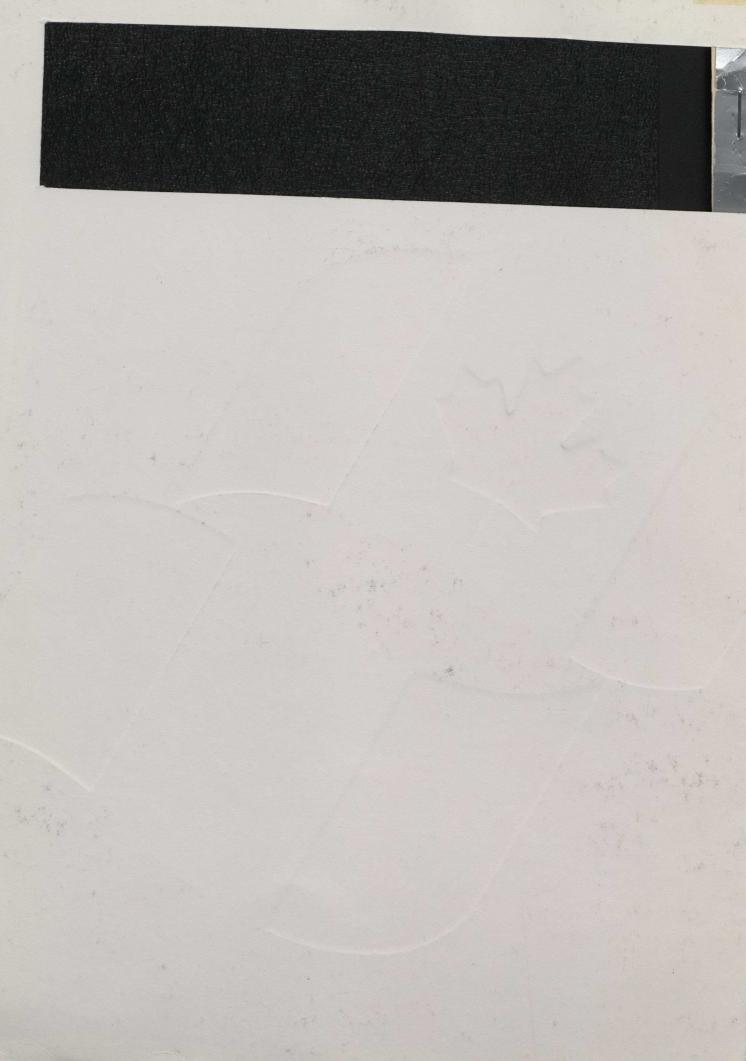
# Market Study on the Automotive Industry and Auto Parts in Mexico.



INFORMATION FOR CANADIAN BUSINESSMEN PREPARED BY THE COMMERCIAL DIVISION, CANADIAN EMBASSY, MEXICO.



# Market Study on the Automotive Industry and Auto Parts in Mexico.

Dept. of External Affairs Min. des Affaires extérieures

OCT 18 1990

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This market guide booklet has been prepared with the problems inherent to the initiating exporter in mind. However it is not exhaustive; individual circumstances, interests and needs will dictate how companies should tailor their approach and strategy to the Mexican market. While every attempt has been made to ensure accuracy in this study, no responsibility can be accepted for errors or omissions.

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# MARKET STUDY ON THE AUTOMOTIVE INDUSTRY AND AUTO PARTS IN MEXICO

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# MARKET STUDY ON THE AUTOMOTIVE RESULTING MARKET

#### XOOM

#### 1. BACKGROUND

During the past decade, the Mexican automotive industry has undergone a major transformation, driven by an integration with the American market. The new competitive needs of the American market originated the creation of new plants on Mexican territory with an organizational and technological design linked to such conditions. Thus, since the early 80's, a new exporting specialization emerged in the local car assembly plants and in a great number of auto parts firms. Manufacturing and complex assembly plants coexist now in this new exporting system.

Traditionally, the strategies of Mexico's automotive firms were in conflict with governmental policies. The companies operated trying to obtain maximum benefits from the protected market and thereby hindering import substitution policies. On the other hand, the government had to protect the local market, it being the axis of the country's industrial growth and employment, but at the same time encouraging exports.

The conflict between the companies and the authorities' guidelines was mostly to be seen when, between the late 70's and early 80's, the oil boom generated a great demand which exceeded the possibilities of the existing short-range production structure, giving way to rising imports. This led to a dangerous situation in 1981 and 1982, when the automobile sector accounted for 43% and 53% respectively of the country's trade deficit. Between 1978 and 1981, imports of auto parts jumped from \$516 million (1) to \$2.4 billion, and in this process, the import substitution strategy was buried with the lack of a clear exporting orientation. In time, a liberal model was implemented and the relationship between the agents in the industry underwent a significant modification. In the 80's there was an inflection point, and in the 90's, a significant autonomy for the companies is expected.

On the other hand, since the late seventies, according to the changes that the automotive industry had already been experiencing in the world, the American firms used a new strategy in Mexico, creating the first plants that would help them face the new competitive conditions in the U.S. market itself. These manufacturing plants, located in the North of Mexico, started operating in 1981 with the export of Chrysler "K" model engines to the United States. The vast majority of these assembly plants had technologically very sophisticated production systems and brought about a new tendency in the industry, by integrating it to the American market.

The 1983 "Rationalization of the Car Industry" decree attempted to mend previous years failures by stimulating exports. It determined that the companies had to reduce their number of lines and different models and thus tried to create a specialized supply to follow the priciple of scale economies. Together with this important change, it reinforced the requirement for each individual firm to have a positive trade balance, that is, to hold export levels above their import levels. During the time the decree was operational, exports attained a strong dynamism, increasing from \$550 million to \$3.3 billion between 1982 and 1987.

This exporting process also gave way to higher imports, while the low activity of the internal market produced a reduced use of Mexican components. The supply systems

<sup>1.</sup> Note: All values in this report, unless otherwise stated (\$ Mexican pesos, Cdn \$, etc.), are quoted in United States dollar equivalents.

Exting the past decade the Mexican electronic including has undergone a major or so major, and the past of the past of the American market adjusted the decaded me of the past of the American market adjusted the organizations. Thus, alone are organizational and terminogical design limbed to such conditions. Thus, alone are strong and the local car assembly practice and in a great surpose of auto parts from Manufacturing and complex assembly plants coexist now in this new experience strong system.

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related to the exporting segment acquired a greater international dimension than that of the traditional segment.

The 1983 decree would be the last attempt to accomplish a fusion of import substitution and export orientation. The industry's structure in 1990 is the evident result of the needs of the companies to link their stategy with the U.S. market.

The new industrial policy for this industry was defined in the "Development and Modernization for the Automobile Industry" decree, issued on December 11, 1989. Assuming the fact that trade with the United States has driven growth in the industry, it reduces the national value requirement significantly, from 75% to 36%. It eliminates the constraint to include specific nationally produced parts that were considered strategic for integration. Also, it grants complete freedom in decision-making to the companies as to the lines and models of production, and it allows firms who exhibit a positive trade balance to import automobiles. Also, automobiles may be imported when the price of the equivalent car produced in Mexico is above its international price.

It is worth mentioning that to allow imports of automobiles is the most innovative measure and, even though it certainly implies an opening, it also maintains certain restrictions related to the investment and exporting performance of the locally manufacturing companies.

The new decree integrates Mexico to a general globalization process seen in the automotive industry worldwide, which stresses liberal trade policies and the need for an increased competitiveness of the domestic automobile industry. In order to achieve this, imports of auto parts are allowed in larger quantities as national integration requirements are reduced. This, in turn, is expected to foster exports of Mexican products at competitive prices and to attract foreign investors into the Mexican market to take advantage of these new conditions. These events create a very favorable scenery for the development of the auto parts industry in Mexico. The export orientation of the automotive industry as a whole and that of auto parts in particular, will certainly bring about a persistent growth both in production and imports.

#### 2. ECONOMIC ENVIRONMENT

With the objective of reducing the inflation rate, the Mexican authorities implemented a stabilization program, called the Economic Solidarity Pact, which features traditional austerity measures, entailing tight fiscal and monetary policies and unorthodox measures, such as price, wage and exchange rate controls. This program has been the cornerstone of Mexico's economic policy over the past three years and has resulted in a drastic reduction of the inflation rate, from an annual rate of 159% in 1987 to 52% in 1988 and 19.7% in 1989. An 18% rate is expected in 1990. Along with the objective of consolidating the progress made in price stabilization, Mexico's macroeconomic policy in 1990 aims to reaffirm gradual and sustained economic recuperation, basically by establishing the necessary conditions to encourage national and foreign investment. In 1991, the Mexican authorities expect to reach an inflation rate equivalent to international levels and to relax price controls.

Mexico's gross domestic product (GDP), after increasing 3.7% and 2.7% during 1984 and 1985 respectively, diminished by 3.5% in 1986. In 1987, it increased a moderate 1.5% and an additional 1.1% in 1988. Domestic economic activity recovered for the

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#### THEMISORING OMINION

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third consecutive year in 1989 with an estimated growth rate of 3.0% in 1989 to reach \$200 billion. With an 84.5 million population, per capita GDP is estimated at Cdn\$2,550. During the 1990-1994 period GDP is expected to maintain an average annual growth rate of 2%-3%. In disagregated terms, this represents an annual growth rate of 5.3% in the manufacturing sector, 2.3% in the services sector and only 0.6% in the agricultural sector. After several years of stagnation, public investment will grow 5% and private investment will also rise 5%.

In an effort to revitalize and open the Mexican economy, the Mexican Government undertook a series of structural changes, including the accession to the General Agreement on Tariffs and Trade (GATT) on August 24, 1986 leading to an extensive trade liberalization process: import permits were eliminated on all but 325 of the total 11,960 tariff items based on the recently adopted Harmonized System. Official import prices are no longer applicable, nor the 5% export development tax, and import duties were lowered from a maximum of 100% in 1982 to 20% in January 1988. The automotive and computer industries are also being opened up, through the elimination of prior import permits, to allow free entry of products in these industries.

According to official data from the Mexican Secretariat of Commerce and Industrial Development (SECOFI), Mexico's trade balance in 1989 droppped to a \$644.8 million deficit, down from a surplus of \$1.75 billion in 1988 and \$8.4 billion in 1987. Total exports increased 10.7% in 1989, from \$20.6 billion in 1988 to \$22.8 billion. Imports increased 23.9% from \$18.9 billion to \$23.4 billion, having already increased 48% from \$12.2 billion in 1988. During 1989, imports of consumer products grew 82%, while those of intermediate goods increased by 17% and capital goods by 18%.

Total Mexican imports from Canada increased 24% in 1989 and amounted to Cdn\$603 million, while total Mexican exports to Canada were valued at Cdn\$1,698 million. Mexico and Canada have traditionally been strong trading partners. According to Mexican figures, in 1989, 1.9% of Mexico's imports came from Canada, while 1.2% of its exports were to Canada. This makes Canada Mexico's fifth largest exporter and sixth largest importer.

Such figures support the possibility expressed by Mexican and United States authorities of creating a North American free market. The negotiations of a free market agreement between the United States and Mexico are underway. With its coming into effect, and with the existing Canada-United States agreement, the feasibility of a North American market is quite big.

### 3. MARKET ASSESSMENT

Mexico's automotive industry has two main branches: that of the automobile and truck manufacturers and that of the auto parts manufacturers. A related activity of interest to foreign suppliers to Mexico is represented by the industry that produces maintenance equipment and constitutes the after market to the automotive industry. We will look into the performance of the auto parts industry in the first place.

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According to official data from the Mexican Secretariat of Commence and Industrial Development (SECOFI), Mexica's trade belance in 1980 orogopust to a \$844.8 million deficit down from a surplus of \$1.75 billion in 1988 and 38.4 billion in 1987. Total exports increased 19.7% in 1989 from \$20.6 billion in 1988 to \$22.8 ballon, Imports exports from \$18.8 from \$18.8 from \$18.9 billion in 1988 to \$22.8 ballon, Industrial products give Both, entire those of intermediate Goods in 1988. Opinion 1988, emports of consumer products give Both, entire those of intermediate goods by 17% and cupital goods by 18%.

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#### 3.1 AUTO PARTS

Total apparent consumption of auto parts in Mexico has been increasing at an average annual rate of 16% in the last few years, prompted by the export oriented policies described in section 1. The total market for auto parts amounted to over nine billion dollars in 1989 and is expected to reach \$10.3 billion during 1990, based on January to April data. It is expected that apparent consumption will decrease its average annual growth rate to 8% during the next five years, and reach \$12.8 billion by 1994, since both the Mexican and the U.S. market are not expected to maintain such a dynamic purchasing capacity.

The composition of the market is also expected to change as a result of the new automobile decree. Local production of auto parts will continue rising but, since it will no longer be protected by such stringent national integration requirements as before, it will lose ground before imports. The latter are expected to grow 12% annually and represent 30% of total consumption by 1994, as opposed to 24% in 1989. Exports are also estimated to continue growing significantly in response to the long term export oriented policy of the automotive industry.

TABLE 1
TOTAL APPARENT CONSUMPTION OF AUTO PARTS
(million U.S dollars)

	1986	1987	1988	1989	1994p
Production + Imports - Exports	6,738.5 640.2 1,621.1	7,461.9 1,100.4 1,870.3	8,208.1 1,604.3 1,967.2	9,028.9 2,215.5 2,167.4	12,082.7 3,904.5 3,184.6
TOTAL	5,757.6	6,692.0	7,845.2	9,077.0	12,802.6

Source: American Chamber of Commerce of Mexico, Secretaría de Programación y Presupuesto (SPP) and estimates made by Industria Nacional de Auto Partes (INA)

It is worth noting that, in addition to a large local auto parts manfacturing industry, Mexico has a dynamic automotive in-bond or maquiladora industry growing rapidly along the Mexico-U.S. border. This industry, regulated under temporary import permits and which production is exclusively for exports, began operating at the beginning of the 80s, together with the export oriented automotive industry. Total maquiladora plants in the automobile and auto parts industry are 111. General Motors has 18 plants under this regime, Ford 6 and Chrysler 2. Total value added by auto parts maquila firms increased from \$127 million in 1981 to \$576 million in 1988.

#### 3.1.1 IMPORTS

Imports of auto parts reached an all time high of \$1.9 billion in 1981. Two years later, they diminished dramatically to \$500 million, as a result of exchange controls and import restrictions imposed in response to Mexico's economic crisis of 1982. Such a weak

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The domposition of the market to also expected to change as a dealt of the new automobile decree, Loss production of also personal integration requirements as before a will conger be presented as such wingers he automatically and construction of the later are expected to grow 12% annually and represent 30% of total consumption by 1994, as opposed to 24% to 1995, Exports are expensed to 24% to the automatical by 1994, as opposed to 24% to the long term expensed to the long term expensed policy of the automative frozents.

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		Production + imports Exports
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situation was maintained until 1986, when a phase of dynamic growth began. In 1989, imports grew 38% and surpassed their 1981 value, reaching \$2.2 billion. In 1990 they are expected to increase another 17% and amount to \$2.6 billion. This process is basically due to a rapid growth in imports by the local assembly plants both of engines and automobiles. Nevertheless, in the future, imports destined to the local market and in particular to the after-market will grow in importance.

Table 2 shows the 27 main imported products, which represent 16.5% of total imports in 1988, as well as the most important end user for each. There are three end user sectors of auto parts: the trade sector composed of distributors of new and used cars and repair shops, which represent 11% of total purchases; auto parts manufacturers 21%, and assembly plants 67%. As can be seen, the main imports are those of engine parts due to Mexico's very large production of motors and engines for export.

PRINCIPAL IMPORTED AUTO PARTS AND PRINCIPAL END USER-1988 (000 dollars)

AUTO PART	AMOUNT	END	USER	P
Parts for differential systems	162,911		X	
Piston rings, valves and piston skirts	19,330			X
Transmission belts	8,161	X		XXX
Other ball bearings	7,297			X
Pneumatic tires for trucks and buses	1,959	X		
Other steel piston rings	5,274	X	X	
Open compressors for air conditioning	5,145			X
Assorted parts	4,995	X	X	
Crankshaft	3,849	X X	X	X
Bushings	3,709	X		
Cone bearings	3,477			X
Ball bearings	3,011			X
Other parts for ball/roller/needle bearings	2,929			XXX
Mudguards	2,813	X		
Other parts for frames	2,723			X
Bumpers	2,705	X		
Parts for the direction system	2,680	X X X		
Oil seals	2,509	X	X	X
Parts for radiators	2,487	X		
Spotlights and taillights	2,441	X		
Parts for stearing gears	2,364	X		
Electric devices for ignition	2,344	X		
Assorted plastic manufactures	2,342			X
Spark plug cables	2,291	X	X	X
Oil pumps	2,516	X		
Insulating material	2,129			X
Assorted automatic devices for regulation	2,035		X	X

Note: D=distributors; A=assembly plants; P=auto parts producers.

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Table 3 shows auto part imports whose growth has been the most dynamic during the 1986-1989 period. There are seven products that have grown more than 500% during that period and eleven whose growth ranged between 100% and 500%. In the former group, some of the most important products were: disc brakes valued at \$7.5 million and shaft axles at \$5.7 million. In the latter group, distributor parts with \$5.5 million, bushings \$4.7 million and snobbers \$4.5 million. Products in these two categories are more diversified that those listed in Table 2 and are more geared towards the automobile market. Their growth rates are closely related to the increase in domestic production of cars and trucks and in the total number of cars in circulation throughout the country, which need periodical service.

### MOST DYNAMIC GROWING IMPORTS (000 dollars)

More than 500% growth during the period 1986-1989

District angles	Value in 1989
Disc brakes	7,517
Shaft ackles	5,748
Wheels	2,930
Clutchs	1,749
Bumper parts	1,689
Acoustic apparatus	1,118

Growth between 100% and 500% during the period

Distributor Parts	Value in 1989
Pushings.	5,511
Bushings	4,752
Snobbers	4,498
Brake drums	3,806
Gear cases	3,558
Universal joints	3,150
Master cylinder brakes	3,000
Lights Contact points	1,730
	1,692
Mufflers Bobbins	1,367
DODDINS	1,085

The most important supplier of auto parts to the Mexican market is the United States. This is closely related to the strong link between the local industry and the U.S. manufacturers, as described in the first section of this report. Approximately 60% oF all auto parts are imported from the U.S., followed by Japan (20%), West Germany (10%) and France (5%).

Based on data published by Canadian authorities (see Table 4), Mexican auto part imports from Canada grew from Cdn\$52.3 million in 1988 to Cdn\$82.8 million in 1989, at a 58.3% growth rate, a value superior to the growth rate of total Mexican imports of auto parts, which was 38% during the same period. Mexican exports to Canada grew 27.5%, from Cdn\$439.8 million in 1988 to Cdn\$560.8 million in 1989, exceeding the 10.2% rate

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Value in 1981

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of growth of total Mexican auto part exports. This indicates that, in recent years, trade with Canada has been more dynamic than Mexico's total trade.

CANADIAN TRADE WITH MEXICO OF AUTOMOBILES AND AUTO PARTS
(Cdn \$ 000)

EXPORTS TO MEXICO	1988	1989
Motor vehicle parts Transmissions Body accesories Bumpers and parts TOTAL	19,407 12,197 10,695 2,964 <b>52,301</b>	24,029 18,938 12,535 9,115 <b>82,840</b>
IMPORTS FROM MEXICO	1988	1989
Spark-ignition engines Body accesories Auto part for spark ignition	214,982 133,417	215,847 170,009
engines Safety seat belts Wheels including accessories TOTAL	31,966 14,206 10,283 <b>439,768</b>	34,033 22,712 9,594 <b>560,750</b>

Source: Statistics Canada - International Division

Among the largest foreign companies associated with Mexican auto parts manufacturers technologically are:

#### **CHASSIS PARTS**

A.O. Smith
Alfred Treves
Allied Corp.
Boge
Budd
Good Year
Hosch Hohelinburg
Kelsey Hayes
Maremont
NHK
TRW

### BODIES The Bud C. Clearing

A.O. Smith G. Motors (Fisher)

### ELECTRIC PARTS Bosch

Exide Hella Magneto Marelli Packard Electric Richardson

#### **DRIVE TRAINS**

Clark
Dana
Eaton
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#### 3.1.2 DOMESTIC PRODUCTION

The Mexican auto parts industry was initiated with the presidential decree of 1962. With the objective ofo increasing Mexican production of auto parts, this decree stipulated that vehicles manufactured in Mexico should have at least a 60% local content level. It also stated that this could be reached by incorporating Mexican parts into the production of motor vehicles.

The local auto parts industry consists of about 500 companies, employing some 125,000 workers. It accounts for 2.7% of total manufacturing GDP and has shown an average annual growth rate of 6.3% between 1978 and 1988, three points above total GDP growth. Auto part manufacturing plants are located in the following cities: Mexico City 65%, Monterrey 12%, Queretaro 4%, Puebla 4%, Toluca 4% and Guadalajara 2%.

Since the first half of the 80's, local production of auto parts (excluding motors) has been growing at an average annual rate of 7%, from \$6.7 billion in 1986 to \$9.9 billion in 1990, according to the latest projections. During this process, the imported contents of nationally produced auto parts grew from 9.4% in 1986 to 26% in 1990. At the same time, exports maintained a stable growth rate of 23%. These increases reflect the greater degree of openness of the auto parts industry.

#### 3.1.3 EXPORTS

Auto part exports have grown without interruption since 1982, from \$230.5 million to \$2,167 million in 1989. That is, they grew 10 times in eight years.

There is a group of exporting auto part firms that have joint ventures with the automobile manufacturers. In this manner, General Motors has its own component plants and it also has projects with Mexican capital: financial participation in Aralmex, a Mexican auto part company that exports snobbers and with the Condumex group, which exports harnesses and rings.

Ford, on the other hand, is involved in important projects with Mexican auto part firms that export security glasses, motor heads and plastic parts, all of which take place in intra firm trade. In Volkswagen and Nissan there is a close link with firms such as Bocar and Nipomex, both with a majority of Mexican capital.

There is also an important volume of exports carried on by the auto part firms themselves, either directly or indirectly. A common denominator for the majority of exports of the auto parts industry is the use of high technology in their production. In the case of products with high dynamism and technological complexity, the patents and the linkage to foreign auto parts firms are important elements in the feasibility of the project.

The technological association with foreign companies, either through capital or technical consulting, is present in practically all exporting firms. Such a relationship helps the firms in reaching an internal renovation and it enhances their competitiveness. A second characteristic, which is also common to the exporting activities of the auto parts industry is its concentration in a small number of firms and in many cases in only one firm which exports the product. Table 5 shows the most important products exported by the Mexican auto parts industry.

#### A DESCRIPTION OF STREET

The Mexican auto parts industry was installed with the presidential decree of 1962. Whin a shedive de increasing Mexican production of auto parts, this decree stipulated in various manufactured in Mexica should have of least a 60% local content level it is stated that this could be remarked by incorporating Maxican parts into the induction of motor vehicles.

to convert Auto parts industry consists of about 800 companies, employing spinal of 000 workers it accounts for 2.7% of total manufacturing GDP and has above total control of the points above total control growth rate of 8.3% between 1976 and 1988, three points above total of crowth Auto can manufacturing stampers located in the following content and the control of the following content and the content and cont

Arce the first half of the 60's, local production of suto parts (excluding motors) has some first half of the 60's, local production of 75°s, how \$6.7 billion in 1886 to \$9.9 billion in 1880 to 50°s, the importance of the timest produced and parts produced and parts produced and parts produced at stable growth rate of 23%. These increases rated the rester degree of operates of the suto parts industry.

#### ETROPIES ET

Auto part exports have grown verbout internacion since 1832, from \$230.5 million to \$2.167 million in 1936. That is, they grew to times in eight years.

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### MAIN EXPORTED AUTO PARTS EXCLUDING MOTORS IN 1988. (thousands of dollars)

Accorded automobile hadrenada		SANGE STREET
Assorted automobile body parts		101,409
Safety glasses		79,501
Assorted parts for engines		58,915
Laminated springs		44,735
Titanium bioxide pigments		
Accorded to a definition of the control of the cont		4,493
Assorted parts for automobiles	000 of collers	38,586
Parts for brakes and servobrakes		32,300
Pneumatic tires for buses & trucks		25,099
Pneumatic tires for cars		
Cables for aparls always		16,737
Cables for spark plugs		12,464
Transaxles		11,619
Brakes		10,809
Parts for cells		
TOTAL		9,060
TOTAL		482,727

The most important exporting firms to Canada are the following: Carplastic, which exports body parts; Vitroflex, safety glass; Rassini, laminated springs; Nacional de Conductores Eléctricos, cables for voltages between 80-1000V; Nemak, assorted parts for engines; Industria Automotriz, assorted body parts; Tebo, brakes and servobrakes; and Electronica Clarion, car radios. As can be seen, Canada represents an important market for Mexican auto parts.

#### 3.2 MAINTENANCE EQUIPMENT

The total number of automobiles in circulation at present is of 10 million vehicles, 3.5 million of which are concentrated in the Mexico City metropolitan area. There is no reliable data on automobile maintenance needs at a national level, but there are good estimates on the Mexico City area. These indicate that the average life span of a car is eight years and that it goes to the repair shop four times a year, with a minimal expenditure of \$45 dollars each time. The rising costs of new cars will make car owners give priority to their vehicle's maintenance and repair before buying a new one. This, coupled with a high incidence of car accidents, will create a continued demand for service and repir equipment in the future.

Total apparent consumption of maintenance equipment increased 85.5% in 1989, from \$16.6 million in 1988 to \$30.8 million in 1989. This was mostly a result of Mexico's trade liberalization policies, which have made importation easier and more affordable. This, in conjunction with an important demand backlog for this type of equipment, brought about by previous year's tight financial conditions, slack domestic demand and high inflation rates, translating into an unfavorable dollar-peso exchange rate, brought about a major surge in total market size, but in particular in imports. Also, beginning in 1989 a mandatory environmental control system was established in Mexico City, by which each vehicle must have a check up done every six months. To fullfil these conditions a great number of shops bought gas analyzers and other tuning equipment. In 1990, such an increase is no longer expected, since demand will tend to stabilize.

# MAIN EXPORTED AUTO PARTS EXCLUDING MOTORS IN 1988

e most imponent exporting films to Canada are the following: Carplastic, which ports body parts: vitroflex, selfely glase: Finssini, laminated aprings; Nacional de proudciores Electricos, cabres for voltages between 80-1000V; Namaic, assorted parts argines, institute Automotiva, assorted body parts; Tebo, brakes and servobi akids; a simponent of Electronics Claren, car radios. As can be seen, Canada represents an imponent and backet and the standard of the standard of the seen of t

### MAINTENAMOS EQUIPMENT

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In the next four years, this market is expected to continue increasing at an average annual rate of five percent, in close relationship to the general increase in the number of cars sold in the country. The trend of most shops and service agencies of modernizing their equipment in order to service recent car models will also continue driving demand. Total apparent consumption is expected to reach \$39.2 million in 1994, of which \$32 million, or 82%, will be of imported origin.

### TOTAL APPARENT CONSUMPTION OF MAINTENANCE EQUIPMENT (000 of dollars)

	1987	1988	1989	1994
Production +Imports -Exports	4,907 5,214 858	5,215 12,494 1,078	8,504 23,664 1,323	9,500 32,000 2,300
TOTAL	9,263	16,631	30,845	39,200

Mexico is highly dependent on imports in this branch, since local production is limited to a small number of relatively simple tools. and, in general, repair shops prefer imported equipment and tools due to their quality and reliability. This is shown in the fact that, in 1988, imports of equipment amounted to \$12.5 million, representing a 75% share of the total market, as opposed to a local production of only \$5.2 million. In 1989, imports increased to \$23.7 million, or 77% of total demand. By 1992, they are expected to grow to \$32 million.

## IMPORTS OF MAINTENANCE EQUIPMENT (000 of dollars)

	1987	1988	1989
Car washing machines Wheel alignment systems Jacks and hoists Tyre removing equipment Compressors *General purpose equipment Gas analyzers Ignition analyzers Motor checking apparatus *General purpose instruments TOTAL	942	2,944	5,192
	684	1,229	2,044
	156	1,090	977
	181	383	516
	40	90	168
	1,427	2,670	4,900
	267	1,592	6,905
	392	582	303
	43	312	1,036
	1,082	1,602	1,623
	<b>5,214</b>	12,494	23,664

<sup>\*</sup> Note: General purpose equipment includes wrenches, pneumatic and hydraulic tools. General purpose instruments include oscilloscopes and multimeters.

the next four years, this average is expected to continue increasing all the multiper of must rate of this percent, in close relationship to the general increase in the must produce of the solid in the country. The mend of most single and service agencies of modern cau models will also continue direing demand. If a consumption is expected to reach \$39.2 million in 1994, of which \$30.2 million in 1994, of which \$30.2 million in 1994, of which \$30.2 million in 1994, of which single origin.

# TOTAL APPARENT CONSUMPTION OF MANTENANCE EQUIPMENT (000 of dolors)

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# TABLE / TABLE

	Car wanting machines Whael alignment systems Jacks and hoists Tyre removing equipment General pulpone equipment Ageneral pulpone equipment Ageneral removes Jacks analyzata

<sup>\*</sup> Nose General process equerment activists well ones, prounted and hydraust horis Canenal purpose exchangents actuals exclude excitonocopes; not custimaters.

Specially important were imports of gas analyzers, which grew over threefold, from \$1.6 million dollars in 1988 to \$6.9 million in 1989, basically as a result of the need for equipment to verify polluting levels. Car washing machinery imports also grew significantly, from \$2.9 to \$6.9 million dollars, at a rate of 76.4%. Tools operated either manually, electrically or hydroneumatically and electrical measurement equipment also increased, from \$4.3 million to \$6.5 million, showing an increase of 52.7%.

Products which have been identified as those with the greatest market potential in the years to come are:

Scanners with adaptability for different types of cars

Injection balancing equipment washers

Scanners for computerized braking systems and automatic gearboxes

Oscilloscopes with injection analyzers

Time lamps with phasing systems

Cylinder leak analyzers

Vacuum gauges and gasoline pump testers

The Association of Automobile Repair Shops (Asociación de Talleres Automotrices) believes that a good deal of the future equipment needs will have to be covered by imports, since automobiles will be increasingly sophisticated and will need high technology equipment not manufactured in Mexico. Particularly, it will be necessary to import equipment related to the needs of automobiles which use fuel injection system.

Traditionally tools and equipment that are used by shops come from the United States. The U.S. market share has fluctuated between 72% and 84% in the last three years. The predominance of American made equipment is due fundamentally to the predominance of U.S. brand cars in the Mexican market, which need compatible equipment for their tuning and repair service. West German and Japanese equipment account for most of the balance. Canadian products in this market segment are virtually non-existent, as can be seen in Table 8.

### CANADIAN EXPORTS OF MAINTENANCE EQUIPMENT TO MEXICO (Cdn \$000)

	1988	1989
Wrenches	5	0
Jet projecting machines	38	209
Jacks & hoists	17	24
Other equipment	26	25
Gas analyzers	0	4
Measuring & checking instruments Automatic regulating instruments	87	97
TOTAL Total	202	505
	375	864

Source: Statistics Canada - International Trade Division

Specially important were imports of gas analyzers, which grew over threefold, from five method colours in 1968 to \$5.5 million or 1909, basically as a result of the need for brushment to verify polluting levels. Our washing machinery imports also grew elamificantly, from \$2.9 to \$6.9 million dollars, at a rate of 75.4%, Tools operated allow man say, electrically or hydroneumatically and electrical measurement equipment allow thomasely from \$4.3 million is nowing an increase of \$2.7%.

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Specifies with adaptability for different types of cars injection belancing equipment washers Scanners for contiguenced orating systems and automatic gearboxes configuences with execution analyzers.

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### CANADIAN EXPORTS OF MAINTENANCE EQUIPMENT TO MEGGO (Con 8000)

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#### 4. END USERS

The most important end users of auto parts in Mexico are the automobile and truck manufacturers. According to Industria Nacional de Autopartes (INA), in 1989 more than 55% of total local production of auto parts went to this industry, 28% to the local aftermarket and 17% to exports.

The following table lists the largest automobile and truck manufacturers in Mexico with the number of units sold by each during 1987, 1988 and 1989:

	1987	1987	1988	1988	1989	1989
	CARS	TRUCKS	CARS	TRUCKS	CARS	TRUCKS
Chrysler Ford General Motors Nissan Volkswagen Dina Other TOTAL	23,464 16,524 14,444 49,064 50,631 25 154,152	16,535 17,448 26,460 21,163 5,980 3,047 1,438 <b>92,071</b>	48,732 32,001 15,284 60,247 53,802 210,066	31,330 29,717 32,441 24,351 6,903 2,268 2,092 129,102	56,952 47,801 22,876 69,855 77,021 274,505	36,393 39,418 49,579 25,766 9,008 4,273 2,972 167,409

Source: Asociación Mexicana de la Industria Automotriz

These firms operate a total of 15 plants in Mexico, of which 10 are American, 2 German and 3 Japanese. These 100% foreign owned firms produce automobiles, trucks and motors.

According to the Mexican Association of Automobile Industry (AMIA), total sales of cars, trucks, tractor trucks and buses for the local market reached 445,863 units, 30.4% more than in 1988 and 80% over the volume placed in 1987. During the first six months of 1990, sales increased 14% as compared to the same period in 1989. This volume of sales represents the third consecutive year of expansion and 1989 was the best year ever for the automobile industry, with a total of 642,000 units sold, considering national and foreign sales. An average of 53,000 vehicles have been sold per month in the internal and external markets during 1990.

Total market participation by company during 1989 was as follows:

	CARS	GASOLINE TRUCKS	DIESEL TRUCKS
Nissan Chrysler Ford Volkswagen General Motors Dina Famsa Kenmex Other	25% 21% 17% 28% 8%	16% 23% 25% 6% 31%	52% 30% 16% 1%

#### EMD LIGERS

The most respondent and users of sure parts in Maxico are the suremodification more than suremodifications of the following the

The converse tagte lists the largest automobile and muck manufacturers in hexico with

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Trees firms operate a total of 15 plants in slexico, of which 10 are American, 2 German and 3 Japanese. Treese 100% fureign owned firms produce automobiles, trucks end

soproting to the Mexican Association of Automobile Industry (AMIA), total sales of cars, and a reader trucks and buses for the local market readred 445 863 units, 20,4% more of the more selected and 80% over the volume placed in 1887. During the first six months of the sales indused 14% as compared to the same period. In 1889. This volume of substantial regions the third consociative visit of expansion and 1989 was the best year example industry, with a total of 642,000 units sold, considering national and terrain parkets during 1990.

read making participation by company during 1989 was as follows:

Even though General Motors had the lowest market share in the car market segment, it has the highest growth between 1988 and 1989 with a 49.7% increase.

All of the major automotive manufacturers have expanded their manufacturing facilities in recent years. Ford has invested a total of \$1.1 billion, \$500 million of which were destined to the assembly plant in Hermosillo, which has a capacity of 130,000 finished vehicles per year; during 1990 it will complete a general retooling of its plant investing another \$300 million. Volkswagen increased its plant capacity in Puebla. General Motors enlarged its two plants located in Coahuila. Chrysler Mexico is the sole worlwide producer of its Ramcharger. Nissan built two plants in Aguascalientes, one for body stamping and the other for motor assembly.

TABLE 8
INVESTMENTS IN THE AUTOMOBILE INDUSTRY (1979-1990)
(millions of dollars)

COMPANY	INV.\$	LOCATION	PRODUCT	CAPACITY	YEAR
Ford	300 500 300 1,100	Chihuahua Hermosillo retooling	4c motors cars cars	400,000 130,000 170,000	1983 1986 1990
Volkswagen	245 60 270 575	Puebla Puebla Puebla	radiators chassis 4c.motors	250,000	1979 1979 1982
General Motors	350	Ramos Arizpe	4c motors cars	400,000 100,000	1982 1982
Chrysler	135 80 <b>215</b>	Ramos Arizpe expansion	4c motors	270,000 130,000	1982 1984
Nissan	220	Aguascalientes	4c motors	750,000	1983
TOTAL	2,460				

Source: Estudios sobre el sector externo mexicano, Eduardo Gitli.

Additionally, a large end user of auto parts and of maintenance equipment is represented by distributors and workshops (see Table 2). There are an estimated 50,000 shops throughout the country, 20,000 of which are concentrated in Mexico City. Additionally, the large car manufacturers all have several distributors throughout the country, most of which also act as specialized workshops for their brand cars. Following is the numbre of distributors by company:

Volkswagen	300
Nissan	160
Chrysler	140
Ford	110
Chevrolet	80
TOTAL	790

Even trough General Motors had me lowest market shate in the car market segment, it has the lagitest organic between 1988 and 1989 with a 49.7% increase.

As of the major subgmotive manufacturiers have expanded their manufacturing facilities in recent years. Ford his invested a total of \$1.1 billion, \$500 million of which were despised to the essentially plant in Hermosillo, which has a capacity of 120,000 finished vehicles por year, curing 1900 it will complete a general retooling of its plant investing another \$300 million. Volkswagen increased its plant capacity in Puebla. General Motors anisinged as two plants tocated in Coalcuts. Chrysler Mexico is the sole worked producer of as Remotive part viscen built mo plants in Aquaecaliances one for body carmoning and the other for motor assembly.

### TABLE 8 WATESTMENTS IN THE AUTOMOBILE INDUSTRY (1979-1990) (millions of dollars)

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Additionally, a large and user of auto parts and of maintanence equipment as reoperation by distributors and workshops (see Table 2). There are an estimated 60,000 stroughout the country, 20,000 of which are concentrated in Massoc City. Additionally, the large car manufacturers all have several distributors throughout the country, alost of which also are as specialized workshops for their brand care. Following large marriage of distributors by company:

#### 5. MARKET ACCESS

Sales in Mexico are usually made through local agents and distributors, normally operating on a commission basis. Decisions should be taken on whether to use an agent, joint venturing or licensing with a Mexican company. Mexico's market is highly competitive and companies which maintain an active presence in the market and establish a good track record by virtue of product performance, competitive price and service will do well.

All suppliers of equipment or services, whether local or foreign, to a Mexican Government entity must be registered with the Secretariat of Programming and Budget (SPP) and with the Purchasing Department of the agency itself. All purchases over a specified minimum are subject to bidding.

As a result of Mexico's accession to GATT, the Mexican Government has gradually opened the economy to international suppliers. Import duties have been lowered from a maximum 100% in 1983, to 20% since December, 1988. The official import price system has been totally eliminated and import permits are required on only 325 of the total 11,950 items in the Mexican Tariff Act, none of which correspond to this industry. Mexico adopted the Harmonized System of Tariff Nomenclature on July 1, 1988.

The import conditions for automobiles, auto parts and service and maintenance equipment have improved significantly as a result of this commercial liberalization. Maximum duty rates have been reduced to 20% and prior import permits are no longer required on items in this category. Products analyzed in this report are subject to a 0% to 20% ad valorem duty assessed on the F.O.B. invoice value. In addition, a 0.8% customs processing fee is assessed on the invoice value. A 15% value added tax is then assessed on the cumulative value of invoice plus the above taxes.

There are no official metric requirements applicable to imports into Mexico, However, since the metric system of units is by law the official standard of weights and measures in Mexico, importers will usually require metric labeling for packaged goods, although the English system is also used. Dual labeling is acceptable. Imported products should be labeled in Spanish containing the following information: name of the product, trade name and address of the manufacturer, net contents, serial number of equipment, date of manufacture, electrical specifications, precautionary information on dangerous products, instructions for use, handling and/or product conservation and mandatory standards. Mexico adheres to the International System of Units (SI). Electrical standards are the same as in Canada. Electric power is 60 cycles with normal voltage being 110, 220 and 400. Three phase and single phase 230 volt current is also available.

Prepared by: Caroline Verut for the Canadian Embassy Mexico City August 1990 sets to Missas are usually made through local agents and distributors, normally contending on a commission basis. Oscialons should be taken on whether to use an agent, parts venturing or Scenaring with a Mexican company. Mexico's market is nighted companies and companies which maintain an active presence in the market and certain a good track record by virtue of product partermance, compatitive price and secreta will do well.

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Prepared by: Secologivery for the Canadian Embassy Mexico Ciry Manual 1980

#### AUTOMOTIVE RELATED CHAMBERS AND

#### ASSOCIATIONS

CAMARA NACIONAL DE LA INDUSTRIA DE TRANSFORMACION SECCION AUTOMOTRIZ AVE.SAN ANTONIO 256 COL. BENITO JUAREZ 03849 MEXICO, D.F. TEL. 563-34-00 FAX 598-94-67

NATIONAL INDUSTRIAL TRANSFORMATION CHAMBER

ASOCIACION MEXICANA DE LA INDUSTRIA AUTOMOTRIZ, A.C. ENSENADA NO. 90 COL. CONDESA 06140 MEXICO, D.F. TEL 272-11-44 FAX 515-25-42

ASSOCIATION OF MEXICAN AUTOMOTIVE ASSEMBLY PLANT MANUFACTURERS.

INDUSTRIA NACIONAL DE AUTOPARTES A.C.(INA) SHAKESPEARE NO. 15-3 PISO NUEVA ANZURES 11590 MEXICO, D.F. TEL 254-77-66/254-70-73 FAX 211-09-43 ASSOCIATION OF MEXICAN AUTOMOTIVE PARTS COL. MANUFACTURERS (OVER 100 ASSOCIATE MEMBERS).

ANAMAPA
DR. LUCIO NO. 127 -201
COL. DOCTORES
06720 MEXICO, D.F.
TEL 578-35-27 /578-88-41

NATIONAL ASSOCIATION OF WHOLESALERS OF AUTOMOTIVE PARTS.

ARIDRA
MORELIA NO. 38-305
DELEG. CUAUHTEMOC
06700 MEXICO, D.F.
TELS 514-37-21/528-63-63

NATIONAL ASSOCIATION OF REPRESENTATIVES, IMPORTERS AND DISTRIBUTORS OF AUTOMOTIVE PARTS AND ACCESSORIES

#### AUTOMOTIVE RELATED CHARGERS AND

#### RESOUTATIONS A

CAMADA NACIONAL DE LA INDUSTRIA DE PRANCIOR AUTONOTRIE AVUI, SAN ANTONID 256 COL. BENITO JUAREZ DE GELS REXICO, D.P.

THOUSTRIA HACTORAL DE AUTOPARTES A.C. (INA DENASSFERRE MO. 16-3 PISO MUEVA AMIURES TISSO MEMICO, P.P. TIL 254-77-66/254-70-73

> NAMAPA OR. IDCIO WO. 127 -201 ORIGO MEXICO D.F. WELL STR-35-27 /578-48-41

MAIDEM NO. 18-305 BALKO CHAUNTEMOC OGTO MEXICO, D.F. TELA 514-37-21/300-63-63

NATIONAL INDOSTREAD

ASSOCIATION OF MENICAM AUTOMOTIVE ASSENBLA PLANT WANUTA TURKES

ASSOCIATION OF MEXICAN AUTOMOTIVE PARTS COL. MANUFACTURERS (CYER 100 ASSOCIATE MEMBERS).

NATIONAL ASSOCIATION OF MROLESALERS OF ALTOMOTIVE PARTS.

MATIONAL ASSOCIATION OF REPRESENTATIVES, DESCRIBES AND DESCRIBEDTORS OF AUTOMOTIVE PARTS AND ACCESSORIES

#### AUTOMOTIVE/VEHICLE ASSEMBLY PLANTS IN MEXICO

Tel 48-4000

Tel. 250-9988

Fax 250-9988

Tel 211-0049

Fax 511-5297

VOLKSWAGEN DE MEXICO, S.A. DE C.V.

Autopista México Puebla Km. 116

2008 Puebla, Pue.

Apdo. Postal 875 2000 Puebla, Pue.

Martin Josephi Wellmann, President of the Board; Lic. Antonio E. Cervantes F., Industrial Relations Director;

Gerhard Rieder, Finance Director Manufacturers of automobiles.

Telex: 178252

CHRYSLER DE MEXICO, S.A.

Lago Alberto 320

Col. Anáhuac Del. M. Hidalgo

11320 México, D.F.

Ing. Carlos Lobo Sina, Chairman of the Board and Managing Director: Ralph Maldonado, Executive Director - Sales and Marketing: Juan José Arzac, Purchasing Director

Automobiles and trucks.

Established: 1938 Personnel:11,000 Telex: 1774335

FORD MOTOR COMPANY, S.A. DE C.V.

Paseo de la Reforma 333

Col Cuauhtémoc

Del Cuanhtémoc

Apdo. Postal 39 Bis

06500 México, D.F.

Lic. Nicholas V. Scheele, President and Managing Director;

Víctor M. Barreiro, Technical Affairs Vice President;

Víctor Jerusalmi, Commercial Affairs Vice President

Manufacturers of automobiles, trucks and engines. Established: 1925 Personnel: 8,100 Telex: 1776370

GENERAL MOTORS DE MEXICO,

Tel. 5-3284 S.A. DE C.V., COMPLEJO AUTOMOTRIZ [RAM

Carr. Monterrey-Saltillo Km. 7.5

Apdo, Postal Suc. C

25900 Ramos Arizpe, Coah.

Russell M. McLean, Complex Manager; Lic. Luis Matuk E., Human Resources Director; Miguel Cuellar, Resident

Comptroller: Fernando Neumann, Materials Director Manufacturers of commercial trucks, vehicles, engines,

automotive components.

Established: 1979 Personnel: 5,000 Telex: 381194

GENERAL MOTORS DE MEXICO, S.A. DE C.V. Tel. 254-3777

Lago Victoria 74, 7o. Piso

Col Granada

Fax 250-8682

Del M. Hidalgo

11520 México, D.F.

Richard C. Nerod, President and Managing Director; Fernando

Newman, Purchasing Director; Robert L. Tanzola, Sales

Director, Moisés Pallares, Public and Government Relations

Director

Manufacturers of commercial trucks, vehicles, engines,

automotive components.

Established: 1935 Telex: 1763185

NISSAN MEXICANA, S.A. DE C.V.

Tel. 598-2500

Av. Insurgentes Sur 1958

Col. Florida

Del. B. Juárez

01030 México, D.F.

Shorchi Amemiya, President; Manuel Fernández, Sales Manager

Manufacturers of automobiles.

Established: 1962 Personnel: 7,500 Telex: 1772500

TOTAL MEXICANA, S.A. DE C.V.

Tel. 393-8433

Alamo Plateado 1, 7o. Piso

Frace, Alamos

**Lomas Verdes** 

Apdo. Postal 556

- 53230 Naucalpan, Méx.

Wolfgang Rieck, General Manager; C.P. Mario Alvarez, Administrative Manager; Guillermina Bremer, Sales Manager Manufacturers of fire fighting equipment and vehicles.

Established: 1967 Personnel: 150 Telex: 172410

# WHEN SELLING TO THE MEXICAN GOVERNMENT AND ITS AGENCIES, IT IS REQUIRED TO HAVE REGISTRY NUMBER AS FOREIGN SUPPLIER. FOLLOWING IS RELATED INFORMATION.

### REGISTRATION WITH SECRETARIA DE PROGRMACION Y PRESUPUESTO

(SPP)

Following is a summary of Registration Procedures for Canadian Companies wishing to sell to the Mexican Government and its decentralized agencies.

Note: Registration procedures now cannot be done by the foreign (Canadian) supplier, and <u>must be done</u> by the company's official local agent/representative in Mexico.

To obtain registry, the following documents should be submitted to the Registro de Proveedores Office of the Secretaría de Progrmación y Presupuesto (SPP) (Ministry of Planning and Budgeting) located at the following address:

Registro de Contratistas y
Proveedores de la Administración
Pública Federal S.P.P.
Av. San Antonio Abad No. 124 - Piso 1
Col. Tránsito
06380 México, D.F.

- a) Applications for registration of foreign supplier forms SPP in original and 3 copies, all signed separately.
- b) A copy of the company's balance sheet and profit and loss stateent with data not older than two months with respect to the date of application entry into the Foreign suppliers registry, also translated into Spanish and legalized by the Mexican Consulate.
- Copy of power of company's legal representatives in Canada notarized, and certified by Mexican Consul (documents mentioning full name of person or persons, legally authorized to sign documents on behalf of company showing his (their) signature.
- d) Copy of agency/representative contract in Mexico notarized and then certified by Mexican Consul.
- e) Copy of a document that proves and guarantees legal existence of company in Canada.
   A certificate of incorporation from a Canadian

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ENCHARED TO THE RELEASE HOWERS AS FORESTON.

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Registro de Contratistes y Provosdores de la Administración Sublice Federal 9.7.2. Av. San Antonio Abad No. 124 - Piso 1 Col. Tránsito Besso Mexico, B.F.

- a) applications for registration of foreign ampplier forms SPP in original and 3 copies.
- d A dopy of the company's balance sheet and profit and lose stateent with data not older than two send lose sixte respect to the date of application entry into the Foreign suppliers requestry, also cranslated into Spanish and legalized by the Mexican Consulate.
- Copy of power of company's legal representatives in Canada notarized, and certified by Maximan Conmat (documents mentioning full name of person or parsons, legally authorized to sign documents on toleast or company showing his (their signerure)
  - Copy of agency/representative contract in Memico
- el Copy of a document that proves and quarantess legal swilling of company in Canada.

  A destricate of importantian from a Canadian

Chamber of Commerce or Industry Chamber. This letter must be presented in its original form and-must state that interested company has been legally incorporated in accordance to the laws of the country and must include the date of incorporation. The letter cannot be more than six months old from the date it was issued. In addition it must be translated into Spanish and legalized by the Mexican Consulate.

·

- f) Limited power to local agent to act on behalf of foreign firm on disputes and collection matters.
- g) A photocopy of sample past invoices for each product to be supplied duly translated and legalized by the Mexican Consulate with the date and the names of the buyer and the seller underlined and highlighted.
- 2. Once application forms and supporting documents are approved, registration number is issued in two to four weeks time. To claim registration number, foreign firm's representative will have to present original and copy of HD-1 form "Declaración General de Pago de Derechos" duly paid.
- As first step, payment of \$366,000 Mexican Pesos (as of April 1990 and rate subject to changes) should be made at any office of the Secretaría de Hacienda y Crédito Público (SHCP) in cash, or with Mex. Peso bank draft in favor of the "TESORERIA DE LA FEDRACION" payable through a Mexican bank located in Mexico City and should be accompanied by four (4) payment forms DH1. Each form should be signed separately. Forms can be obtained at any SHCP's offices.

#### IMPORTANT

#### TO AVOID REFUSAL OF APPLICATIONS

- I Copies of documents b, c, d, e, f, g, must be translated into Spanish by certified local translator if done in Mexico. However if documents b, c, d, e, f, g and respective translations are done into Spanish in Canada, these do not have to be done by certified translator, as above, but documents and translations must be duly notarized, and then certified by nearest Mexican Consul in your area.
- Original and copies of application forms must be signed separately by company's legal representative.

Chamber of Commerce or Industry Chamber. This setter must be presented in its original form and must stace that invarented company has been legally decompany has been legally decompany and must include the date to the laws of the opening and must include the date of incorporation the date it was fewere than and incorporation the date it was fewere the addition it must be translated into Spanish and legalized by the Westcan Communisted

blaited power to local agent to act on behalf of foreign fire on disputes and collection matters.

A photocopy of sample past invoices for each product to be supplied duly translated and legalized by the Mexican Consulate wite the date and the names of the buyer and the seller underlined and bighlighted.

once application forms and supporting documents as approved, registration number is issued in two to four weeks time. To claim registration number, foreign firm's representative will have so present original and copy of HD-1 form "Declaration deneral dw Pago de Derachos" dwiy pald.

To obtain HD-1 forms.

As first stap, payment of \$156,000 Maxican Pesos (as of April 1990 and rate subject to changes) should be made at any office of the Secretaria de Macienda y Crédito Público (SMCM) in cash, or with Mes. Peso hank draft in favor of the "TESPAREIA OR IA FEDRACION DESCRIPTION OF THE PAYMENT DESCRIPTION OF THE SACH TOTAL SECRETARION OF TOTAL SACH FORM Should be signed by four (A) payment cash be obtained at any CMCM a offices.

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#### STORE BETWEEN OF APPLICATIONS

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or faus among replications of application forms and indiging

III Corporate name should appear exactly the same in all documents: (i.e.: spelling, company names which have changed over the years).

Legal representative's signature should be signed separately on following documents:

. DH-1 Payment forms

. Registry application forms (both pages)

. Power of legal representative of company in Canada.

consequent and supplies, the of the algorith of the con-

polygon that a Clare sand other house Come !

- Copy of agency/representative contract in Mexico.
- . Limited power to local agent.

While every effort has been made to provide the above information accurately, the Canadian Embassy cannot assume responsibility for errors, omissions or subsequent changes in procedure which may occur.

Information updated April/90 Canadian Embassy Mexico City documenter (i.e., spelling, company names which have changed over the years).

logal representative's eignature should be eigned separately on following documents:

OH-1 Paymant forms
Registry application forms (both payes)
Power of legal representative of company in
Canada.
Copy of agency/representative contract in
Mexico.
Lisited power to local agent.

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AUTO REFACCIONES I. SPECIALIZADAS, S.A.

V. Cuauhtémoc 1338, 1er. Piso

Col. Santa Cruz Aloyac

Del. B. Juárez

3310 México, D.F.

Mario Doniz Lechón, General Director, Mario Doniz Islas, Assistant Director; Ernesto Rivera Ocampo, Sales Manager; Edgar Pérez Ramirez, Purchasing Manager.

Distributors of clamps, shock absorbers, batteries, lubricant additives, communications antennas, bearings, belts, electronic

motor starters, spark plugs, condensers, automotive brakes.

Established 1964 • Personnel 46

AUTOIMP

42-5183

de Abril No. 706 Oriente

Col. Independencia

64720 Monterrey, N.L.

import/export of automotive parts, export of fiberglass boats and hermoplastic products.

Established 1986

AUTOMOTORES DE SATELITE, S.A. DE C.V.

Av. Sor Juana Inés de la Cruz 353

54030 Talnepantia, Méx

Beny Schoenfel, General Manager; Roberto Schoenfel Palacci, Managing Director; Ing. Alfonso Coallas, Sales Manager; C.P. Luis Méndez Cabrera, Administratrive Manager.

Distributors of automobiles and trucks, automotive parts, repairs

and service.

Established 1968

BALEROS DE OCCIDENTE, S.A.

13-8657

567-0744

Calz Independencia Sur 910

44100 Guadalajara, Jal.

J. Trinidad Nuño Macías, General Manager.

Distributors of automotive parts.

Established 1974 • Telex 682646

CAMIONES ESPECIALES, S.A.

Calz Vallejo 820

Col. Industrial Vallejo

Del. Azcapotzalco

02300 México, D.F.

Desmond J. Swaine, General Director; Guillermo Carstens, General

Manager: Marco Antonio Zentella, Assistant General Manager.

Distributors of automobiles and trucks, automobile parts, diesel and gasoline engines.

Established 1956 • Personnel 104

CENTRAL CAMIONERA, S.A. DE C.V.

579-5311

Mutarco Elias Calles 590

Col. Iztacalco

Del Iztacalco

08900 México, D.F.

rancisco Nicolás Díaz B., Managing Director; Mario Rodríguez de a Vega, Comptroller; Ramón Calzada Ayanegui, Sales Manager.

Mobile refrigeration, automotive parts and service.

Personnel 67

CUMMINS MEXICANA, S.A. DE C.V.

822-9411

Circuito Gustavo Baz 2 Col. México Nuevo

\$4500 Atlzapán, Méx.

no. Jose Luis Casado Benito, General Manager; Ing. Andrés Gallegos Servin, Commercial Manager; C.P. Miguel L. Romero Jassan, Comptroller.

Distributors of diesel engines and spare parts.

Established 1967

KOPAR, S.A. DE C.V.

Slmón Bolívar 301 Sur

Col. Chepe Vera

64030 Monterrey, N.L.

Ing. Abiel Gutiérrez, General Manager; Ing. Jaime López, Sales

Shock absorbers: sales and engineering.

Established 1981 • Telex 382850

LUCAS SERVICE MEXICO, S.A. DE C.V.

676-9855

584-4566

14-1412

782-1111

48-7383

Periférico Sur 6369

Apdo. Postal 22-164

Col. Tepepan

Del. Xochimilco

16020 México, D.F.

Ing. James S. Holden, Director and General Manager; Lic. Phillip Steiner, Marketing Manager; Edmundo Cañada, Sales Manager. Sales and repair of diesel fuel injection equipment, automotive

parts.

Established 1946 • Personnel 202 • Telex 1777413

MAQUINARIA LER, S.A.

Aguascallentes 175, Desp. 103 y 104

Col. Hipódromo Condesa

Del. Cuauhtémoc

06100 México, D.F.

Luis Estrada Rodríguez, General Manager; Ing. Luis Estrada Capmany, Sales Manager; Diana Estrada Rodríguez, Purchasing

Distributors of industrial machinery, electrical equipment, marine equipment and supplies, diesel fuel injection equipment, diesel engines, electric motors, marine engines, motor parts.

Established 1977 • Personnel 12 • Telex 1771300

MAYOREO AUTOMOTRIZ Y AGRICOLA,

S.A. DE C.V.

San Fernando 514

44180 Guadalajara, Jal.

Adolfo Orendain Badillo, General Director.

Distributors of automotive parts.

OVERSEAS, S.A.

Geranio 220

Col. Santa Maria Insurgentes

Del Cuauhtémoc

06430 México, D.F. Apdo. Postal 2 Bis

06000 México, D.F.

Ing. Sergio Melgarejo Chávez, President; Lic. Sergio Hernández Barrón, Industrial Relations Director; Ing. María de los Angeles Valdez Mendoza, Materials Director; Lic. Rafael López Mas, Commercial Director; C.P. Octavio Castillo Jiménez, Comptroller. Distributors of automotive parts.

Established 1940 • Personnel 180 • Telex 1771224

PRIDA, S.A. Mar Adriático 56

Col. Popotla

Del. M. Hidalgo

11400 México, D.F.

Jaime Prida P., General Manager; Eustolia Pérez G., Credit and Collections Manager; Ricardo Prida P., Administrative Manager. Distributors of automotive parts and accessories.

Telex 1771300

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México, D.F.

in Lara y Lara, President; Lic. Juan José Lara Zavala, General

outors of automotive parts.

Nished 1959 • Personnel 33 • Telex 1772893

FACCIONARIA MIGUEL, S.A.

537-1968

Surgentes Norte 1259

II. Guadalupe Insurgentes

I. G.A. Madero

870 México, D.F.

Quel Rivacoba Marin, Administrative Manager; Marta Rivacoba,

Pance Manager; Juan Ruiz, Sales Manager.

stributors of automotive parts.

stablished 1949 • Personnel 24

#### REFACCIONES DIESEL VALLEJO,

368-6486

A DE C.V.

Calz Vallejo 1122

Col. Prado Vallejo

4170 Talnepartia, Méx.

Waro Villagrán Ochoa, CEO; José Luis Arellano V., Administrative

Manager.

Distributors of automotive parts.

stablished 1979 • Personnel 7

#### ROBERT BOSCH, S.A. DE C.V.

588-8055

566-3600

or Lucio 270

Pdo. Postal 7-878

Col Doctores

Del. Cuauhtémoc

6720 México, D.F.

Painz-Udo Oergel, General Director; Bernhard Wolf, Import Mana-

Per: Andreas Stedtfeld, Administrative Manager.

Distributors of automobile parts, electrical power tools, automotive

workshop equipment, test instruments, motor chain saws.

Established 1955 • Personnel 92 • Telex 1772609

## SELMEQ EQUIPOS INDUSTRIALES,

SA DE C.K

Manuel María Contreras 25

Col San Rafael

Del. Cuauhtémoc

06470 México, D.F.

C. Alejandro Rangel, General Director; Ing. Armando Ponce,

Sales Director; Jorge Górnez, Purchasing Manager.

Distributors of boilers, electric controls and equipment, water treatment and diesel injection equipment, electrical installations, measuring instruments, gasoline and diesel engines, transformers,

electric motors, engineering. Established 1979 • Personnel 406

# SERVI-COMPACTOS, S.A. DE C.V.

534-8050

Av. Universidad 1048 Col General Anaya

Del B. Juárez

03340 México, D.F.

Horst Mokross, General Manager.

Automotive parts and service.

Established 1970 • Personnel 200

SERVICIO HARLEY DAVIDSON, S.A.

Bolivar 482

Col. Algarin

Del. Cuauhtémoc

06880 México, D.F.

Maria del Carmen M. del Campo R., Director; Maria Elena Steta Vda. de M. del Campo, General Manager.

519-6389

586-3044

587-4429

538-4728

Motorcycle distributors, service, parts and accessories.

Established 1947 • Personnel 13 • Telex 1771300

SKF MEXICANA, S.A.

Ele Central Lázaro Cárdenas 869

Col. Nueva Industrial Vallejo

Del. G.A. Madero

07700 México, D.F.

Apdo. Postal 98

06000 México, D.F.

Hans Willy Bona, Managing Director; Francisco de la Icaza, Bearings Sales Manager; José Arguelles, Materials Flow Manager. Distributors of bearings, special steels, machine cutting and

precision tools, automotive parts.

Established 1920 • Personnel 147 • Telex 1772735

TAPIA AUTOMOTRIZ, S.A.

Calz Vallejo 757

Col. Residencial Vallejo

Del. G.A. Madero

07750 México, D.F.

Narciso Tapia, General Manager; Rogelio Islas, Accountant; Emilio

Tapia, Purchasing Manager.

Automotive parts.

Established 1967 • Personnel 17

TECNICOS EN RECTIFICADORAS

AUTOMOTRICES, S.A.

Aragón 157-G

Col. Alamos

Del. B. Juárez

03400 México, D.F.

Alfonso Baca Martínez, Administrator.

Distributors of machinery, measuring equipment, abrasives, auto-

motive spare parts.

Established 1974 • Personnel 6 • Telex 1764107

TRANSMISIONES Y PARTES AUTOMOTRICES,

S.A. DE C.V.

Calz de Guadalupe 27

Col. Maza

Del. Cuauhtémoc

06270 México, D.F.

Emilio Cano Bazaldúa, General Manager.

Distributors of automotive parts and transmissions.

Established 1968 • Personnel 6

VICTOR F. BAUSTISTA CHAGOYAN .

Y COMPANIA, S.A. DE C.V.

Av. Niños Héroes 3053-107

Apdo. Postal 5-122

45000 Guadalajara, Jal.

Victor F. Bautista Chagoyán, Director.

Distributors of hardware, automotive parts.

Established 1972 • Personnel 8

21-7500

526-3030

19-3672

JONES, HUGH M. Av. Vasconcelos 673-A Apdo. Postal 223 Col. del Valle 66220 Garza Garcia, N.L. Ina. Hugh M. Jones, Director, Exports, in-bond industry.

571-8166

SESORA DE SERVICIOS MTERNACIONALES, S.A. v. Niños Héroes 1633-407 4100 Guadalajara, Jal. ic. Alejandro Gómez Montoy, Administrator. 1-bond industry, import/export consultants. stablished 1982 • Personnel 18

lablished 1950 .

576-9777

6-5308

10-3096

CARBONO LORENA DE MEXICO, S.A. Av. Francisco I. Madero 28 Col. Lázaro Cárdenas 53560 Naucalpan, Méx. Apdo. Postal 707 53000 Naucalpan, Méx.

Ing. Rogelio Mejia Nápoles, General Director; Ing. Gonzalo Gómez-Daza, Chemical Engineering Manager; Ing. Gilberto García Balmori, Electrical Applications Manager.

Manufacturers of carbon brushes and other carbon and graphite products. Established 1971 • Personnel 30 • Telex 1771873

CANDADOS UNIVERSALES DE MEXICO Av. Escandón y Helgueres 25 Apdo. Postal 296

Matamoros, Tamps.

Carmine A. Auditore, Manager.

In-bond industry. Personnel 40

CAMPCO DE MEXICO, S.A. DE C.V. Via José López Portillo 8-B

54940 Tultillán, Méx Apdo. Postal 280

54000 Talnepantia, Méx.

Francisco Javier Pietrini León, General Director; Ing. Lawrence

Brown, Sales and Plant Manager. Manufacturers of plastic products.

Established 1960 • Personnel 243

LAMINADOS METALICOS, S.A. Juan I. Ramón 452 Poniente 64000 Monterrey, N.L. Gustavo Fernández López, Manager. Metal stampings, plastic molding, parts. Personnel 3

33-2735

42-9903

KELEK, S.A. DE C.V. Llendo 627 Sur, Desp. 304 Col. Obispado 64040 Monterrey, N.L. Ing. Marco A. González Purata, Manager. Representatives of American companies. Telex 382293

MAQUINARIA INTERCONTINENTAL, S.A. DE C.V.

Economía 165

Apdo. Postal 33-085 Col. Cuatro Arboles

Del. V. Carranza

25730 México, D.F.

Pedro R. Arrechea, President; Victor Loizaga, General Manager;

Ramón Brambila, Sales Manager.

Distribution, rental and imports of agricultural, construction, industrial, mining and fishing machinery, cranes, hoists, mixers, truck loaders, tractors and marine engines.

Established 1951 • Personnel 165 • Telex 1773192

MAQUINARIA IGSA, S.A. DE C.V.

570-3588 Carr. México-Toluca Km. 18.5

Col. Cualimalpa Del. Izlacalco

05000 México, D.F.

Ing. Santiago Paredes Jurado, General Director; Ing. Arturo Meza Vera. Sales Manager; Guillermina Pulido, Purchasing Manager. Manufacturers of diesel engines, marine engines, solar energy services and equipment, turbines, welding equipment. Established 1972 • Personnel 209 • Telex 1776360

MAYOREO ELECTROMECANICO, S.A. DE C.V.

25-7510

21-8651

J. Guadalupe Montenegro 1687

44100 Guadalajara, Jal. Ing. Pedro Collignon Collignon, General Director. Distributors of electromechanical equipment. Established 1965 • Personnel 55 • Telex 683202

MADUSA, S.A. Cauda 734 45520 Guadalajara, Jal. Ing. Sergio Díaz Garza, General Director. Manufacturers of metal products, automotive parts.

OUTOKUMPU MEXICANA, S.A. DE C.V.

254-4208

Homero 229, 60. Plso Apdo. Postal 105-211 Col. Polanco Del. M. Hidalgo

11560 México, D.F.

Alejandro Lira, General Director; Antonio Santibáñez, Administrative Manager; Alejandro Zarco, Automation Sales Manager; John Speissegger, Concentrators Sales Manager; Alejandro Durand, Mining Sales Manager.

X-ray analyzers, metal detectors, level controllers, computer process control systems, flotation cells, pressure filters, pneumatic drifters, hydraulic and pneumatic drilling equipment, utility vehicles, loading equipment, crushing plants and spare parts.

Established 1979 • Personnel 13 • Telex 1773235

S.A. DE C.V.

Cumbres de Acultzingo 198

Apdo, Postal 198 Frace, Los Pirules

54040 Tainepantia, Méx.

Antonio Gómez M., General Director; Eduardo Trigo, Corporate Director: Mario Rivero, Finance Director; David Castillo, Sales Director; Gabriel Barragán, Administrative Director; Miguel Calderoni, Industrial Relations Director. Manufacturers of automotive parts.

Established 1961 • Personnel 800 • Telex 1772276

PROTTSA, S.A.

558-8577

**Oriente 233 No. 91** 

Col. Agricola Oriental

Del. Iztacalco

08500 México, D.F.

Rogelio Navarro Montemayor, General Director; Ing. Jorge Mañón.

Assistant General Manager.

Manufacturers of nuts, bolts and screws,

Established 1953 • Personnel 350 • Telex 1777292

REFACCIONES Y MOTORES, S.A. DE C.V.

567-2553

Calle 21 No. 49

587-6320

02600 México, D.F.

Salvador Aviles Armendáriz, General Director; Salvador Aviles Iglesias, General Manager; Lic. Carlos E. Aviles Iglesias, Administrative Manager.

Manufacturers of engines and parts for diesel machinery.

Established 1966 • Personnel 27

REDUCTORES JIV DE MEXICO. S.A.

527-3265

Mar Jónico 42

Apdo, Postal 42006

Col. Tacuba

Del. M. Hidalgo

11410 México, D.F.

Gabriel Cerro Mayo, General Director, Lic. Roberto Ortega San Román, International Trade Manager; María del Carmen Ruiz, Purchasing Manager.

----

Mechanical speed reducers, variable speed drives.

Established 1981 • Personnel 65 • Telex 1773749

RECUBRIMIENTOS INTERNACIONALES

79-9560

PARA AUTO PARTES, S.A. DE C.V. Av. Las Américas 814

Col. América

67130 Guadalupe, N.L.

Miguel Angel Muñoz Brandi, General Manager.

Automotive parts.

Established 1984 • Personnel 30

RIO GRANDE SERVAAS, S.A. DE C.V.

Victoria Norte 2700

26010 Pledras Negras, Coah.

W.G. Wilson, General Manager.

Manufacturers of inner tubes.

Established 1984 • Personnel 238

ALVULAS Y CONEXIONES

GUADALAJARA, S.A. bedul 367

1900 Guadalajara, Jal.

Dretzka, Representative. istributors of valves and fittings. 12-7579

2-4765

RIMIR, S.A. DE C.V. Av. Michigan y Ohlo Apdo. Postal 237 Fracc. Industrial del Norte 87310 Matamoros, Tamps.

Terry L. Marquis, Managing Director; Martin Butt, Purchasing Manager; Larry D. Reser, Comptroller.

Automotive fascias.

Established 1980 • Personnel 1,100 • Telex 5125481635

SEMICONDUCTORES OPTICOS, S.A. DE C.V.

Carr. Juárez Porvenir 8419

Apdo. Postal 1719-D

32470 Cludad Juárez, Chih.

James A. Hopkins, Mexico Operations Manager.

In-bond electronics assembly.

Established 1983 • Personnel 420

SERVICIO DETROIT DIESEL ALLISON, S.A.

Insurgentes Norte 1190 07380 México, D.F.

Lic. Juan Salcedo Mascareñas, General Director.

Distributors of motors and parts for farm and industrial machinery.

SISTEMAS ELECTRICOS Y CONMUTADORES,

S.A. DE C.V.

Apdo.Postal 1734, Suc. D 32470 Cludad Juarez, Chih.

Donald H. McGivern, Managing Director.

Manufacturers of electrical automotive components.

Established 1979 • Personnel 1,088

TRANSMISIONES Y EQUIPOS MECANICOS, 533-1795

S.A. DE C.V.

Varsovia 44, 3er. Piso

Col. Juárez

Del. Cuauhtémoc

06600 México, D.F.

José Rivera, General Director; Manuel de la Portilla, Marketing

Director; Isidro Mata C., Purchasing Manager.

Manual automotive transmissions, components, spare parts and forgings.

Established 1964 • Personnel 2,000 • Telex 1771293

TRACTOCAMIONES METROPOLITANOS

587-1000

12-0353

(512)548-2202

17-5717

17-6018

17-8888

OESTE, S.A. Norte 35 No. 930

Col. Industrial Vallejo

. Del. Azcapotzalco

02300 México, D.F.

Juan de Dios Meléndez-Martinez Beltrán, General Director: C.P. Allonso Téllez Meléndez, Admiistrative Manager; Lic. Jorge Medina Ortiz, Sales Manager; Oscar A. Pierson Moncayo, Service Manager. Distributors of spare parts, commission agents for heavy-duty trucks.

Personnel 80

WEBB DE MEXICO, S.A.

Gobernador Curiel 3350

44940 Guadalajara, Jal.

Angel Muñoz Hemández, General Director.

Manufacturers of agricultural and automotive parts.

Established 1964 • Personnel 150 • Telex 684241

TELE-COMP DE JUAREZ, S.A. DE C.V.
Calle Fresnel y Fahrenhelt s/n
Apdo. Postal 1756-D
Parque Industrial Antonio J. Bermúdez
32470 Cludad Juárez, Chih.
Wayne Gill, General Manager; Jack Shelton, Senior Program
Manager; Les Unger, Finance Manager; Charles E. Dwinal, Quality
Assurance Manager.
Magnetic components, hybrids, harnesses, shelves, PC boards.
Established 1982 • Personnel 750

31-5151

Av. López Mateos Sur 4251
45060 Guadalajara, Jal.
Germán de Zulueta Correa, Director.
Distributors of automobiles, trucks, spare parts.
Established 1980 • Personnel 120°

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