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# OPPORTUNITIES IN MEXICO: THE MONTERREY REGION



Department of Foreign Affairs  
and International Trade

Ministère des Affaires étrangères  
et du Commerce international

Latin America & Caribbean Bureau

M A R K E T P R O F I L E - M E X I C O

***Opportunities in Mexico: The Monterrey Region*** was developed jointly by the Department of Foreign Affairs and International Trade (DFAIT) and Prospectus Inc.

This market profile is designed to provide an overview of market opportunities in **Monterrey**, Mexico. Although efforts have been made to avoid errors and inaccuracies in this document, it is not intended to be used as the only source of market information on this sector. We encourage the reader to use this publication as one of several resources for commercial dealings with Mexico.

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© Minister of Supply and Services, January 1997

Catalogue No. E73-9/72-1996E  
ISBN 0-662-25217-9

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Published by Prospectus Inc.  
Printed in Canada.

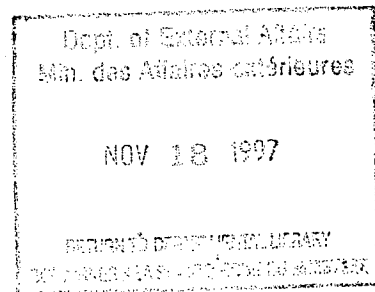
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# OPPORTUNITIES IN MEXICO:

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## THE MONTERREY REGION

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# Mexico



## THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of close to 361 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of more than \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico was just under \$6.5 billion in 1995 and is expected to exceed \$8 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from \$452 million in 1992 to over \$1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However, it is not exhaustive. The differing circumstances, interests and needs of individual companies will influence their strategies for the Mexican market.

Further assistance can be obtained by addressing requests to the International Trade Centres (see Where To Get Help) or contact the InfoCentre at:

Tel.: 1-800-267-8376 or (613) 944-4000

Fax: (613) 996-9709

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\*FaxLink is a faxback system which provides summaries on a range of Mexican markets. It must be contacted through your fax machine. Dial from your fax phone and follow the voice prompt instructions.

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## SULTAN OF THE NORTH

Monterrey is one of Mexico's leading industrial and financial centres. It is the capital of the state of Nuevo León, and the industrial focal point of northeastern Mexico. Half of all Mexican industry and financial services is controlled from Monterrey. It is one of Mexico's most important steel-making centres and is also home to a wide variety of light industries. In addition to smelting and metalworking, its major industries include cement, glass, petrochemicals and food processing. The region's service sector includes important financial, transportation, construction and telecommunication enterprises. Monterrey is known in Mexico as the "Sultan of the North."

Monterrey is about 250 kilometres south of Laredo, Texas. Nuevo León is bounded on the north mostly by neighbouring Coahuila and Tamaulipas, but it has a narrow corridor through to the Texas border, in the Colombia region. This is where the new Solidarity International Bridge crosses the Río Grande into the United States. The region features a great variety of geographical and climatic conditions. The north is semi-arid, but the southern mountain slopes support many crops, including cotton, fruit and vegetables, sugar cane and grains. Nuevo León is the principal Mexican beneficiary of the Falcón Dam on the Río Grande, which supplies both irrigation and hydroelectric power. Rail links connect the region to Laredo, Texas, Mexico City and the Gulf port of Tampico.

Monterrey is known for its large family-based *grupos*, integrated, industrial giants of Mexico. In particular, the intertwined Garza and Sada families control seven of Mexico's largest public companies. The Zambrano family dominates the cement industry, while the Garza Lagüera family holds diversified interests in banking, soft drinks and telecommunications. The González family controls a US \$1 billion corn and tortilla empire, with major holdings in banking. While most of these companies remain family controlled, many of them are now broadly held, and have affiliations with companies in other parts of Mexico as well as in other countries.

Nuevo León is highly urbanized, with 95 percent of its population located in Greater Monterrey. The region is known for a rugged entrepreneurial spirit and sense of self-reliance, borne from many decades of isolation from the rest of Mexico. Residents are known as *regionmontanos*, or *regios* for short. The term has come to symbolize a family-oriented, conservative business style.

As a major industrial centre, the region was hard hit by the economic crisis that rocked Mexico following the peso devaluation in December 1994. Industrial production fell by almost 17 percent, more than double the drop for the country as a whole.

Between November 1994 and the depth of the peso crisis in the third quarter of 1995, Nuevo León lost more than 53,000 full-time registered jobs, a drop of about 8 percent. According to official statistics, the pre-crisis employment levels have now been re-established. But the data conceal a considerable amount of underemployment. In addition, these statistics cover only private-sector formally employed workers who are registered with the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security. It will be some time before job growth can catch up with new workers who entered the labour force over the last two years.

Because they are both export-oriented and highly diversified, with operations throughout Mexico, most of the large *grupos* were not hurt badly by the crisis. Several of them continued with previous expansion plans even before the trough in the third quarter of 1995. There have been a few notable setbacks, but they were not necessarily attributable to the crisis. In any event, these companies have considerable staying power with both the resources and the will to take a long-term view.

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## HISTORY AND CULTURE

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Prior to the Spanish Conquest, northeastern Mexico was occupied by a variety of indigenous tribes. Initially, the Spaniards, under Hernán Cortés, concentrated on subduing the Aztecs further to the south. Cortés founded Mexico City on the site of the Aztec capital in 1521. Francisco de Montejo moved north and conquered the remnants of the northern tribes in 1526, and by the 1540s most of northern Mexico was under Spanish control.

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Ciudad de Nuestra Señora de Monterrey was founded in 1596 as the capital of the Kingdom of Nuevo León. Monterrey initially developed as a trading centre, linking the agricultural and mining areas of the north to the sea ports in Nueva Santander (now Tamaulipas). It did not emerge as an industrial centre until the 19<sup>th</sup> century. The state of Nuevo León was created in 1824 following the declaration of independence three years earlier.

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Cattle ranching was the principal economic activity prior to the Mexican-American War. Monterrey was occupied by the Americans, under Zachary Taylor, and the Battle of Angostura was fought nearby in February 1847. The war ended with the Treaty of Guadalupe Hidalgo in September 1848. Although Mexico lost a great deal of territory, relations with the United States were normalized. The northern links helped to offset the fact that the northeastern region was relatively isolated from the centres of power in Mexico. Historians generally cite this isolation as a driving force in the development of the entrepreneurial spirit that characterizes the Monterrey region today.

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After the war, a textile industry began to develop, with the first major plant constructed in Santa Catarina in 1856. Monterrey also developed as a transportation centre for Confederate cotton during the American Civil War of 1861 to 1865. Two more textile plants opened in 1872 and 1874. A railway from Laredo, Texas, was opened in 1882, and telegraph service also became available at that time. This, combined with favourable investment legislation, led to the rapid development of the beer, steel, glass and cement industries.

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*continued on next page*



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Local legend credits the founding of the famous *Cuahtémoc-Moctezuma* Brewery in 1890 for much of Monterrey's early development. Now part of *Grupo Visa*, it was founded by Francisco Sada, who was joined by his brother-in-law, Isaac Garza. It is now one of the biggest beer producers in Latin America. In 1900, a steel company, *Compañía Fundidora de Hierro y Acero de Monterrey*, was founded to supply the brewery with bottle caps. This company was the cornerstone for an industry that has made Monterrey a major steel centre. In 1909 *Vidriera Monterrey*, a glass factory, was established to supply the brewery with bottles. It expanded into flat glass products, and Monterrey now supplies three-quarters of Mexico's glass. A packaging industry also sprung up to facilitate shipping of the brewery's product. To support all of this development, the cement-maker, *Cementos Hidalgo*, began operations in 1907, leading the way for an industry that now produces 60 percent of Mexico's cement. While this story may be an oversimplification, it is certainly true that isolation and a need for self-reliance played a major role in the development of the region's diversified industrial base. It also explains the ubiquitous Sada and Garza family names that appear everywhere in descriptions of Monterrey's business and social environment.

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Today, the Monterrey region is Mexico's second-largest industrial centre, after the Mexico City area. It boasts a well-developed infrastructure, including a modern subway and a system of industrial parks.

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Culturally, Monterrey is regarded as being the most "Americanized" of Mexico's major cities. Business visitors report that modern business methods and a northern concept of time and punctuality prevail. The influence of the American media has led to a preference for foreign goods and sporting activities. Although soccer remains Mexico's most popular sport, professional baseball and basketball teams are a rapidly growing phenomenon in Monterrey.

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In spite of the advanced industrial development of the Monterrey region, the city itself retains much colonial charm. The *Gran Plaza* is noted both for its size and for its unusual mixture of architectural styles. Several of the city's religious sites, most notably *Templo de la Purísima*, are among the most important in Mexico. The cultural environment includes a blend of traditional and modern architecture and art forms. For example, the Museum of Contemporary Art is the most comprehensive of its kind in Latin America, while the *Centro Cultural Alfa* features a major collection of pre-Columbian art.

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Natural tourist attractions include the García Caves, the Cola de Caballo waterfall and the Huasteca Canyon.

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The *Museo de Ciencia y Tecnología*, science and technology museum, is symbolic of Monterrey's leadership in the development of technology and modern image. The city is home to *Instituto Tecnológico de Estudios Superiores de Monterrey*, (ITESM) the Monterrey Institute of Technology and Higher Education, one of the nation's leading technical universities, as well as four other universities.

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## THE REGIONAL ECONOMY

Monterrey is the economic focal point of northeastern Mexico. It is the capital of the State of Nuevo León, and the neighbouring states of Coahuila to the west and Tamaulipas to the east comprise the rest of the region. The region has the advantages of a strategic location relative to the United States and access to ports on the Gulf Coast. As well, it features a highly developed industrial infrastructure, including modern freeways and railways.

### POPULATION AND LAND AREA OF NORTHEASTERN MEXICO

State	km <sup>2</sup>	1995 Population
Nuevo León	64,555	3,549,273
Coahuila	151,571	2,172,136
Tamaulipas	78,829	2,526,387
Total northeastern region	294,955	8,247,796
<b>Total Mexico</b>	<b>1,967,183</b>	<b>91,120,433</b>

Source: Instituto Nacional de Estadística, Geografía e Informática (INEGI), National Institute for Statistics, Geography and Informatics, 1996.

## NUEVO LEÓN

Nuevo León is the most industrialized of the three states with a population of 3.5 million in 1995. The state is home to seven of Mexico's top 15 corporations with more than 8,000 industrial enterprises based in Monterrey alone. A deeply-rooted entrepreneurial culture has led to many alliances with other Mexican companies as well as firms from around the world. A well-trained labour force has attracted many foreign high-technology manufacturers, including Canada's Northern Telecom. The state has 16 universities and almost 200 professional and technical schools. The high productivity of the region's manufacturers is illustrated by Nuevo León's production of 16 percent of Mexico's industrial output with less than 4 percent of the population and less than 8 percent of manufacturing employment. It is also responsible for one-third of Mexico's manufactured exports.

## MAQUILADORA ZONES

Complementary legislation in Mexico and the United States allows raw materials and components to be imported duty free in-bond and then re-exported to the US with duty applicable only to the Mexican value-added. The original program restricted sales within Mexico to a small proportion of substandard units. The *maquiladora*, in-bond manufacturing, zones are concentrated in the border states, but are also located in areas such as Jalisco and Aguascalientes that are strategically located for exporting industries.

Monterrey's *maquiladora* zones are home to many large-scale multinational enterprises. But under the North American Free Trade Agreement (NAFTA), the *maquiladora* program will gradually become irrelevant. Beginning in 1994, they could sell 55 percent of their previous year's exports within the country. The percentage will be increased by 5 percent annually until it reaches 85 percent in 2000; the restriction will be eliminated entirely in 2001. As duties are phased out under NAFTA, the American side of the arrangement will also become redundant.

Most *maquiladora* plants are already integrating into the local economy. Some of them are helping Mexican companies to develop the capabilities to become suppliers. In addition to meeting quality control standards, Mexican firms need to learn to use CAD/CAM technologies for receiving designs and specifications, electronic data interchange (EDI) systems for order-taking and just-in-time (JIT) delivery systems.

These new opportunities for Mexican companies are creating market opportunities for Canadian firms which can form joint ventures to help them modernize.

The major industries of Nuevo León include steel, glass, cement, plastics, beverages, and chemicals. But there is also a diversified light manufacturing industry with many high-technology operations.

Production is dominated by large *grupos*, Mexico's industrial giants, including *Alfa, Axa, Cemex, Cydsa, Femsa, Imsa, Lamosa, Maseca, Metalsa, Protexa, Pulsar, Ramírez, Villacero, Visa* and *Vitro*. These are mostly family-based conglomerates. They developed in a highly protected environment, where government regulation stifled domestic competition and high tariffs and other barriers kept out foreign competitors. But for the most part, they anticipated the implications of the economic reforms that began in the early 1980s. They supported *la apertura*, the Mexican government's sweeping reforms, and adapted to take advantage of them. By the time Mexico joined the General Agreement on Tariffs and Trade (GATT) in 1986, many of them had already adopted modern business methods and an export orientation.

The presence of big diversified *grupos*, combined with a pattern of subcontracting, have resulted in a relatively large number of medium-sized firms. About 41 percent of all establishments in Greater Monterrey have 51 or more employees. In Guadalajara, a comparable industrialized city, firms of this size account for only 32 percent of the total. Nonetheless, enterprises with five or fewer employees still make up 38 percent of Monterrey's businesses.

Many foreign companies have established plants in the region, including Ford, Chrysler, Caterpillar, Union Carbide, John Deere and Emerson Electric. According to state officials, there are 200 foreign companies in Nuevo León, of which 130 are American and 3 are from Canada.

The region's diversified industrial base provides good opportunities for subcontracting, which means that a wide range of products can be manufactured locally. This is demonstrated by the fact that Nuevo León's 92 *maquiladora*, in-bond manufacturing, operations purchase about one-quarter of their assembly components within the state. This compares with 2 percent nationally, and 10 percent in the industrialized state of Jalisco. This structure has also fostered the growth of small- to medium-sized enterprises (SMEs), which are often good candidates as joint venture partners. Companies located in the region are eager to use the most advanced technologies, and in some cases they have exchanged their own innovations for use in other countries. The Nuevo León state government sponsors a shelter program that reduces the risk that small foreign companies experience while entering the local market.

## COAHUILA

Coahuila is to the west of Nuevo León with a 1995 population of 2.2 million. The city of Torreón includes almost half the population, and another quarter live in the capital, Saltillo. The state is known as one of the most productive cattle-raising areas in Mexico. The *maquiladora* zones along the American border are host to a diversified manufacturing industry. In particular, several large multinational automobile and agricultural implement manufacturers have operations there. They include Chrysler, General Motors, Renault and John Deere.

An excellent highway system connects the main cities with the United States. There is a major crossing over the Río Grande at Piedras Negras, and another at Ciudad Acuña. Metal products is the leading industry, followed by food products, and apparel. The Sabinas Basin in the centre of the state is the location of Mexico's largest coal deposits. Mines in the state provide regional steel producers with both coal and iron ore.

## TAMAULIPAS

Tamaulipas is east of Nuevo León with a 1995 population of 2.5 million. About half the population lives in towns along the American border. The largest city is Matamoros, just across the Río Grande from Brownsville, Texas. It is connected by modern freeway to Monterrey, Saltillo and Torreón. Nuevo Laredo, the most important of Mexico's border crossings for Canadian goods, is located in the northwest corner of the state, north of Monterrey. The capital is Ciudad Victoria, with a population of almost 250,000. The state has almost 500 kilometres of coastline on the Gulf of Mexico. A proposed intercoastal waterway will provide a protected route running the length of the state, along the Gulf coast, from the industrial complex at Tampico/Altamira to Brownsville, Texas.

The Tampico/Altamira/Madero area at the southeastern tip of the state is a major petroleum and petrochemical centre. Fourteen major Mexican and American producers operating in Altamira are responsible for 60 percent of Mexico's private sector petrochemical production. The *Petróleos Mexicanos (Pemex)*, the national oil company, petrochemical complex at Reynosa, on the American border, is one of those recently designated for partial privatization.

The state has important oil and natural gas resources, and *Pemex* has major operations in the Tampico area. There are ports at Tampico and Altamira, which are less than 20 kilometres apart. The Altamira port was one of the first of Mexico's ports to be privatized. There are now two privately-operated multi-use terminals in operation. The Tampico port is Mexico's busiest. *Pemex* operates its own ocean terminal to handle exports from its nearby Madero refinery.

Food processing, metal products and apparel are other important industries. The *maquiladora* zones also include electronics and toy manufacturing enterprises. Cattle ranching is a major activity, as is fishing. Tamaulipas has major mineral resources, including petroleum.

## LABOUR FORCE

According to state government data, Monterrey's labour force makes up 44 percent of the population. This is high by Mexican standards, but it may simply reflect the relative importance of the "formal" sector in this region. Only about 15 percent of Mexico's population is formally employed by registered companies or government entities. Many workers are unrecorded because they are self-employed or work for small unregistered companies and do not participate in the social security system. The presence of the large *grupos* and multinational enterprises could be expected to increase the proportion of formally-employed workers. This may also explain Monterrey's high unemployment rate, which is about 6.8 percent compared with the national average of 6.4 percent. Both numbers are considered serious underestimates by knowledgeable observers.

The distribution of employment by sector reflects the region's high level of industrialization. In Greater Monterrey, only 0.4 percent of this work force is employed in the primary sector, while 25 percent is engaged in manufacturing, and 38 percent in financial and professional services.

### STRUCTURE OF WORK FORCE IN GREATER MONTERREY, 1995

<b>Total work force employed</b>	<b>1,162,743</b>	<b>100%</b>
<b>Primary industries</b>	<b>4,651</b>	<b>0.4%</b>
<b>Secondary industries</b>		
Manufacturing	268,594	23.1%
Construction	106,972	9.2%
<b>Tertiary industries</b>		
Retailing	248,827	21.4%
Financial and professional services	437,191	37.6%
<b>Other</b>	<b>96,508</b>	<b>8.3%</b>

Source: *Secretaría de Desarrollo Económico de Nuevo León*, the Department of Economic Development of Nuevo León.

## REGIONAL INTERDEPENDENCE

The three states of the northwestern region are, to a large extent, interdependent. Nuevo León is heavily urbanized and relies on its neighbours for raw materials and agricultural products. And as an industrial centre, Monterrey provides corresponding markets for producers in Tamaulipas and Coahuila. Nuevo León imports cattle, chicken, coal, minerals, electrical power and steel from Coahuila. From Tamaulipas, it receives petrochemicals and plastic resins, water, agricultural products, tobacco and natural gas, among many other products. There is also a heavy two-way trade in automotive parts between Coahuila and Nuevo León.

As a result of this interdependence, the states work together on a variety of projects. The governors meet twice a year, and other officials meet monthly. There is also an annual conference called the *Cuatro Caminos Cumbre*, which brings together the three northwestern governors with the governors of neighbouring Chihuahua and Texas. David Martínez, Director of *Dirección de Proyectos Internacionales, Secretaría General del Gobierno de Nuevo León*, International Projects for Nuevo León, says that these efforts concentrate on promoting cooperation. "We recognize that cooperation is essential to the region's growth," he says, "but there is also competition among the states for individual investments."

Omar Cruz, Director of *ProExport Nuevo León* agrees. "First, we try to bring investment to Mexico, over other countries," he observed, "and then we try to bring it to Nuevo León, over other states." In a few cases, competition between the states has been bitter. The Solidarity International Bridge in Nuevo León was designed to draw traffic from Nuevo Laredo in Tamaulipas. There has also been an ongoing dispute between these two states over water diversion by the El Cuchillo Dam in Nuevo León. As a result, Nuevo León has a somewhat better relationship with Coahuila than with Tamaulipas.

## NUEVO LEÓN'S GROSS DOMESTIC PRODUCT, 1993

MILLION MEXICAN PESOS

Mexico's gross domestic product (GDP)	1,145,382
Nuevo León's GDP	75,454
<b>Activity breakdown</b>	
Agriculture, cattle, forestry, and fishing	1,047
Mining	554
Manufacturing	21,260
Construction	2,749
Utilities: electricity, gas, water	756
Retailing, restaurants and hotels	15,319
Transportation, warehousing and communications	6,540
Financial services, insurance and real estate	11,691
Community, social, and personal services	15,538
<b>Manufacturing sector breakdown</b>	
Foodstuffs, beverages and tobacco	5,516
Textiles, apparel, and leather products	1,177
Wood and wooden products	299
Paper, paper products, printing and publishing	1,012
Chemical substances, petroleum derivatives, rubber and plastic	2,796
Production of non-metallic minerals	3,486
Basic metallic industries	2,069
Metallic products, machinery, and equipment	4,411
Other manufacturing industries	495

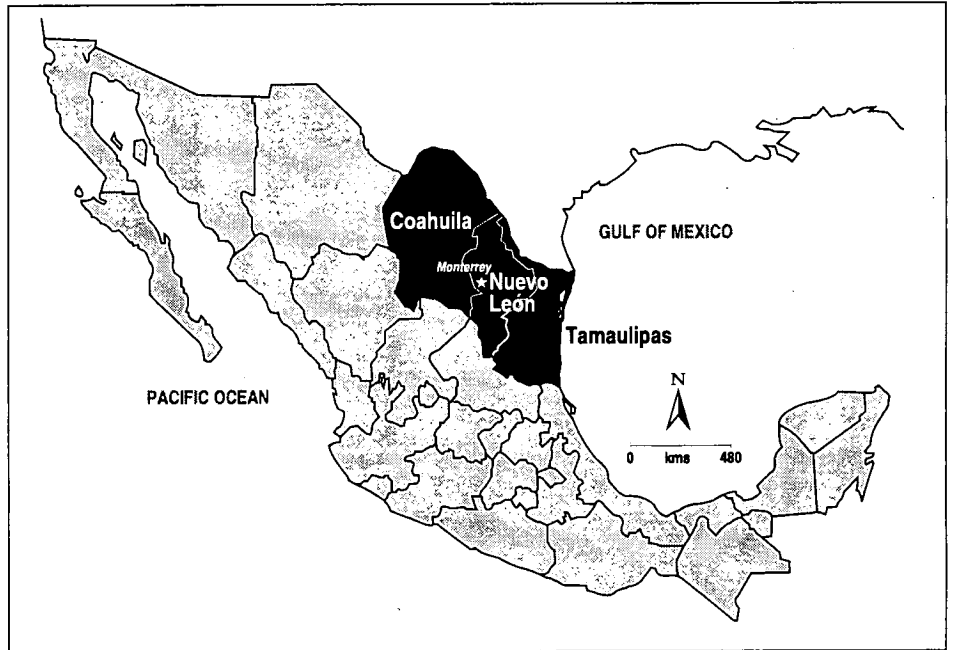
Source: *Secretaría de Desarrollo Económico de Nuevo León*, the Department of Economic Development of Nuevo León, 1995.

## URBANIZATION

The northwest region is highly urbanized. In Nuevo León, 89 percent of the population live in cities of 50,000 or more. If the smaller communities that make up Greater Monterrey are added, the metropolitan region accounts for about 95 percent of the population. The picture is much the same in Coahuila and Tamaulipas. Coahuila has 10 communities with 50,000 or more residents, and

together they are home to 82 percent of the population. In Tamaulipas, there are 11 such municipalities, with 84 percent of the population. Only the Mexico City region and Baja California Norte, (which includes Tijuana and Mexicali), have higher urbanization rates than these three states.

## MONTERREY AND THE NORTHEASTERN STATES



## FOREIGN INVESTMENT

The peso crisis beginning in December 1994 resulted in a sharp drop in foreign investment throughout Mexico. The *Secretaría de Comercio y Fomento Industrial (Secofi)*, *Dirección General de Inversión Extranjera*, Secretariat of Commerce and Industrial Development analyzed the devaluation's impact on investment. Accordingly, in 1996 the Foreign Investment Division of *Secofi* released data showing that Nuevo León is the most popular state for foreign investors. The Federal District claims about two-thirds of all materialized direct foreign investment. Nuevo León follows with 8.1 percent of the total accumulated in 1994 to 1995. Tamaulipas and Coahuila account for 3.2 percent and 0.8 percent respectively. Total direct materialized foreign investment in Mexico fell by 44 percent from US \$9.9 billion to US \$5.5 billion between 1994 and 1995. The

investment drop in Nuevo León was more severe, falling 54 percent from US \$856 million in 1994 to US \$395 million in 1995. Tamaulipas suffered a relatively modest 16 percent drop to US \$227 million, while investment in Coahuila fell by 37 percent to US \$50 million.

Most analysts believe that investment rebounded strongly in 1996, and that the lull in investment activity has opened a window of opportunity for companies not already established in this market. Canada has been a major participant in new investments. Even though Canada accounts for only 7 percent of accumulated direct materialized investment in Mexico between 1994 and June 1996, it was the source country for 21 percent of investment in the first half of 1996.

## INFRASTRUCTURE

### TRANSPORTATION

The northeastern region has excellent transportation links to other parts of Mexico, to the United States and Canada, and to the rest of the world.

#### ROADS

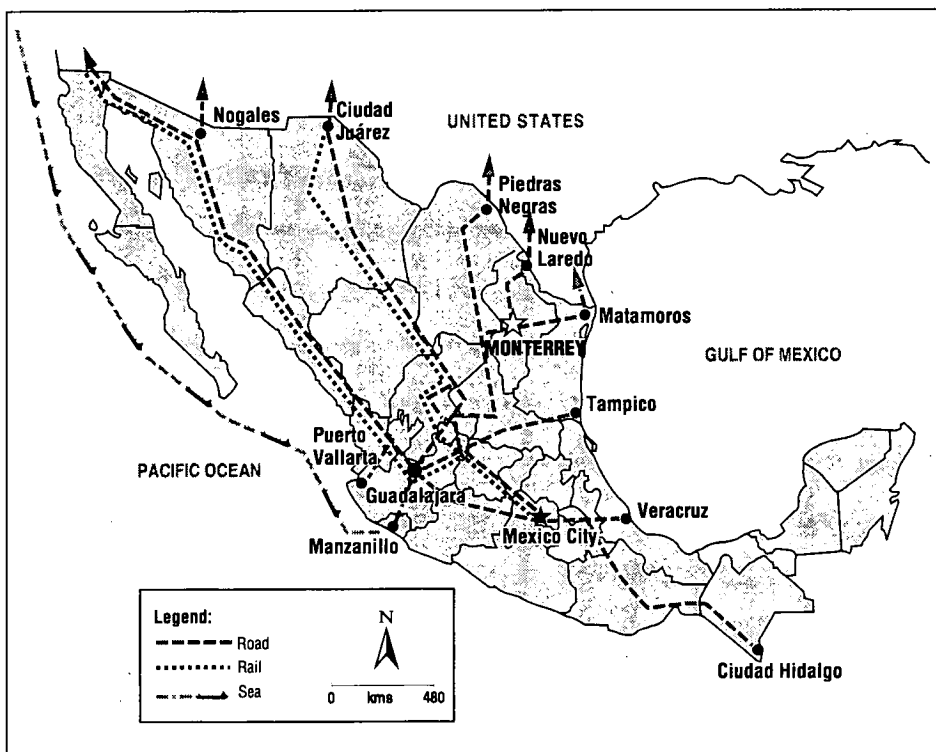
The recently-opened eight-lane Solidarity International Bridge provides a road link to Texas, about 250 kilometres to the north and roughly 32 kilometres west of Laredo, Texas. The new, modern port features a truck-rail intermodal connection with facilities for 5,000 containers a day. It has facilities to take advantage of the new trade administration system, called the North American Trade Automation Prototype. The new bridge was expected to relieve the congestion and delays experienced at the port of Laredo. But, so far, the planned toll highway linking the bridge to Monterrey has not been built, and the bridge has not been heavily used.

There are plans for an industrial corridor that will involve all three states in the northeastern region. In August 1996 it was announced that funding had been authorized to connect the bridge to the Monterrey-Nuevo Laredo toll highway. Highways will also be improved on the American side, connecting the bridge to Interstate Highway 35, which serves Laredo. Completion is expected during 1997.



There are also plans to create an in-bond area on the Mexican side of the bridge. This would benefit Canadian exporters, who could take advantage of full truckload (FTL) rates to stockpile inventories in Mexico, without the need to transfer cargo to Mexican trucks. The Mexican government authorized an in-bond area in April, but improvements to the facility must first be made to meet Mexican customs requirements.

## TRANSPORTATION ROUTES



Currently, about 70 percent of all of Mexico's merchandise trade passes through the northeastern region. The bulk of this traffic goes through Nuevo León and Tamaulipas and crosses the Río Grande at Laredo, Texas. Other major border crossings are located in Coahuila which connects by road to San Antonio, Texas and in Tamaulipas, across the Río Grande from Brownsville, Texas. These land crossings handle large amounts of cargo destined for ocean transportation abroad. The port of Houston, Texas handles more Mexican ocean cargo than all of Mexico's sea ports combined.

A new highway which will reduce the 12-hour drive to Mexico City by three hours is in the planning stages.

## RAILWAYS

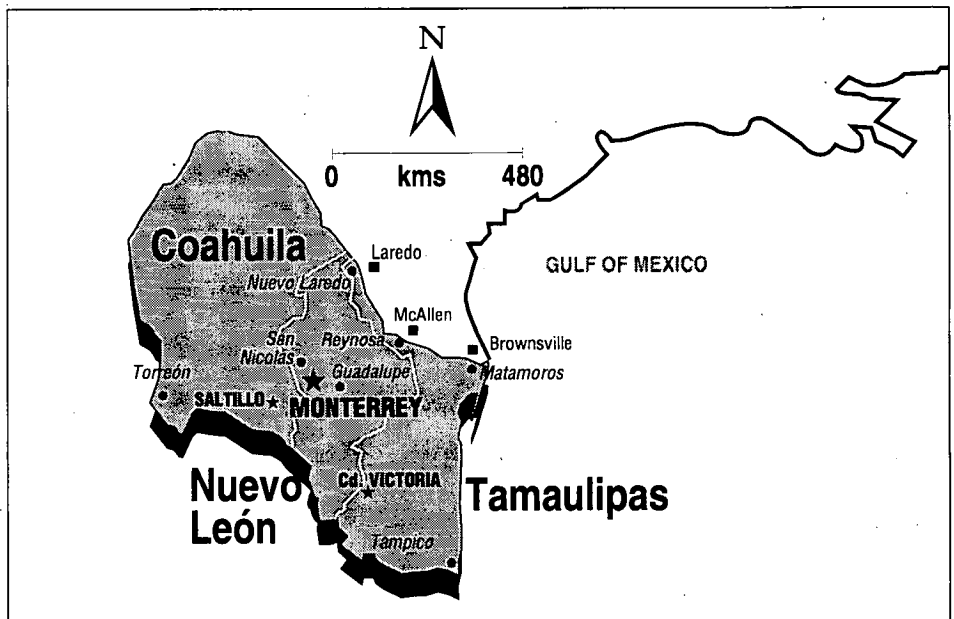
Several important rail links pass through Monterrey. This includes routes to Nuevo Laredo, Mexico City, and the gulf port of Tampico, as well as to Torreón and Saltillo.

## AIRPORTS

*Mariano Escobedo International Airport* offers flights throughout Mexico as well as to the United States. There are direct flights to Chicago, Dallas, San Antonio, Houston and Los Angeles. The *Del Norte* Air Terminal serves private aircraft. It is large enough to handle Boeing 727 aircraft and it features full customs and immigration facilities.

Now that the federal government is proceeding with plans for airport privatization, the state has advanced a proposal to modernize *Mariano Escobedo International Airport* and convert it into a duty-free zone. This would be similar to the arrangements at the Dallas-Fort Worth and Houston airports. Only 10 percent of more than 2,000 acres of airport property has been developed so far. The federal government has allocated US \$2.7 million for infrastructure improvements at the airport. This is in preparation for the privatization of the airport, which is expected in early 1997 once the new airport law has been approved by the federal congress.

## MONTERREY AND THE NORTHEASTERN CITIES



## COMMUNICATIONS

Nuevo León has almost 600,000 telephone lines, of which more than 80 percent are digital. At the end of 1994, telephone density stood at 18.8 lines per 100 inhabitants, which was roughly double the rate for Mexico as a whole. New service is being installed and Monterrey's service levels are steadily improving.

Internet service is available through several local providers. In the past, telephone service has been supplied exclusively by *Teléfonos de México (Telmex)*, the national telephone company. Beginning in late 1996, competing long distance services from private telecommunication providers will be available. This is part of the government's continuing privatization and deregulation of the telecommunication system.

There are 13 television stations and about 64,000 cable television subscribers in Nuevo León. Four local stations create original programming and the others transmit programs produced in Mexico City.

## INDUSTRIAL PARKS

Industrial parks are designed to provide businesses with efficient infrastructure and at the same time ensure orderly development. The parks are located in areas that facilitate the transportation of raw materials and products. For many years, industrial parks that met the requirements of the *Secretaría de Comercio y Fomento Industrial (Secofi)*, Secretariat of Commerce and Industrial Development, and were registered with the government, benefited from significant reductions in taxes and infrastructure costs. But as this system matured, the incentives were reduced. As a result, only 19 percent of Mexico's 309 industrial parks were registered as of April 1996. The three states of northeastern Mexico include 78 industrial parks, as well as 3 industrial corridors. Only 10 of these facilities were registered with *Secofi* as of April 1996.

## CONVENTION CENTRE

Monterrey hosted its first industrial exhibition in the late nineteenth century and has since developed into a major trade show centre. The *Centro Internacional de Negocios Monterrey (Cintermex)*, International Business Centre, is the largest convention centre in Latin America. This US \$33 million facility includes 65,000 square metres of display space for both permanent and temporary exhibitions. It provides office space to many large companies as well as to chambers and industry associations.

## PLANNING FOR FUTURE DEVELOPMENT

The newly-elected *Partido Acción Nacional (PAN)*, National Action Party, government in Monterrey has recently launched new initiatives that will eventually lead to a comprehensive economic plan. This effort is still at the research stage and most observers believe that it will be two or three years before the city has a plan that is as sophisticated as the one in Guadalajara. City officials are studying cities in Spain and the United States, and they have also developed a good relationship with the City of Montreal. Officials are also soliciting input from business, union and academic leaders. Alberto Guerra is Secretary of *Secretaría de Desarrollo Urbano y Ecología*, Urban Development and Ecology for the City of Monterrey. "At this point we are studying the city's present reality and the expected future demands upon it," he says, "Next, we will develop a strategy, then a plan, and then begin implementation of the plan."

Mr. Guerra says the job will not be easy. There has been considerable migration from the city centre to the suburbs. "Our ability to offer tax incentives for companies to return downtown is limited by the fact that we need those property taxes to maintain our meager budget," he notes, "It is a Catch-22 scenario."

At the state level, the government has implemented radical budget cuts and the funds available for investment and trade promotion have become scarce. *ProExport Nuevo León* and the state *Dirección de Proyectos Internacionales*, International Projects Department, have been reduced to two professional staff each, plus support staff. Many observers expect *PAN* to form the state government after the April 1997 elections and new initiatives are not expected until the political situation becomes more clear.

*continued on next page*

## ENERGY

Nuevo León has sufficient energy supplies to sustain continued economic growth. The *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, operates 7 generating stations in four locations in Nuevo León. Installed capacity is more than 1.6 million kilowatts. Some 40 substations distribute power throughout the state.

A petroleum refinery, with a daily output of 260,000 barrels daily, is located at Cadereyta Jiménez, on the eastern outskirts of Monterrey. Natural gas is supplied via a pipeline running from Cactus, Chiapas to Los Ramones, Nuevo León. Gas is distributed throughout the state by *Petróleos Mexicanos (Pemex)*, the national oil company, in association with the *CFE*. There have been discussions between the state government and Noram Energy Corporation regarding the privatization of the natural gas distribution system. Liquid propane gas is available in cylinders of up to 45 kilograms and in stationary containers.

## WATER AND SEWAGE

Nuevo León's hydraulic resources include 8,600 litres per second from 12 rivers. Three major reservoirs are used to ensure a reliable water supply. This includes the 1,800 million cubic metre El Cuchillo reservoir, as well as smaller areas behind the La Boca and Cerro Prieto dams.

Water is transported to Monterrey's water treatment plants through five aqueducts. Water is distributed by *Servicios de Agua y Drenaje*, Water and Drainage Services, which has branches throughout the state. There are 22 sewage treatment plants. Monterrey claims to be the only city in Mexico that treats all of its sewage.

## SHELTER PROGRAM

A shelter program is available to small companies wishing to establish facilities in Monterrey quickly and with minimal fixed cost. The shelter facilities are operated by private companies under government sponsorship. They provide labour, payroll, customs, tax administration and facility maintenance for hourly fees.

## EDUCATION

### PLANNING FOR FUTURE DEVELOPMENT

*continued from page 18*

Promotional efforts by both the state and the city focus on high technology industries. "We want to attract foreign investment that requires skilled labour," says Omar Cruz, director of *ProExport Nuevo León*. "That way our highly educated work force can find jobs that compensate them well. If a low-skill manufacturer comes to our state and we know they will not survive in our high-skill, medium-wage environment, then we will pass them on to a lower-skill, low-wage state."

David Martínez, Director, *Dirección de Proyectos Internacionales, Secretaría General del Gobierno de Nuevo León*, International Projects for Nuevo León, said in an interview that the key target industries for new foreign investment are financial services, telecommunications, electronics, environmental technology, health care, marketing, distribution, software and tourism.

Monterrey's excellent technical training resources are among the northwestern region's most important assets. In particular, the *Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM)*, Monterrey Institute of Technology, is considered one of Mexico's leading universities, and is arguably the nation's most important centre for the development of new technologies. It has 65,000 students at campuses throughout Mexico, with about one-quarter of the enrollment at the Monterrey campus. The Monterrey campus includes the *Centro de Tecnología (Cetec)*, Centre for Advanced Manufacturing Technology, which is devoted to solving production automation problems.

Other important universities include *Universidad Autónoma de Nuevo León*, which is the state university, *Universidad Regionmontana*, and the *Universidad de Monterrey*. All of these universities have programs designed to link their research work to practical problems in the industrial community.

Monterrey also features many bilingual schools, including 14 bilingual technical schools, which helps to maintain a good supply of English-speaking personnel.

## INDUSTRIAL AND COMMERCIAL MARKETS

The economy of the northeastern region is highly diversified, and most of Mexico's leading industries are present. Companies in the region have been hard hit by Mexico's economic crisis, and many of them are rationalizing their operations to adopt a stronger export orientation.

For example, a big Monterrey-based steelmaker named *Hyslamex* was exporting less than 5 percent of its product prior to the crisis. The domestic industries that were its biggest customers — construction, automaking and appliances — were all badly hurt by the peso devaluation in December 1994. Automotive sales dropped 56 percent in Greater Monterrey during 1995. But *Hyslamex* was able to quickly re-orient itself towards the export market. In the first nine months of 1996, exports rose to more than one-third of sales. Total sales rose by 25 percent, even though domestic sales were down 6 percent. Not all of Monterrey's major producers were able to accomplish this kind of turnaround, but most of them have increased their exports substantially.

Some Canadian companies have been successful in selling directly to large Mexican firms. For example, Pro-Eco Limited of Oakville, Ontario has an office in Monterrey and has signed an agreement to build an electrolytic cleaning line for the steel producer *Hysla*, which is part of *Grupo Alfa*. The Canadian consulate in Monterrey has been actively promoting Canadian capabilities to the *grupos*.

On the other hand, many Canadian firms in the region have entered the market through joint ventures with local companies that supply the *grupos* and multinationals in the region. There are growing opportunities for small-to-medium sized Mexican firms to become suppliers to larger exporting operations. This is especially true now that the *maquiladora* tax and duty advantages are being phased out under the North American Free Trade Agreement (NAFTA), and since in-bond plants are integrating into the regional economy. In fact, the Monterrey region already leads the nation in the proportion of *maquiladora* inputs that are sourced locally. Nuevo León officials estimate the current proportion at up to 25 percent. This compares with an estimated 10 percent in Jalisco, a comparable industrialized region, and about 2 percent nationally.

To take advantage of these opportunities, small- to-medium sized suppliers need to upgrade their standards of quality and consistency to meet the requirements of export markets. The major exporting companies demand such capabilities as just-in-time (JIT) delivery, electronic data interchange (EDI) for order management, and exchange of electronic CAD/CAM designs. Many smaller Mexican firms also lack adequate financing to expand. This creates many openings for Canadian companies to enter into joint ventures to help them upgrade to take advantage of Mexico's export boom.

## **ADVANCED MANUFACTURING TECHNOLOGY AND INDUSTRIAL MACHINERY**

As a major industrial centre, the Monterrey region was hit hard by the peso devaluation of December 1994. According to Nuevo León government data, industrial production fell by 11 percent during 1995, compared with 7 percent for the nation as a whole.

The manufacturing companies that prospered during the crisis were those that were able to adapt and take advantage of the export boom resulting from the cheap Mexican peso. Some companies were able to increase overall sales in 1995,

in spite of the crisis. For example, steel producer *Altos Hornos de México (AHMSA)* credits modernization with its success in reaching a new production record of more than 3 million tonnes in 1995. The company paid its employees a bonus of 15 days pay as a reward for their part in the modernization. *Hysla*, the other major steel producer in the region, also posted overall sales increases during 1995.

Although the region is highly productive by national standards, many companies lack the technology to meet the standards of quality and consistency demanded by export markets. Many of them had been slow to modernize because they traditionally regarded the availability of cheap labour as their main competitive advantage. Often, computer technology has been directed to management information systems (MIS), but not to production processes. But now, the growing importance of export markets has added quality and consistency as reasons to use the latest technology at the manufacturing level.

Mexican companies have come to understand the benefits of flexible manufacturing. Compliance with ISO 9000 standards is widely discussed and is the goal of most Mexican manufacturers. Several Monterrey-area companies were certified during 1996. Concepts such as total quality management (TQM) and just-in-time (JIT) production are catching on. As young, foreign-trained executives and engineers take over leading industrial firms, they bring with them a demand for foreign equipment as well as the ability to use it effectively.

Canadian experience in applying advanced manufacturing technology to small- and medium-sized production facilities will find many applications in Monterrey. Companies moving into this market should keep in mind that the shortage of capital is just as important as technological gaps in holding back some otherwise innovative companies.

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## **AGRICULTURE AND AGRI-FOOD**

Mexico is a net importer of food and there are significant markets for food products in the region. Wheat and canola seed are the most important imports, since Mexico does not produce enough of either to meet its own needs. Canadian wheat has excellent milling properties, and observers believe that Canada could double its exports to 2 million tonnes annually. Mexicans are large consumers of cooking oil, and canola oil is increasingly popular. Other plant products considered to have good potential include barley, apples and seed potatoes as well as pulses such as coloured beans, lentils and peas. Processed meat also offers good possibilities, especially pork. Mexican pork is expensive because of inefficiencies in the production and distribution systems and much of it does not match Canadian quality standards.

Because of its predominantly arid climate, the northeastern region is not a major agricultural producer. But it does include several arable regions, and it has a need to use them as productively as possible. Also, regional crops include a number of high-value commodities such as citrus and pecans which justify relatively large expenditures on technology and other agricultural inputs.

The northeast region is Mexico's most productive cattle-ranching area. But livestock producers have been hurt badly by a severe drought throughout the region which is now in its fifth year. Herds have been decimated, as underweight animals have been sold at distress prices in Texas because there was not enough water for them to survive.

Substantial markets are emerging as government assistance is made available to re-build the herds. In particular, the new *Alianza para el Campo*, Rural Alliance Program, is making some existing agricultural programs available to livestock producers for the first time. There is a growing need for imported livestock and genetics.

Recent agrarian reforms have made it feasible for small farm operators to form cooperatives, lease or sell land, and to increase economies of scale. But they will need foreign expertise to improve productivity. Capital shortages and high interest rates are hampering modernization efforts, and this is creating new opportunities for joint ventures.

There are also opportunities for Canadians in the Mexican processed food industry. Monterrey is an important centre for the production of fruit-based beverages. There are also growing markets for higher value-added products. Low-fat yogurt and cheese, ultra-pasteurized milk, flavoured milk and confectionery products are all growing in popularity. Some Monterrey-based companies, including *Grupo Alfa*, are diversifying to add these products to their lines as well as expanding to meet export demand. *Alfa* affiliate *Sigma Alimentos*, for example, expects to sell US \$10 million worth of processed food to Russia in 1996, and another US \$4 million to Central America.

A large proportion of food processing and packaging equipment is imported. The annual *ExpoAlimentos* trade fair, held at *Cintermex* in Monterrey is considered one of the most important in Mexico. The 1997 event is scheduled for September 3 to 5.



## CULTURAL AND EDUCATIONAL PRODUCTS AND SERVICES

The Monterrey region has a well-developed educational culture. The need to adopt modern technologies and business methods and interact with foreign companies is driving a demand for technical and business training. English is more widely used in Monterrey than it is in the rest of Mexico, and language training is also a growing market. The northeastern region has an excellent educational infrastructure, with a strong technological focus, and there are many bilingual colleges. This creates opportunities for exchanges and joint projects with Canadian educational institutions. In addition, many Mexicans like to study abroad, both for educational and cultural reasons.

In 1994, 1,600 Mexican degree students studied in Canada, which was 17 percent of all Mexican degree students studying abroad. In addition there were many students in short-term language programs who were documented as tourists. The economic crisis of 1995 made it much more expensive to study abroad. To some extent this has made Canada more competitive, because its top universities are less expensive than comparable institutions in Europe and the United States. Simple visa requirements, safe and clean urban communities, and a reputation for quality could lead to an even stronger position if individual Canadian universities were better-known.

The peso devaluation that began in 1994 is also creating opportunities for industrial training providers as companies in the region adapt to take advantage of the cheap peso. About 10,000 Mexicans pursued some form of industrial training abroad during 1995. There is a need for train-the-trainer programs so that Mexicans who travel abroad for training can transfer their new knowledge to others upon their return. A preoccupation with costs is also leading to increased demand for packaged courseware.

Book publishing is another promising market, especially since residents of Monterrey are better educated than other Mexicans. Books from Spain are widely available; in many cases they do not take into account the differences in language or culture. There is also a market for Spanish-language publications that have been adapted for Mexican readers.

## ELECTRIC POWER EQUIPMENT AND SERVICES

Until recently, the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission, was the sole operator of electric power generation facilities. The *CFE* retains a constitutional monopoly as a provider of power to the public, but it has recently announced that it will rely on private sector turnkey projects for about 60 percent of its new facilities.

Since 1992, private companies have been allowed to generate power for their own use. For example, in association with an American firm, *Grupo Alfa* is building a 150 megawatt gas fuelled co-generation plant in Altamira. The project will eventually be expanded to 450 megawatts. *Alfa* plans other co-generation plants, including the 550 megawatt *Planta Eléctrica Grupo Industrial (PEGI)* project in Monterrey.

There are also opportunities for Canadian companies to participate as members of consortia bidding on *CFE* build-lease (BLT) and build-operate-transfer (BOT) contracts. Bidding closed for five new concessions for power generation facilities totalling 1,600 megawatts in July 1996. One of the proposed plants was for a 450 megawatt combined-cycle facility in Monterrey. Two Canadian companies were reportedly among the bidders but the names of the companies involved were not announced. Another combined cycle plant, with a capacity of 225 megawatts, is scheduled to be built near the American border in Río Bravo, Tamaulipas in 2001. Expansions to both the Monterrey and Río Bravo facilities are scheduled over the next several years and in 1998, a new facility is also planned for Altamira, Tamaulipas.

In spite of these ambitious plans, progress has been slow, and no *CFE* power plants have yet been built by the private sector. One problem is that BOT financing is new to Mexico and officials are not experienced in executing contracts once a winning bid has been selected. There is a lack of clear ground rules, including a price schedule for surplus power which must, by law, be sold only to the *CFE*.

These difficulties led to the abandonment of one of the first planned private power projects in Mexico in Coahuila. This was to be a coal-fired plant with a capacity of 350 megawatts, located close to the American border at Piedras Negras. According to media reports, this project, known as *Carbón II*, ran into difficulty when the major partners demanded the right to set rates for electricity generated at the plant in order to pay for costly antipollution equipment required by the government.

In spite of these difficulties, most industry observers believe that Mexico will have to proceed with BOT power projects if it is to meet the growing demand for electricity. Demand has been growing nationally at 3 percent per year, but *CFE* estimates for the northeast are for 6 percent in 1996, and 7 percent in 1997. Recent price increases and the implementation of daylight saving time for the first time in 1996 may moderate these projections somewhat.

## OIL AND GAS EQUIPMENT AND SERVICES

*Petróleos Mexicanos (Pemex)*, the national oil company, is the only producer of oil and gas in Mexico. Under Article 27 of the Mexican constitution, it has exclusive authority for all exploration and production of petroleum products.

The state of Tamaulipas is the only one in the northwest that has significant petroleum resources. The port of Altamira in Tamaulipas plays a role in the servicing of offshore drilling and there are significant land-based petroleum resources in that area as well. The Altamira area was the source of about 29,000 barrels of crude oil per day and 43 million cubic feet of natural gas per day during 1994. In both cases, this was about 1 percent of Mexico's production. Further north, the *Reynosa* division of *Pemex* produced 238 million cubic feet of natural gas in 1994, almost 7 percent of the national total. The *Reynosa* division, which includes parts of Nuevo León and Coahuila, has not produced crude oil since 1990, according to *Pemex* reports. Monterrey-based *Grupo Protexa* is an important player in both terrestrial and undersea exploration and production, as well as the design and engineering of petroleum facilities.

Two of Mexico's seven petroleum refineries are located in the northwestern region. The *Pemex Cadereyta* refinery complex is located on the eastern outskirts of Monterrey. It processed 190,000 barrels per day in 1994, about 14 percent of Mexico's total output. *Pemex* has budgeted US \$200 million for expansion to this plant during 1996 and 1997. The *Madero* complex, which is near Tampico, had an output of 160 million barrels in 1994. *Pemex* also operates a secondary petrochemical complex at Reynosa, on the American border in Tamaulipas. The principal products are ethylene and polyethylene. This is one of 10 petrochemical complexes, which include 61 separate operations, that the government has put up for partial privatization.

Until recently, regulated prices and protectionist procurement policies have discouraged the achievement of world levels of efficiency. Prior to a major reorganization beginning in 1992, *Pemex* was the least productive petroleum

producer in the world; with labour inputs per barrel at four times Venezuela's level. *Pemex* cut its labour requirements by more than 100,000 employees with no loss of production. Further improvements are ongoing as a more liberal commercial environment has evolved. *Pemex* procurements are expected to be decentralized to the regional level beginning in 1997.

Recent regulatory changes have opened up natural gas transportation and storage for private sector concessions. In June, 1996 *Secretaría de Energía*, the Secretariat of Energy, designated ten urban areas where expressions of interest for natural gas distribution are invited. An area in Tamaulipas, which includes Tampico, Ciudad Madero and Altamira, was designated. *Midcon Gas Natural de México* has applied for a permit to operate a natural 150 kilometre natural gas pipeline from Miguel Alemán in Tamaulipas to Monterrey.

Another major government initiative is the planned privatization of 61 secondary petrochemical plants, located in 10 complexes. The *Pemex* complex at Reynosa, which produces ethylene and polyethylene, is one of them.

## ENVIRONMENTAL EQUIPMENT AND SERVICES

Mexico is faced with very serious pollution problems. Mexico City is arguably the most polluted city in the world. Nationally, only 20 percent of municipal wastewater and only 15 percent of industrial wastewater were treated in 1994. Only a small portion of industrial and automotive air emissions are controlled. Only 20 percent of municipal solid waste is disposed of at a landfill site. The disposal of hazardous wastes, including medical wastes, is presently out of control and requires urgent action.

Nuevo León has been a leader in dealing with these problems and it is, therefore, one of the more promising markets for Canadian environmental solutions. According to state officials, Monterrey is the only city in Mexico to treat all of its municipal waste.

Local efforts to clean up the environment have been hampered by conflicts and overlaps between federal, state and municipal regulatory powers. In 1996, the state of Nuevo León broke through these obstacles and launched a project to develop its own Master Plan for the Protection and Preservation of the Environment. A *Comisión Estatal de Ecología*, State Ecology Commission, has been set up, with private sector representation and will have decision-making authority independent of the three governments. The commission's board of directors includes several highly-placed industrialists and academics.

As of late 1996, this commission was in the development stage. Board members are travelling to several American cities to study successful environmental projects. Specifications will be prepared for air, water and solid waste remediation projects as well as for zoning studies. The commission will also develop a legal framework for regulatory enforcement. In order to obtain funding from international lending institutions, an initial study is expected by the end of 1996. The remediation projects will be put up for international tender.

The state of Coahuila is already receiving funding from the World Bank to extend its *Coahuila Limpio Programa*, clean-up program, that was initiated in 1994. The state will receive US \$2 million to pay for environmental studies, training and equipment.

In the first stages of the region's efforts to clean up the environment, the emphasis is likely to be mainly on consulting and training services. Environmental assessments and risk analyses will be needed as well as expertise in regulatory issues. There will also be a market for measurement and analytical equipment. Over the longer term, the market for pollution control systems is expected to dominate spending. Build-operate-transfer (BOT) financing is likely for major infrastructure projects.



## **INFORMATION TECHNOLOGY AND OTHER ADVANCED TECHNOLOGY PRODUCTS AND SERVICES**

### **TELECOMMUNICATIONS**

No other sector of the Mexican economy has grown faster than the US \$3 billion telecommunication industry. The demand for advanced technology products and services has been stimulated by the privatization of *Teléfonos de México (Telmex)*, the national telephone company. *Telmex* was privatized in 1990, but enjoyed continuing regulatory protection for several years. Beginning in late 1996, long distance service was opened to competition for the first time, and local service is expected to follow. The objective of the *Secretaría de Comunicaciones y Transportes (SCT)*, Secretariat of Communications and Transportation, is to increase national telephone density beyond the present level of roughly 10 lines per 100 persons.

The northeastern region is already far ahead of this level. Line density in Nuevo León stands at almost 19 per 100 persons and new services are being added. But there is considerable room for long-term growth. Canada and the United States have telephone line densities of about three times Monterrey's level. Foreign companies are limited to 49 percent ownership of telecommunication companies, and a number of new joint ventures have been created as a result of the newly deregulated environment.

*Grupo Alfa*, one of Monterrey's large conglomerates, has partnered with AT&T to form *Alestra*, which will enter the long distance market. *Alestra* will also offer wireless communication services. The partners will invest US \$1 billion over the next 5 years. Other telecommunication companies with offices in Monterrey include *Avantel*, a partnership of *Banamex* and MCI, and *Marcatel*, which includes Radio Beep, Westel and Teleglobe.

In spite of the deregulation, *Telmex* retains a monopoly over local telephone services, and remains an important customer for telecommunication equipment. *Telecom de México* is expected to privatize a number of services including public fax, telegram, electronic mail and satellite communications. It will retain its core function as the provider of Mexico's telecommunication backbone.

## COMPUTER TECHNOLOGIES

As a result of the government's trade liberalization initiatives, Mexican companies have been forced to modernize their operations. There was a surge in sales of computers and related software in 1992, when import restrictions were rescinded. But there were still only about 45 personal computers for every 1,000 inhabitants in 1994. This compares with about 250 in the United States.

Nuevo León is far ahead of these national trends. As home to many large *grupos* and multinational enterprises, Monterrey established itself long ago as a leading computer user. In 1990, there were just over 17,000 computer professionals working in Mexico, according to estimates from *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics. Nuevo León, with 3.8 percent of the population had 19 percent of the professionals. At that time, about one of every 1,000 inhabitants of Nuevo León was a computer professional, compared with one out of every 1,700 in Mexico City.

Monterrey-based companies continue to be intensive consumers of computers, especially for management information systems (MIS) and industrial automation. Geomatics is also an emerging application, especially with the new environmental initiatives of the Nuevo León government. The many technological universities and colleges in the region are also important customers.

Mexican companies and government agencies are looking for low-cost systems that can become productive very quickly. There is a particular need for software that will run on desktop systems as opposed to workstations. Microsoft's Windows 95 is the dominant operating system. Most of the major American software producers distribute their products in Mexico, and the local software industry is limited mainly to custom products. Of the 130 member companies listed in the 1995 directory of the *Asociación Nacional de la Industria de Programas para Computadoras (Anipco)*, the National Association of the Computer Programming Industry, only one was located in Monterrey.

## **MINING EQUIPMENT AND SERVICES**

Mexico's mining sector has probably been the biggest beneficiary of the nation's broad economic reforms. A new law in 1992 re-interpreted Article 27 of the Mexican constitution, which requires state ownership of all mineral reserves. Thousands of hectares of mineral reserves have been opened for development. The government has divested itself of virtually all its mining holdings, including a coal operation in Coahuila. New ownership laws have opened the doors to foreign investors. More than 60 Canadian mining companies have established a presence in Mexico to take advantage of these developments.

Mexico is one of the world's leading mineral producers, but there is only limited mining activity in the northwestern region. Coahuila's western border coincides roughly with a geological boundary between the Precambrian region to the west and the Paleozoic zone to the east. Mineral deposits are not nearly as common in the latter zone as they are in the rest of Mexico. There are several small copper deposits throughout the northwestern region as well as some deposits of manganese, fluorspar and lead. There is a silver mine at Encantada, and subsurface brines at Laguna del Rey produce sodium sulphate. None of these deposits is very large, however. Coal and iron deposits located in north-central Coahuila are the region's most important non-petroleum mineral endowment.

There are eight coal deposits clustered in central Coahuila, between Sabinas and Monclova in an area known as the Sabinas Basin. One of the larger deposits, known as *San Patricio*, is partly on the Nuevo León side of Coahuila's eastern border. In 1985, reserves were estimated at 1.2 billion tonnes.

Coal and iron mines in Coahuila are used to supply the local steel industry and there is also substantial production of steam coal, which is used mainly at the power plant at Nava, on the northern border. This plant is owned by the *Comisión Federal de Electricidad (CFE)*, Federal Electricity Commission. There are two

major coal mining operations, both owned by *Altos Hornos de México (AHMSA)*, which is part of *Grupo Acerero del Norte (GAN)*. They include both open pit and underground mines.

*Minera Carbonífera Río Escondido (Micare)* has mines at Nava and Piedras Negras. This operation was purchased from the government by *GAN* in 1992. The second major coal producer is *Minerales Monclova (Mimosa)*, which has mines at Palau and a coking plant at Monclova.

*GAN* is also responsible for Coahuila's major iron mining operation, located around Hormigas. This operation supplies most of the iron ore requirements of *AHMSA*. Hormigas is in an isolated desert region and the company recently committed US \$5 million to build a 34-kilometre railway from there to Monclova. The railway will carry both passengers and cargo.

The mining sector in the northwestern region is expected to continue to grow. Between January 1995 and January 1996, Coahuila's coal and iron ore production increased by 13.2 percent and 9.4 percent respectively. *GAN* is expected to invest more than US \$300 million to expand output of its Coahuila coal mines through improved extraction methods. The deposits are still being explored and about one-quarter of the reserves are classified only as "possible."

## **AUTOMOTIVE MAINTENANCE EQUIPMENT AND AFTERMARKET PARTS**

The Mexican automotive sector is dominated by five multinational corporations. The "Big Three" American-based automakers (Chrysler, Ford and General Motors) all operate plants in northeastern Mexico. These operations are integrated on a continental basis, and the local facilities do not generally include purchasing departments. Canadian producers participate in the Mexican original equipment manufacturer (OEM) parts market mainly through their affiliations with these companies in Canada.

For small- to-medium sized enterprises (SMEs), most opportunities for direct sales are found in the markets for maintenance and repair equipment as well as aftermarket parts and accessories. The high average age of Mexican automobiles and pressure to reduce emissions have contributed to a substantial and growing demand for both types of products.

The opportunities for independent parts suppliers are increased by the fact that a large proportion of aftermarket parts are sold by retail stores rather than car dealerships. It is common for Mexican car owners to buy parts and accessories from retail stores and take them to small garages or individual mechanics for



installation. The market for accessories and maintenance equipment is strengthened because automobiles are a luxury in Mexico and consumers tend to take good care of them.

The market for automobiles and parts was severely restrained during 1995 by the economic crisis, but it has been recovering quickly and there is some pent-up demand. The Monterrey Car Dealers' Association reports that sales of used cars during the first three quarters of 1996 reached 90 percent of their 1994 levels. Since older cars are the primary market for aftermarket parts, this is expected to lead to increased parts sales.

Joint ventures with local companies which supply European automotive companies in the region are an alternative means of entering this market. For example, Mercedes-Benz has a bus plant in Monterrey and a *Ramírez-Volvo* joint venture company manufactures trailer trucks. Because of the distances involved, and the need for just-in-time (JIT) delivery, European companies are more likely than American-based multinationals to purchase locally, provided that suppliers can meet their quality standards.

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## TRANSPORTATION EQUIPMENT AND SERVICES

Opportunities in Mexico's transportation sector are concentrated mainly in public transportation systems. The system handles 5.5 million passengers daily. There are 3,300 road vehicles operating on 147 routes, as well as a modern mass transit system which includes two subway lines.

The *Sistema de Transporte Colectivo (Metrorrey)* is Monterrey's articulated light-rail system. *Línea 1*, opened in 1990, is an elevated system which includes 18 stations on an 18 kilometre east-west route. All of the 48 cars for *Línea 1* were supplied by *Concarril*, including 25 which were delivered after the former state-owned company was taken over by Canada's Bombardier in 1992.

The first 5 kilometres of *Línea 2* opened in 1994. This is a subway running north-south, intersecting the original line at Cuauhtémoc. This system has a total of 11 articulated two-car trains, which were manufactured by CAF of Spain. The long-run plan is for a system of four principal lines covering about 77 kilometres. The next priority is the extension of *Línea 2* by about 7 kilometres to the north.

Bus services in Monterrey are privately operated by concessionaires, with no funding from the government. These systems use mostly low-technology, body-on-chassis, manual transmission, diesel-powered vehicles. All routes are independently run, each with its own fare and no transfer privileges. The government plans the routes and administers contracts with the operators.

Microbuses have been replaced by minibuses by renewing concession contracts on a two-for-one basis. The city is now licensing larger buses that take 39 to 41 passengers on premium-fare routes. This is an attempt to provide incentives for better-quality and safer buses, and also to introduce "cross-town" routes without the need to transfer.

The federal government recently announced that *Ferrocarriles Nacionales de México (FNM)*, the Mexican National Railway, is open to an accelerated privatization program. The *FNM* maintenance operations in Monterrey have already been privatized, and concessions for inter-city routes are the next phase. *Ingeniería y Maquinaria Tao*, based in Durango, has applied for a concession to take over more than 1,000 kilometres of *FNM* routes, running from Tamaulipas through Nuevo León and Coahuila, and connecting to Texas and the Pacific Coast. An unnamed Canadian company is reportedly a partner in this venture.

### SELECTED CANADIAN COMPANIES ACTIVE IN NUEVO LEÓN

Northern Telecom de México	Produces connectors, telephone handsets and telephone cables.
Trimex International	Joint venture with <i>Constructora Promesa</i> to construct low-cost housing using Canadian interlocking brick technology and steel frame/panel construction.
Pro-Eco Limited	An office in Monterrey is promoting Canadian steelmaking technology, including facilities for galvanizing, cold-rolled finishing and paint lines.
Tecsult International	Consultant to the City of Monterrey regarding urban development plans.
Waste Water Technology Centre	A strategic alliance with <i>Cóndor</i> , and a new company, <i>Environmental Solutions de México</i> , which is promoting Canadian environmental technologies.
Labatt Breweries	Purchased 22 percent of <i>Cervecería Cuauhtémoc</i> and will co-market the two companies' products in Canada, Mexico and the United States.
Thomas Cook	A joint venture between Canadian and Mexican companies provides exclusive travel management services to <i>Cementos Mexicanos (Cemex)</i> .
Groupe Cerveau Inc.	Joint venture with <i>Telekra</i> to market Canadian voice-mail technology.
TV-5, Montreal	Will broadcast TV-5 programming in northern Mexico in association with <i>Televisión Internacional</i> .
Premdor	A joint venture called <i>Multipanel</i> , in partnership with <i>Grupo IMSA</i> , which will manufacture metal and wooden doors in Apodaca.

## MONTERREY'S GRUPOS

Monterrey's business environment is dominated by big family-based conglomerates, known in Mexico as *grupos*. The number of important *grupos* varies depending on who compiled the list. A feature article in the December 1996 issue of *Mexico Business* magazine concluded that of the top 10 Mexican *grupos*, six are headquartered in Monterrey and five of those are controlled by the extended Garza Sada family. This section includes descriptions of the 15 conglomerates that are usually considered the leading Monterrey-based *grupos*.

The *grupos* tend to have a strong export orientation and are anxious to use the most effective technologies available. They are, therefore, good prospects for direct sales by Canadian producers as well as for inputs manufactured by Mexican companies with Canadian joint venture partners.

### GRUPO ALFA

*Grupo Alfa* is one of the largest industrial conglomerates in Mexico, with 1995 sales of US \$2.8 billion and assets of US \$4.4 billion. It is controlled by the Bernardo Garza Sada family. It was created in 1993, when the Garza Sada family broke its massive holdings in the Monterrey *grupo* into four separate companies, including *Alfa*, *Visa*, *Vitro* and *Cydsa*. *Alfa* has four main areas of activity:

- **Steel and metalworking.** Several companies are clustered under *Hylsamex* which is the principal steel-making company in the group and the largest steel maker in Mexico. *Hylsa*, the most important component, produces flat steel, pipe, and other products using direct reduction technology. Other important subsidiaries include *Hylsa Bakaert*, which produces wire products, *Galvak*, a producer of galvanized and coated plate, and *Galvamet*, which makes insulating panels.
- **Petrochemicals and synthetic fibres.** *Alpek* is the leader of a cluster of companies which includes *Petrocel* and *Temex*, which together are the world's fourth-largest polyester producer. Another subsidiary, *Akra*, produces nylon and polyester fibres, and is the only producer of Licra in Mexico. *Poliol* is a producer of urethane and polyester as well as a wide variety of specialized artificial fibres. *Indelpro* is a leading producer of polypropylene resins.

- **Food.** *Sigma Alimentos* is the leading producer of processed meat, and has begun diversification into cheeses and yogurts. Major brand names include Tyson and Oscar Mayer.
- **Diversified products.** *Versax* is a group of subsidiaries engaged in a variety of industries. *Nemak* produces aluminum engine parts mainly for sale to the "Big Three" American automakers (Chrysler, Ford and General Motors). *Simmons* and *Selther* make mattresses. The latter also produces polyurethane foam. *Terza* is a rug and carpet manufacturer. *Payless de México* produces construction materials.

*Alfa* has also entered into an agreement with AT&T and the financial group, *Bancomer*, to enter the long-distance telecommunication market in response to Mexico's new deregulation program for that industry. The new venture is called *Alestra*.

*Hylsamex* will invest US \$137 million to double steel production to 1.5 million tonnes per year. It also plans to increase production of galvanized sheet at a cost of US \$73 million. Another *Alfa* subsidiary, *Alpek*, plans to invest US \$250 million in a petrochemical plant adjacent to the *Pemex* complex in Altamira. Total Home is a chain of retail building materials stores which is under development.

*Alfa* was expected to be a major player in the privatization of Mexico's secondary petrochemical plants. But when the government announced that private ownership would be limited to 49 percent, *Alfa* announced that it would re-orient its expansion activities to the steel and petrochemical industries in Venezuela, Colombia and the Mercosur trading block.

## GRUPO AXA

*Grupo Axa's* most important holding is *Conductores Monterrey*, founded in 1956, which produces wire and cable products as well as transformers and voltage regulators. It has plants in Monterrey and San Luis Potosí. Other subsidiaries produce automotive wiring, insulating materials for wiring, and a variety of other products. The group is controlled by Jorge Garza. *Axa* subsidiary companies include:

- **Electrical division.** *Prolec*, *Lumisistemas* and *Celeco*.
- **Industrial division.** *Conductores Monterrey*, *Axa Yasaki*, *Multilec*, *Kemec* and *Tisa*.
- **Food division.** *KIR Alimentos*.

## GRUPO CEMEX

Elements of *Grupo Cemex* have been operating in Monterrey since 1906. It is controlled by the Lorenzo Zambrano family and is the fourth-largest cement manufacturer in the world. The company has affiliates in the United States, Venezuela, Panama, Spain and the Caribbean and is one of Latin America's leading cement producers. *Cemex* has bought some of its equipment from a company in Ontario.

*Grupo Cemex* includes an administrative core, which oversees the operation of many cement producers, each focusing on a separate regional market:

- *Plantas Cementaras Cementos Mexicanos*. Monterrey, Torreón, Valles and Huichipan.
- *Cementos Guadalajara*. Plants in Guadalajara, Ensenada and an office in Tijuana.
- *Cementos Maya*. Plants in Mérida and León.
- *Cementos Anáhuac*. Plant in Tlanepantla, State of Mexico.
- *Cementos Anáhuac de Atlántico*. Plant in Tamún, state of San Luis Potosí.
- *Cemento Yaqui*. Plant in Ciudad Hermosillo, state of Sonora.
- *Cementos Tolteca*. Plants in Atotonilcoel Alto and Zapotiltic, state of Jalisco and Tula, state of Hidalgo.
- *Cementos Atoyac*. Plant in Puebla, state of Puebla.
- *Cemento Portland Nacional*. Plant in Hermosillo, state of Sonora.
- *Cementos Sinaloa*. Plants in the state of Sinaloa.
- Sunbelt Enterprises. Plant in Phoenix, Arizona.

## GRUPO COPAMEX

*Grupo Copamex* was founded in 1928 with one machine that manufactured paper bags: today it is one of the largest paper companies in the world. The *Copamex Industrias* division includes five pulp and paper plants, six packaging operations, eight cardboard and paper recycling operations, and a centre for forest research. The *Copamex Turismo* division owns and operates seven hotels in northern Mexico under the Holiday Inn and *Fiesta Americana* brand names.

## GRUPO CYDSA

*Grupo Cydsa* produces more than 200 products in 25 businesses areas, with exports around the world. This *grupo* is expected to spend US \$40 million in capital expenditures during 1996. Sales were US \$741 million in 1995, and the company reported a 20 percent increase in profits during the first nine months of 1996. Tomás González Sada heads this group, which is 49 percent owned by his cousin Federico Sada González. It has four operating divisions:

- **Fibres.** *Celulosa y Derivados* is a major producer of rayon and acrylic fibre. *Derivados Acrílicos* manufactures acrylic threads. *Bonlam*, which is located in San Luis Potosí, is a producer of fabrics. *Grupo Tèxtil San Marcos* manufactures acrylic threads, natural and synthetic fibres and textile products. *Ultracil* is located in Guadalajara, and specializes in sweater manufacture.
- **Chemicals.** *Industrial Química del Istmo* has plants in Monterrey and Mexico City, which manufacture chlorine and caustic soda. *Industrias Cydsa Bayer* has offices in Mexico City and Coatzacoalcos. *Polycid*, with operations in the State of Mexico and Tamaulipas, makes polyvinyl chloride (PVC). *Plásticos Rex* produces PVC pipe and connectors, with plants in Mexico, Guadalajara and Monterrey.
- **Packaging.** *Masterpak* produces cellophane, polypropylene and laminations at a plant in Monterrey. *Tiltitlán* produces plastic films, bags and pipe at its plant in the State of Mexico. *Lito Envases* operates a cardboard carton conversion plant in the State of Mexico.
- **Environmental services.** *Atlatec*, located in Monterrey, specializes in the design and construction of water treatment plants and the sale of chemicals used in water treatment. *Química Ecotec*, based in Mexico City, makes water treatment chemicals. *Dicotec*, of Monterrey, is involved in the engineering of water treatment plants.

## GRUPO FEMSA

*Grupo Femsá* is the largest beverage producer in Latin America. Its cornerstone is the famous *Cuauhtémoc-Moctezuma* brewery, founded in 1890. This is Mexico's largest brewery and the world's fourth largest. It also has major soft-drink bottling and packaging operations. The *grupo* is controlled by the Eugenio Garza Lagüera family. *Femsá* is divided into three operating divisions:

- **Beer.** *Cervecería Cuauhtémoc-Moctezuma* produces many well known brands of beer, including *Carta Blanca*, *Tecate*, *Superior*, *XX Lager*, *Bohemia* and *Sol Estos*. These products are considered among Mexico's best beers and are exported around the world. The company has seven plants, located across Mexico, including the one in Monterrey.

■ **Refreshments.** *Coca-Cola Femsa* is one of the largest Coca-Cola franchises in the world. It serves the Mexico Valley region and the southwest. *Cadena de Tiendas de Conveniencia Oxxo* operates more than 600 convenience stores in 20 cities. *Oxxo* is reportedly in negotiations with American-based oil company, Amoco, to open as many as 100 gas-convenience outlets in the Monterrey area.

■ **Packaging.** *Femsa* affiliates manufacture a variety of packaging materials, including those made from metal, glass, cardboard and plastic.

*Femsa* has developed many links outside Mexico. It recently bought a Coca-Cola franchise in Argentina. And it has a joint venture with Labatt Breweries of Canada, which will co-market the two companies' products and enter the American market with joint products.

## GRUPO GRUMA

*Grupo Gruma* is the leading producer of tortillas in the world. The *grupo* has 13 plants in the US and also has operations in Costa Rica, Guatemala, Honduras and Venezuela. It also maintains distribution centres in these markets. *Tecnomatz*, a *Gruma* subsidiary, manufactures high-performance tortilla production equipment for both wheat and corn varieties, for sale around the world. The *grupo* has recently formed an alliance with Archer Daniels Midland Co.

## GRUPO IMSA

*Grupo IMSA* is mainly concentrated in the metal industries. It manufactures steel, aluminum products, construction materials and automotive parts, including batteries. The group is controlled by the Clariond family. *IMSA* has several established relationships with Canadian companies. It is reportedly exploring a joint venture with a Canadian company to manufacture steel construction components. Major *IMSA* subsidiaries include:

■ **Battery division.** *Acumuladores Mexicanos*, *Aislantes León*, *ESB de México*, and *Acumuladores Monterrey* are producers of automotive and industrial batteries as well as solar systems. Other subsidiaries distribute batteries and the *grupo* has battery subsidiaries in several Latin American countries.

■ **Aluminum division.** *Cuprum* consists of several units which manufacture aluminum extrusions, ladders, doors and windows as well as a variety of automotive and industrial components of aluminum and plastic.

- **Steel processing division.** *Industrias Monterrey* and *APM* manufacture steel coils, strips and sheets as well as structural and tubular galvanized shapes.
- **Systems division:** *Signode*, *Multypanel*, *Robertson Mexicana*, *Empresas IPAC*. Several smaller subsidiaries manufacture steel, fiberglass and plastic components for a wide variety of applications.

## GRUPO LAMOSA

*Grupo Lamosa* began with the formation of *Ladrillera Mecanizada*, a manufacturer of adobe bricks, in 1890. Later it expanded to include ceramic tile, enamelled bricks and enamel toilets. The companies involved are:

- Ceramic division: *Lamosa Recostimientos*, *Sanitarios Azteca Ceramika* and *Iccexal*
- Chemical-Mineral division: *Crest*, *Proyeso* and *Geminsa*
- Metals and Plastics division: *Plastimetal* and *Valmont*

## GRUPO PROEZA

*Grupo Proeza* began with the production of concentrated juices in 1956, but today it is a highly diversified conglomerate. The *grupo* is controlled by the Zambrano family and includes three operating divisions:

- **Automotive.** *Metalsa* manufactures chassis and components, including fuel tanks. *Perfec* specializes in the design and manufacture of tools for automotive manufacturing. *Prokway* makes plastic tanks and fuel systems.
- **Food.** *Akver/Jucosa* makes concentrated juices including those made from orange, grapefruit and lemon. The company also manufactures citrus-based oils and aromas. *Zano Alimentos* focuses on bottling and marketing the *grupo's* fruit drinks. *Imdecit* operates citrus plantations and orchards.
- **Diversified industries.** *Tecnick* specializes in modular iron smelting. *Acertak* makes brake systems for railway cars. *Servi-Data* is a consulting firm specializing in manufacturing systems and management information systems (MIS).



## GRUPO PROTEXA

*Grupo Protexa* is another highly-diversified industrial group, controlled by the Lobo family. It was founded in 1945 as a producer of waterproofing goods. Today, it is a major supplier to the Mexican oil and gas industry and also has major holdings in the tourism and construction sectors. It consists of eight operating divisions:

- **Drilling and marine work.** The company is engaged in marine and land drilling for petroleum as well as the construction of drilling platforms along with other marine construction and engineering activities.
- **Construction.** The company provides engineering services related to pipeline construction, dredging, civil works and advanced electromechanical systems.
- **Industry.** *Protexa's* operations include the manufacture of products derived from coal tar, including emulsions, asphalt, enamels, anticorrosive coatings and adhesives.
- **Services.** The company offers engineering and construction services related to the development of gas and oil processing facilities.
- **Tourism and real estate.** *Protexa* has wide interests in real estate and tourism. It is engaged in the construction of housing, highways and shopping complexes. The company owns many hotels, resorts, condominiums and time-share developments.
- **Electronics.** A subsidiary company, *Seasa*, manufactures electronic systems, including data acquisition systems and microcomputers.
- **Food and beverages.** *Protexa* manufactures the *Ybarra* brand of processed food products.
- **Telecommunications.** The company operates a cellular telephone system in the states of Coahuila, Tamaulipas and Nuevo León.

*Grupo Protexa* has announced that it will enter into a joint venture with Great Lakes Dredging Corporation to bid on rights to build the intercoastal canal planned for Tamaulipas. This waterway will link the Altamira industrial complex with Brownsville, Texas.

## GRUPO PULSAR

*Grupo Pulsar* is best known as a manufacturer of agricultural products, including fruit, vegetables and tobacco. But it is also active in financial services and has other diversified holdings. The *grupo* is controlled by Alfonso Romo Garza. *Pulsar* companies include:

- *Cigarrería La Moderna* is Mexico's largest cigarette producer and has holdings in packaging and seeds.
- *Luxor Mohawk* is a producer of carpets for homes, offices and automobiles.

- *Aluprint Inc.* is a producer of flexible cardboard packaging.
- *Connect Mexicana* is a producer of cellular concrete products in association with Hebel of Germany.
- *Grupo Vector* and *Seguros la Comercial* provide a variety of financial and insurance services.

*Moderna* went public in 1994, allowing the company to diversify to serve its own packaging needs. It is the majority shareholder in *Ponderosa Industrial*, which is the leading producer of cardboard packaging for consumer products in Mexico. *Moderna* invested another US \$38 million to expand *Ponderosa*. *Moderna* has also diversified into seed production, buying American-based Asgrow Seed and Peto Seed Company in 1994, at a combined cost of US \$600 million.

## GRUPO RAMÍREZ

*Grupo Ramírez* is engaged in several parts of the automotive industry. It began in 1946, with a trailer manufacturing enterprise, and is now highly diversified. Its major products include wheels, chassis components and brake systems. *Ramírez* is a major supplier to Volkswagen and Volvo, a number of American auto makers, and the truck manufacturer, Navistar. The company's components include:

- *Trailers Monterrey*
- *Industrial Automotoríz (IASA)*
- *Industrial Vortec*
- *Industrial Metálicas Monterrey (IMMSA)*

## GRUPO VILLACERO

*Grupo Villacero* is engaged primarily in steel production. It is divided into three major entities:

- *Siderúrgica Lázaro Cárdenas Las Truchas (Sicartsá)* is Mexico's leading producer of deformed reinforcing bar and wire rod.
- *Zincacero* is a producer of galvanized steel, including coils and sheet as well as rectangular and undulated corrugated sheet.
- *Tubería Nacional (Tuna)* is a steel pipe manufacturer, mainly dedicated to the construction industry. Its products include structural pipe, conduit and structural profiles.

## GRUPO VITRO

*Grupo Vitro* began with a small glass factory founded in Monterrey in 1906. Today it is a multinational company with major operations in the United States and other countries. Sales in 1995 were almost US \$3 billion. The company also produces plastic products and household appliances as well as industrial machinery and equipment. *Grupo Vitro* is controlled by Adrián Sada González and his brother Federico. The group includes the following companies:

- *Acero Porcelanizado*
- *Autotemplex*
- *Fabricación de Compresores*
- *Fabricación de Máquinas*
- *Fabricantes de Aparatos Domésticos*
- *Industria Alkali*
- *Materias Primas Minerales de Lampazos*
- *Materias Primas Monterrey*
- *Supermatic*
- *Viplásticos*
- *Vitro Flex*
- *Vitro Flotado*
- *Vitrocristalera*

*Vitro* was in the news during 1996 because of difficulties with its subsidiary Anchor Glass, based in Tampa, Florida. *Vitro* acquired this company in 1989 through a hostile takeover and most analysts agree that *Vitro* paid too much for it. *Vitro* was forced to invest an additional US \$126 million in the subsidiary in December 1995, but less than a year later, Anchor Glass filed for bankruptcy protection in the United States. In October 1996, *Vitro* announced a deal to sell Anchor Glass to Ball-Foster Glass Container Corp., the second-largest American manufacturer of glass containers.

The northwestern region has a population of more than 8 million. More than 3 million live in Monterrey which serves as a major retail centre for the surrounding region.

The retail sector is sharply divided between the formal and informal sectors. Low-income people tend to buy from the informal sector, which includes street vendors and individuals operating out of their homes. On the other hand, the systems in place to supply medium- to-upper income families closely resemble those in Canada and the United States. In fact, major American retailers are conspicuous throughout the region.

One of the fundamental differences between consumer markets in Mexico and those in Canada is the role of supermarkets and hypermarkets. In Mexico, these types of stores offer a wide variety of non-food products, and they are the principal distributors of medium-priced consumer goods to the middle class.

There are several malls in Greater Monterrey, most of them anchored by large department stores. Other important retail markets in the region include Saltillo and Torreón in Coahuila, both of which have more than 500,000 inhabitants. The population of Tamaulipas is concentrated along the American border, where there is ready access to shopping in the United States. The Tampico/Altamira area has a population of about 400,000.

The major national supermarkets and department stores are active in the region. Wal-Mart, *Gigante*, *Club Aurrerá* (Sam's Club) and *Soriana* stores are all found in the Guadalupe district of Monterrey. The HEB grocery chain from Texas has begun to build stores in the region, the first in Garza García, an up-market suburb of Monterrey. *Soriana* plans to expand its 53-location regional chain with new stores in Tamaulipas and Nuevo León.

According to data collected by *Asociación Nacional de Tiendas de Autoservicios y Departamentales (ANTAD)*, the National Retailers Association, there are 452 retail chain stores operating in Nuevo León, with a total area of 532,585 square metres. Coahuila has 154 outlets with 233,021 square metres and Tamaulipas has 211 stores with 272,973 square metres.

Canadian producers of consumer products which have succeeded in Mexico use two principal marketing strategies. Some hire Mexican agents to represent their products either exclusively, or as part of a non-competing line. Others sell directly to the large supermarkets and retail chains.

**POPULATION BY INCOME GROUP**  
**MULTIPLES OF THE MINIMUM WAGE (MW)\***

	Economically Active Population	No Income	< 1 MW	1-2 MW	2-3 MW	3-5 MW	>5 MW
Nuevo León	1,009,584	21,691	135,621	435,698	155,508	116,435	108,728
Coahuila	586,165	14,441	62,616	249,852	99,650	61,163	47,421
Tamaulipas	684,550	23,456	134,670	259,903	124,264	66,391	45,874
Northeast total							
Northeast %	100.0%	2.6%	14.6%	41.5%	16.6%	10.7%	8.9%
National total	23,403,413	1,690,126	4,518,090	8,588,579	3,542,069	2,283,543	1,780,769
National %	100.0%	7.2%	19.3%	36.7%	15.1%	9.8%	7.6%

\*Columns do not add to totals because of roughly 5% unspecified.

Source: Instituto Nacional de Estadística, Geografía e Informática (INEGI), National Institute for Statistics, Geography and Informatics, 1990 Census.

As in the rest of the country, northeastern Mexico has a young population, with about half being under 20 years of age. This helps to drive relatively strong consumer markets because young people have been exposed to foreign advertising and are interested in products that have not been traditional in Mexico.

Another factor leading to relatively strong consumer markets is the fact that residents of the northeastern region have somewhat higher incomes than the national average. In 1990, there were more than 446,000 people earning more than three times the minimum wage in the region. This was almost 20 percent of the economically active population, compared with 17.4 percent in the same brackets for the country as a whole. Nationally, 26.5 percent earn less than the minimum wage, compared with 17 percent for the northeastern region.

In 1996, the minimum wage for Greater Monterrey was \$20.95 Mexican pesos per day. This is applied on a seven-day per week basis, so the annual minimum wage is roughly C \$1,300. Employees are also eligible for mandatory profit sharing bonuses, but those are not likely to be significant in the current economy. Therefore, the top 20 percent of the population are those earning more than about C \$4,000 annually, according to 1990 census data.

## RETAIL CHAINS IN NUEVO LEÓN

Trade Name	Stores	Sq. Metres
7-Eleven	127	13,821
Azcunaga	10	11,470
Bodega Aurrerá	5	14,178
El Nuevo Mundo	2	9,600
Farmacias Benavides	85	27,662
Foot Locker	1	250
Gigante	25	128,880
Hemsa	3	4,770
JC Penney	1	15,000
Liverpool	1	25,500
Merco	2	2,990
Milano	1	255
Oxxo	119	13,494
Radio Shack	6	669
Salinas y Rocha	7	26,405
Sanborn's	4	2,728
Sears	3	25,517
Singer Electrodomésticos	4	1102
Soriana-Hipermart	17	140,004
Sukarne	18	2,049
Tiendas "Del Sol"	3	12,538
Tiendas Roberts	2	605
Todo Fácil	2	3,660
Total Home	2	12,000
Wal-Mart Supercentre	2	37,438
<b>Total</b>	<b>452</b>	<b>532,585</b>

Source: Asociación Nacional de Tiendas de Autoservicios y Departamentales (ANTAD), National Retailers' Association

A private study published in 1996 by the *SIGMA* consulting firm paints a more optimistic picture. It defines high income people as those earning 100 or more times the minimum wage. That puts the high-income threshold at about C \$130,000 per year. Middle-income people are defined as earning more than ten times the minimum wage, roughly C \$13,000 annually. On this basis, the study concluded that in Nuevo León, 5.3 percent of the population were high income, and another 27.3 percent were in the middle-income bracket. This compares with 2 percent high income and 18.4 percent medium income for the country as a whole. The Federal District has a higher proportion of medium-income earners, but Nuevo León has more than twice the proportion of high-income earners.

Consumers in all income brackets were affected by the abrupt devaluation of the peso in December 1994, which roughly doubled the cost of imported goods. But the economy has been gradually recovering. The relative competitiveness of imports is also being restored, as high rates of domestic inflation work their way through the cost structures of domestic firms. Inflation in 1996 is projected at roughly 30 percent.

## GOVERNMENT PROCUREMENT

State government procurement is open to foreign companies even though this is not a requirement under North American Free Trade Agreement (NAFTA). Recent cutbacks in government spending, especially in Nuevo León, have reduced the short-run opportunities in this market. Some observers believe that the opportunities for foreign companies as suppliers to the state governments will improve after the April 1997 elections. Regardless of which party wins, it is generally true that a new breed of politician is emerging in Mexico. A transparent procurement process is increasingly seen as a means of getting the most competitive prices possible. Patronage is becoming less common.

Procurements of less than \$6,000 Mexican pesos are discretionary and no bids are required. But those between \$6,000 and \$400,000 Mexican pesos result in direct invitations to suppliers to bid. Foreign companies may be invited, but this is not usual. Purchases of more than \$400,000 and up to \$4 million Mexican pesos are scrutinized by a procurement board, and there is a much greater likelihood that foreigners will be invited, especially for specialized products. Procurements of more than \$4 million Mexican pesos must be signed by the state governor, and these are handled by public tenders that are open to foreigners.

## MONTERREY

### MARKET ENTRY STRATEGIES

Canada enjoys a good reputation in the Monterrey region. Many observers believe that there are excellent opportunities for Canadian technology in the industries that are growing the most quickly. Several of them noted specific matches between Canada's strengths and the needs of Monterrey's *grupos* in such areas as financial services, environmental technology, telecommunications and industrial design.

But the same observers also note that Canadian companies seem less aggressive than their competitors from the United States, Europe and Asia. Tom Cullen, the Canadian consul in Monterrey, feels that it is important to take advantage of the current environment of rationalization and restructuring. "If Canada does not become a leading technology supplier to the region now," he says, "then the Americans, the Japanese and the Germans will beat us to the punch." Mr. Cullen adds that the best approach is direct contact with the major Monterrey-based *grupos*.

Alfredo Sandoval Musi, co-director of the *Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM)*, Monterrey Institute of Technology, Centre for Strategic Studies, observes that "*Regios*, senior executives, are intrigued by Canada but they do not know much about Canada." As an example, he cites the case of Nortel, a high-profile Canadian success story in the region. He says that some Monterrey executives are under the impression that this is an American company. The problem has been compounded by the fact that Monterrey companies were under-represented in the 1996 visit to Canada by President Zedillo. To raise Canada's profile in the region, the Department of Foreign Affairs and International Trade (DFAIT) is sponsoring an incoming trade mission to bring executives of the major regional *grupos* to Canada in April, 1997. This will give the Mexican firms a Canadian orientation and also provide opportunities for direct contacts with specific Canadian suppliers.

Direct contact with the major *grupos* is considered a good way to break into the regional market. As in other parts of Mexico, a joint venture with a Mexican company with established access to this market is another effective strategy.

## PUBLIC SPENDING: STATE AND MUNICIPAL REVENUES IN NUEVO LEÓN, 1993

THOUSANDS OF MEXICAN PESOS\*

Item	State	Municipalities
Administrative expenses	3,700,203	709,571
Upper management offices	194,858	210,130
Public security	12,529	88,179
Public health	282	32,814
Public education	595,344	45,869
Cultural activities	75,331	20,022
Social security	24,037	—
Public records	523	1,959
Other	2,797,299	310,598
Public works and development	746,004	269,925
Public works	561,386	228,599
Development	184,618	41,326
Transfers	990,017	110,218
Subsidies	207,753	97,531
Aid	57,418	16
Shares and returns	479,765	9,599
Apportioned to public sector	245,081	3,072
Public debt	106,793	41,034
Cash Assets	20,995	24,526
Accounts Receivable	1,733,256	149
<b>Total</b>	<b>7,297,268</b>	<b>1,155,423</b>

\*Columns may not add to total due to rounding.

Source: Instituto Nacional de Estadística, Geografía e Informática (INEGI), National Institute for Statistics, Geography and Informatics, Dirección General de Estadística.



## WHERE TO GET HELP

### CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN CANADA

#### DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE (DFAIT)

DFAIT is the Canadian federal government department most directly responsible for trade development. The InfoCentre should be the first contact point for advice on how to start exporting. It provides information on export-related programs and services, acts as an entry point to DFAIT's trade information network, and can provide copies of specialized export publications and market information to interested companies.

##### InfoCentre

Tel.: 1-800-267-8376 or (613) 944-4000

Fax: (613) 996-9709

FaxLink:\* (613) 944-4500

InfoCentre Bulletin Board (IBB):

Tel.: 1-800-628-1581 or (613) 944-1581

Internet: <http://www.dfait-maeci.gc.ca>

\*FaxLink is a faxback system which provides summaries on a range of Mexican markets. It must be contacted through your fax machine. Dial from your fax phone and follow the voice prompt instructions.

The Mexico Division, Latin America and Caribbean Bureau promotes trade with Mexico. There are several trade commissioners at the Embassy of Canada in Mexico City, as well as in the satellite offices in Monterrey and Guadalajara. Trade commissioners can provide a range of services including introducing Canadian companies to potential customers in Mexico, advising on marketing channels, assisting those wishing to participate in trade fairs, helping to identify suitable Mexican firms to act as agents, and compiling strategic business intelligence on potential foreign customers.

#### Latin America and Caribbean Bureau — Mexico Division (LMR)

Department of Foreign Affairs and International Trade  
Lester B. Pearson Building

125 Sussex Drive  
Ottawa, ON K1A 0G2

Tel.: (613) 996-5547

Fax: (613) 996-6142

#### INTERNATIONAL TRADE CENTRES (ITCs)

International Trade Centres have been established across the country as a convenient point of contact to support the exporting efforts of Canadian firms. The centres operate under the guidance of DFAIT and all have resident trade commissioners. They help companies determine whether or not they are ready to export, assist firms with market research and planning, provide access to government programs designed to promote exports, and arrange for assistance from the trade commissioners in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you:

##### Newfoundland

International Trade Centre  
P.O. Box 8950  
Atlantic Place  
215 Water Street  
Suite 504  
St. John's, NF A1B 3R9  
Tel.: (709) 772-5511  
Fax: (709) 772-2373

##### Prince Edward Island

International Trade Centre  
P.O. Box 1115  
Confederation Court Mall  
134 Kent Street  
Suite 400  
Charlottetown, PE C1A 7M8  
Tel.: (902) 566-7443  
Fax: (902) 566-7450

##### Nova Scotia

International Trade Centre  
P.O. Box 940, Station M  
1801 Hollis Street  
Fifth Floor  
Halifax, NS B3J 2V9  
Tel.: (902) 426-7540  
Fax: (902) 426-2624

##### New Brunswick

International Trade Centre  
P.O. Box 1210  
1045 Main Street  
Unit 103  
Moncton, NB E1C 1H1  
Tel.: (506) 851-6452  
Fax: (506) 851-6429

**Quebec**  
International Trade Centre  
5 Place Ville-Marie  
Suite 800  
Montreal, PQ H3B 2G2  
Tel.: (514) 283-6328  
Fax: (514) 283-8794

**Ontario**  
International Trade Centre  
Dominion Public Building  
1 Front St. West  
Fourth Floor  
Toronto, ON M5J 1A4  
Tel.: (416) 973-5053  
Fax: (416) 973-8161

**Manitoba**  
International Trade Centre  
P.O. Box 981  
400 St. Mary Avenue  
Fourth Floor  
Winnipeg, MB R3C 4K5  
Tel.: (204) 983-5851  
Fax: (204) 983-3182

**Saskatchewan**  
International Trade Centre  
The S.J. Cohen Building  
119-4th Avenue South  
Suite 401  
Saskatoon, SK S7K 5X2  
Tel.: (306) 975-5315  
Fax: (306) 975-5334

International Trade Centre  
1919 Saskatchewan Drive  
Sixth Floor  
Regina, SK S4P 3V7  
Tel.: (306) 780-6124  
Fax: (306) 780-6679

**Alberta**  
*\*Edmonton office is also responsible for Northwest Territories*  
International Trade Centre  
Canada Place  
9700 Jasper Avenue  
Room 540  
Edmonton, AB T5J 4C3  
Tel.: (403) 495-2944  
Fax: (403) 495-4507

International Trade Centre  
510-5th Street S.W.  
Suite 1100  
Calgary, AB T2P 3S2  
Tel.: (403) 292-6660  
Fax: (403) 292-4578

**British Columbia**  
*\*Vancouver office is also responsible for the Yukon*  
International Trade Centre  
P.O. Box 11610  
300 West Georgia Street  
Suite 2000  
Vancouver, BC V6B 6E1  
Tel.: (604) 666-0434  
Fax: (604) 666-0954

## **WORLD INFORMATION NETWORK FOR EXPORTS (WIN EXPORTS)**

WIN Exports is a computer-based information system designed by DFAIT to help Canada's trade development officers abroad match foreign needs to Canadian capabilities. It provides users with information on the capabilities, experience and interests of more than 24,000 Canadian exporters. For general information, call (613) 944-4WIN(4946); to register on WIN Exports, call (613) 996-2057, or fax 1-800-667-3802 or (613) 944-1078.

## **PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)**

PEMD is DFAIT's primary export promotion program. It supports a variety of activities to help Canadian companies expand into export markets.

PEMD shares up to 50 percent of eligible expenses. Program financial assistance is a repayable contribution, not a grant, and must be approved in advance. Funded activities include:

- Market Development Strategies, which consist of a package of support for visits, trade fairs, and market support initiatives, under one umbrella of the company's marketing plan.
- New to Exporting Companies, which provides a vehicle for these companies to seek out individual export opportunities, either through a market identification visit or participation in an international trade fair.
- Capital Projects Bidding for specific projects outside Canada involving international competition/formal bidding procedures.
- Trade Association Activities undertaken by non-sales national trade or industry associations on behalf of their member companies.

For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance through this program, call the International Trade Centre nearest you. In Quebec, PEMD is administered by the 13 regional offices of the Federal Office of Regional Development (FORD Q), listed separately below.

## INTERNATIONAL FINANCING

DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities financed by international financing institutions (IFIs). Canadian exporters and trade associations can access market data, obtain a better understanding of the competition, and determine if an IFI-funded market opportunity is practical and worth pursuing. DFAIT can provide information and advice on the availability of Canadian government-funded assistance programs and can assist companies in developing effective export marketing. For further information, contact:

### International Financing Division

Department of Foreign Affairs and International Trade  
Lester B. Pearson Building  
125 Sussex Drive  
Ottawa, ON K1A 0G2  
Tel.: (613) 944-0910  
Fax: (613) 943-1100

## TECHNOLOGY INFLOW PROGRAM (TIP)

Managed by DFAIT and delivered domestically by the Industrial Research Assistance Program, National Research Council, TIP is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. Industry Canada (IC) also helps in program promotion. TIP officers respond to requests to identify technology sources and opportunities for cooperation between Canadian and foreign firms. The Program also helps Canadian firms make exploratory visits abroad to identify and gain first-hand knowledge of relevant foreign technologies, as well as how to negotiate to acquire them. For information, call (613) 993-5326.

## INDUSTRY CANADA (IC)

IC was created with a broad mandate to make Canada more competitive by fostering the growth of Canadian businesses, by promoting a fair and efficient marketplace for business and consumers, and by encouraging commercial ventures in scientific research and technology. In the area of small business, it has been given specific responsibility to:

- develop, implement and promote national policies to foster the international competitiveness of industry; the enhancement of industrial, scientific and technological development; and the improvement in both the productivity and efficiency of industry;
- promote the mobility of goods, services, and factors of production within Canada;

- develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses;
- develop and implement national policies and programs respecting industrial benefits from procurement of goods and services by the Government of Canada; and
- promote and provide support services for the marketing of Canadian goods, services and technology.

The regional offices of IC work directly with Canadian companies to promote industrial, scientific and technological development. They help clients recognize opportunities in a competitive international marketplace by providing services in the areas of business intelligence and information as well as trade and market development. IC also promotes and manages a portfolio of programs and services.

The following are areas in which IC regional offices have special competence:

- access to trade and technology intelligence and expertise;
- entry points to national and international networks;
- industry-sector knowledge base;
- co-location with International Trade Centres connected to DFAIT and Canadian posts abroad;
- client focus on emerging and threshold firms; and
- business intelligence.

### Business Service Centre

Industry Canada  
235 Queen Street  
First Floor, East Tower  
Ottawa, ON K1A 0H5  
Tel.: (613) 941-0222  
Fax: (613) 957-7942

### NAFTA Information Desk

Industry Canada  
235 Queen Street  
Fifth Floor, East Tower  
Ottawa, ON K1A 0H5  
Fax: (613) 952-0540

## STRATEGIS

Canada's largest business web site, Strategis, gives business direct access to the latest information on specific industries, export opportunities, company capabilities, international intelligence and business contacts via the Internet. It also includes information on new technologies and processes, management experts, market services, government programs, micro-economic research and much more. In addition to these information resources, Strategis provides businesses with easy access to Industry Canada experts. Canadian companies will be able to browse the site to find out about market opportunities in Canada and abroad, new state-of-the-art technologies, key alliances, training resources and government programs. The International Business Information Network, one section of the site, contains first-hand information on products in demand, market conditions, competitors and business opportunities abroad.

### Strategis

Industry Canada  
235 Queen Street  
Ottawa, ON K1A 0H5  
Tel.: (613) 954-5031  
Fax: (613) 954-1894  
Internet : <http://www.hotline.service@strategis.ic.gc.ca/>

## REVENUE CANADA

Revenue Canada, Trade Administration Branch provides service and information on NAFTA regulations in English, French and Spanish. Revenue Canada publications and customs notices are also available by calling or faxing the NAFTA Information Desk.

### NAFTA Information Desk

Revenue Canada, Trade Administration Branch  
555 Mackenzie Avenue  
First Floor  
Ottawa, ON K1A 0L5  
Tel.: 1-800-661-6121, or (613) 941-0965  
Fax: (613) 952-0022

## CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)

An important possible source of financing for Canadian ventures in Mexico is the special fund available through CIDA under the Industrial Cooperation Program (INC). This program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licensing arrangements. INC

supports the development of linkages with the private sector in Mexico by encouraging Canadian enterprises to share their skills and experiences with partners in Mexico and other countries. A series of INC mechanisms help enterprises to establish mutually beneficial collaborative arrangements for the transfer of technology and the creation of employment in Mexico.

There are five INC mechanisms that help eligible Canadian firms to conduct studies and that provide professional guidance and advice to potential clients. Where a project involves environmental improvement, technology transfer, developmental assistance to women, job training or job creation, early contact with CIDA's Industrial Cooperation Division is suggested. An important CIDA criterion is that the project creates jobs in Mexico without threatening jobs in Canada. In fact, most CIDA-assisted projects have produced net increases in Canadian jobs. For more information, contact:

### Industrial Cooperation Division

Canadian International Development Agency  
200 Promenade du Portage  
Hull, PQ K1A 0G4  
Tel.: (819) 997-7905  
Fax: (819) 953-5024

## ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA)

Atlantic Canadian companies seeking to develop exports to Mexico may be eligible for assistance from the ACOA. The Agency works in partnership with entrepreneurs from the Atlantic region to promote self-sustaining economic activity in Atlantic Canada.

ACOA provides support to businesses as they look to expand existing markets through the development of marketing plans. Efforts include monitoring trade opportunities arising from global economic change, communications efforts to promote the region, trade missions and associated activities, as well as better coordination with federal and provincial bodies that influence trade and investment opportunities. For more information, contact:

### Atlantic Canada Opportunities Agency

Blue Cross Centre  
644 Main Street  
P.O. Box 6051  
Moncton, NB E1C 9J8  
Tel.: 1-800-561-7862  
Fax: (506) 851-7403

## **THE FEDERAL OFFICE OF REGIONAL DEVELOPMENT (QUEBEC), (FORD Q)**

FORD Q is a federal regional economic development organization. Through its commitment to provide services tailored to its clients, FORD Q supports the development of the economic potential of all regions of Quebec and the creation of viable jobs by promoting a business climate in which small- and medium-sized enterprises (SMEs) can grow and prosper. FORD Q uses the relevant and sought-after expertise of the federal government to work with the entrepreneurial spirit of Quebecers in every region and improve their competitive position. It also seeks, through strategic activities and partnerships in the community, to improve the business climate, an essential factor in the growth of SMEs.

FORD Q provides one-stop access to federal services and programs aimed at SMEs, particularly with regard to innovation, research and development (R&D), design, market development and entrepreneurship. Through its 13 Small Business Access Centres, FORD Q provides access to Team Canada export services and programs in the areas of awareness, export preparation, information, networking, advice and counselling, funding and access to funding.

In terms of access to funding, PEMD, with the exception of the component on preparing projects for submission, is delivered through the Small Business Access Centres. IDEA-SME, a FORD Q program, can also support firms during the export process. In addition, through alliances with banks, Small Business Access Centre advisors can facilitate access to funding for foreign marketing strategy projects.

Small Business Access Centre  
Abitibi/Témiscamingue  
906 5th Avenue  
Val d'Or, PQ J9P 1B9  
Tel.: (819) 825-5260  
Fax: (819) 825-3245

Small Business Access Centre  
Bas Saint-Laurent/Gaspésie/Îles-de-la-Madeleine  
212 Belzile Street  
Suite 200  
Rimouski, PQ G5L 3C3  
Tel.: (418) 722-3282  
Fax: (418) 722-3285

Small Business Access Centre  
Bois-Francis  
Place du Centre  
150 Marchand Street  
Suite 502  
Drummondville, PQ J2C 4N1  
Tel.: (819) 478-4664  
Fax: (819) 478-4666

Small Business Access Centre  
Côte-Nord  
701 Laure Boulevard  
Suite 202B  
P.O. Box 698  
Sept-Îles, PQ G4R 4K9  
Tel.: (418) 968-3426  
Fax: (418) 968-0806

Small Business Access Centre  
Estric  
1335 King Street West  
Suite 303  
Sherbrooke, PQ J1J 2B8  
Tel.: (819) 564-5904  
Fax: (819) 564-5912

Small Business Access Centre  
Île de Montréal  
800 Place Victoria Tower  
Suite 3800  
P.O. Box 247  
Montreal, PQ H4Z 1E8  
Tel.: (514) 283-2500  
Fax: (514) 496-8310

Small Business Access Centre  
Laval/Laurentides/Lanaudière  
Tour du Triomphe II  
2540 Daniel-Johnson Boulevard  
Suite 204  
Laval, PQ H7T 2S3  
Tel.: (514) 973-6844  
Fax: (514) 973-6851

Small Business Access Centre  
Mauricie  
Immeuble Bourg du Fleuve  
25 des Forges Street  
Suite 413  
Trois-Rivières, PQ G9A 2G4  
Tel.: (819) 371-5182  
Fax: (819) 371-5186

Small Business Access Centre  
Montérégie  
Complexe Saint-Charles  
1111 Saint-Charles Street West  
Suite 411  
Longueuil, PQ J4K 5G4  
Tel.: (514) 928-4088  
Fax: (514) 928-4097

Small Business Access Centre  
Nord-du-Québec  
800 Place Victoria Tower  
Suite 3800  
P.O. Box 247  
Montreal, PQ H4Z 1E8  
Tel.: (514) 283-5174  
Fax: (514) 283-3637

Small Business Access Centre  
Outaouais  
259 Saint-Joseph Boulevard  
Suite 202  
Hull PQ J8Y 6T1  
Tel.: (819) 994-7442  
Fax: (819) 994-7846

Small Business Access Centre  
Quebec City/Chaudière/Appalaches  
905 Dufferin Avenue  
Second Floor  
Quebec City, PQ G1R 5M6  
Tel.: (418) 648-4826  
Fax: (418) 648-7291

Small Business Access Centre  
Saguenay/Lac-Saint-Jean  
170 Saint-Joseph Street South  
Suite 203  
Alma, PQ G8B 3E8  
Tel.: (418) 668-3084  
Fax: (418) 668-7584

## WESTERN ECONOMIC DIVERSIFICATION CANADA (WD)

WD is responsible for federal economic development activities in Western Canada. The Department works in partnership with the western provinces, business, industry associations and communities to stimulate the western Canadian economy.

WD's "New Directions" program will work to enhance the export position of western companies by boosting their competitiveness in domestic and global markets.

The Department no longer provides repayable loans to individual companies, but seeks new innovative partnerships within both the public and private sectors. These partnerships will address the needs of small- and medium-sized enterprises for information, business services and capital, particularly for high growth industries critical to Western Canada's economic diversification.

One of WD's new products focused on export development is the International Trade Personnel Program. This federal-provincial initiative links export-focused western firms with recent post-secondary graduates. The program accomplishes two important socio-economic goals: it gives companies the extra person-power they need to penetrate new markets, and it gives recent graduates valuable work experience. Under the new program, the length of export-development projects may vary from one to three years. Approved projects will be eligible for assistance ranging from C \$7,500 for one year, to a maximum of C \$37,500 per graduate over the three-year period. For more information, contact:

### Western Economic Diversification Canada

The Cargill Building  
240 Graham Avenue  
Suite 712  
P.O. Box 777  
Winnipeg, MB R3C 2L4  
Tel.: (204) 983-4472  
Fax: (204) 983-4694

## **EXPORT DEVELOPMENT CORPORATION (EDC)**

EDC helps Canadian exporters compete in world markets by providing a wide range of financial and risk management services, including export credit insurance, financing to foreign buyers of Canadian goods and services, and guarantees.

EDC's products fall into four main categories:

- export credit insurance, covering short- and medium-term credits;
- performance-related guarantees and insurance, providing cover for exporters and financial institutions against calls on various performance bonds and obligations normally issued either by banks or surety companies;
- foreign investment insurance, providing political risk protection for Canadian investments abroad; and
- export financing, providing medium- and long-term export financing to foreign buyers of Canadian goods and services.

EDC has established relationships with leading commercial and public sector institutions in Mexico and Latin America. For more information on the range of services available, please refer to the customer teams below.

### **Base and Semi-Manufactured Goods Team:**

Tel.: (613) 598-2823

Fax: (613) 598-2525

### **Consumer Goods Team:**

Tel.: (613) 597-8501

Fax: (613) 598-2525

### **Emerging Exporters Team:**

Tel.: 1-800-850-9626

Fax: (613) 598-6871

### **Financial Institutions Team:**

Tel.: (613) 598-6639

Fax: (613) 598-3065

### **Forestry Team:**

Tel.: (613) 598-2936

Fax: (613) 598-2525

### **Engineering and Professional Team:**

Tel.: (613) 598-3162

Fax: (613) 598-3167

### **Industrial Equipment Team:**

Tel.: (613) 598-3163

Fax: (613) 597-8503

### **Information Technologies Team:**

Tel.: (613) 598-6891

Fax: (613) 598-6858

### **Transportation Team:**

Tel.: (613) 598-3164

Fax: (613) 598-2504

For information on the full range of EDC services, contact any of the following EDC offices:

### **Ottawa**

Export Development Corporation

151 O'Connor Street

Ottawa, ON K1A 1K3

Tel.: (613) 598-2500

Fax: (613) 598-6858

### **Vancouver**

Export Development Corporation

One Bentall Centre

505 Burrard Street

Suite 1030

Vancouver, BC V7X 1M5

Tel.: (604) 666-6234

Fax: (604) 666-7550

### **Calgary**

Export Development Corporation

510-5th Street S.W.

Suite 1030

Calgary, AB T2P 3S2

Tel.: (403) 292-6898

Fax: (403) 292-6902

### **Winnipeg**

Export Development Corporation

330 Portage Avenue

Eighth Floor

Winnipeg, MB R3C 0C4

Tel.: (204) 983-5114

Fax: (204) 983-2187

### **Toronto**

Export Development Corporation

National Bank Building

150 York Street

Suite 810

P.O. Box 810

Toronto, ON M5H 3S5

Tel.: (416) 973-6211

Fax: (416) 862-1267

**London** Export Development Corporation  
Talbot Centre  
148 Fullarton Street  
Suite 1512  
London, ON N6A 5P3  
Tel.: (519) 645-5828  
Fax: (519) 645-5580

**Montreal** Export Development Corporation  
Tour de la Bourse  
800 Victoria Square  
Suite 4520  
P.O. Box 124  
Montreal, PQ H4Z 1C3  
Tel.: (514) 283-3013  
Fax: (514) 878-9891

**Halifax** Export Development Corporation  
Purdy's Wharf, Tower 2  
1969 Upper Water Street  
Suite 1410  
Halifax, NS B3J 3R7  
Tel.: (902) 429-0426  
Fax: (902) 423-0881

### **NATIONAL RESEARCH COUNCIL (NRC)**

Canadian companies hoping to succeed in the Mexican marketplace may require additional technology to improve their competitiveness. The NRC works with Canadian firms of all sizes to develop and apply technology for economic benefit. The Council manages the Industrial Research Assistance Program (IRAP), a national network for the diffusion and transfer of technology.

The IRAP network, working primarily with small- and medium-sized Canadian firms, supports the process of developing, accessing, acquiring, implementing and using technology throughout Canadian industry. IRAP has a 50-year history of providing technical advice and assistance to Canadian firms and has acquired a reputation as one of the most flexible and effective federal programs. IRAP takes advantage of the advice of industrial technology advisors who are situated in more than 165 different locations within approximately 90 communities across Canada, including numerous provincial technology centres, the NRC's own laboratories and research institutes, federal government departments, and technology transfer offices in Canadian universities. For further information, contact:

**Industrial Research Assistance Program**  
National Research Council  
Montreal Road  
Building M-55  
Ottawa, ON K1A 0R6  
Tel.: (613) 993-1790  
Fax: (613) 952-1079

### **CANADIAN COMMERCIAL CORPORATION (CCC)**

CCC, a Crown corporation, provides Canadian exporters with valuable assistance when they are selling to any foreign government, or to an international organization. In such sales, CCC acts as a prime contractor and guarantor for the sale of Canadian goods and services to the foreign customer.

CCC certifies the Canadian exporter's financial and technical capabilities, and guarantees to the foreign buyer that the terms and conditions of the contract will be met. CCC's participation in a sale provides Canadian suppliers with the tangible backing of their own government, enhancing their credibility and competitiveness in the eyes of foreign customers. This can often lead to the negotiation of more advantageous contract and payment terms.

The Progress Payment Program, developed by CCC in cooperation with Canada's financial institutions, makes pre-shipment export financing more accessible to small- and medium-sized exporters. The program allows an exporter to draw on a special line of credit, established by his or her principal banker for a particular export sale. In most instances, the borrowing costs will approximate those associated with a typical demand line of credit. The program is available for transactions with foreign government and private sector buyers.

For more information about CCC and its programs, contact:

**Canadian Commercial Corporation**  
50 O'Connor Street  
Eleventh Floor  
Ottawa, ON K1A 0S6  
Tel.: (613) 996-0034  
Fax: (613) 995-2121



## KEY CONTACTS IN CANADA

### **BUSINESS AND PROFESSIONAL ASSOCIATIONS**

**Canadian Council for the Americas (CCA)**  
The Council is a non-profit organization formed in 1987 to promote business interests in Latin American as well as Caribbean countries. The CCA promotes events and programs targetted at expanding business and building networking contacts between Canada and the countries of the region.

**Canadian Council for the Americas**  
Executive Offices  
360 Bay Street  
Suite 300  
Toronto, ON M5H 2V6  
Tel.: (416) 367-4313  
Fax: (416) 367-5460

**Alliance of Manufacturers and Exporters Canada**  
99 Bank Street  
Suite 250  
Ottawa, ON K1P 6B9  
Tel.: (613) 238-8888  
Fax: (613) 563-9218

**Alliance of Manufacturers and Exporters Canada**  
75 International Boulevard  
Fourth Floor  
Etobicoke, ON M9W 6L9  
Tel.: (416) 798-8000  
Fax: (416) 798-8050

**The Canadian Chamber of Commerce**  
55 Metcalfe Street  
Suite 1160  
Ottawa, ON K1P 6N4  
Tel.: (613) 238-4000  
Fax: (613) 238-7643

**Forum for International Trade Training Inc.**  
155 Queen Street  
Suite 608  
Ottawa, ON K1P 6L1  
Tel.: (613) 230-3553  
Fax: (613) 230-6808

**Language Information Centre**  
240 Sparks Street RPO  
Box 55011  
Ottawa, ON K1P 1A1  
Tel.: (613) 523-3510

**Open Bidding Service**  
P.O. Box 22011  
Ottawa, ON K1V 0W2  
Tel.: 1-800-361-4637 or (613) 737-3374  
Fax: (613) 737-3643

**Canadian Standards Association**  
178 Rexdale Blvd.  
Etobicoke, ON M9W 1R3  
Tel.: (416) 747-4000  
Fax: (416) 747-4149

**Standards Council of Canada**  
45 O'Connor Street  
Suite 1200  
Ottawa, ON K1P 6N7  
Tel.: (613) 238-3222  
Fax: (613) 995-4564

### **MEXICAN GOVERNMENT OFFICES IN CANADA**

The Embassy of Mexico and Mexican consulates can provide assistance and guidance to Canadian companies in need of information about doing business in Mexico. For more information, contact:

**Embassy of Mexico**  
45 O'Connor Street  
Suite 1500  
Ottawa, ON K1P 1A4  
Tel.: (613) 233-8988  
Fax: (613) 235-9123

**Mexican Consulate in Ottawa**  
45 O'Connor Street  
Suite 1500  
Ottawa, ON K1P 1A4  
Tel.: (613) 233-6665  
Fax: (613) 235-9123

### **OTHER MEXICAN CONSULATES GENERAL IN CANADA**

**Consulate General of Mexico**  
2000 Mansfield Street  
Suite 1015  
Montreal, PQ H3A 2Z7  
Tel.: (514) 288-2502/4916  
Fax: (514) 288-8287

**Consulate General of Mexico**  
199 Bay Street  
Suite 4440  
P.O. Box 266, Station Commerce Court West  
Toronto, ON M5L 1E9  
Tel.: (416) 368-2875/8141/1847  
Fax: (416) 368-8342

**Consulate General of Mexico**  
810-1130 West Pender Street  
Vancouver, BC V6E 4A4  
Tel.: (604) 684-3547/1859  
Fax: (604) 684-2485

#### MEXICAN FOREIGN TRADE COMMISSIONS

*Banco Nacional de Comercio Exterior (Bancomext)* is the Mexican Foreign Trade Commission and has offices in Canada. It offers credits, export guarantees and counselling services to Mexican companies seeking to do business in Canada.

#### MEXICAN BANKS WITH OFFICES IN CANADA

*Banco Nacional de México (Banamex)*, *Banca Serfin* and *Banca Confia* are private-sector banks which offer specialized services through their international trade information centres. The centres participate in a computerized communications network with access to numerous

economic, governmental and financial databases throughout the world. These banks are located throughout Mexico and maintain offices in Toronto.

*Banco Nacional de México (Banamex)*  
1 First Canadian Place  
Suite 3430  
P.O. Box 299  
Toronto, ON M5X 1C9  
Tel.: (416) 368-1399  
Fax: (416) 367-2543

*Banca Serfin*  
BCE Place  
Canada Trust Tower  
161 Bay Street  
Suite 4360  
P.O. Box 606  
Toronto, ON M5J 2S1  
Tel.: (416) 360-8900  
Fax: (416) 360-1760

*Banca Confia*  
150 York Street  
Suite 408  
Toronto, ON M5H 3A9  
Tel.: (416) 955-9233  
Fax: (416) 955-9227

## CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN MEXICO

### TRADE AND ECONOMIC DIVISION THE EMBASSY OF CANADA IN MEXICO

The Trade and Economic Division of the Canadian Embassy in Mexico can provide vital assistance to Canadians venturing into the Mexican market. The trade commissioners are well-informed about the market and will respond in whatever measures possible to support a Canadian firm's presence in Mexico.

**Trade and Economic Division**  
The Embassy of Canada in Mexico  
Schiller No. 529  
Col. Polanco  
11560 México, D.F.  
México  
Tel.: (52-5) 724-7900  
Fax: (52-5) 724-7982  
Internet address for Canadá Artes:  
<http://www.canada.org.mx/>

**Canadian Consulate**  
Edificio Kalos, Piso C-1  
Local 108-A  
Zaragoza y Constitución  
64000 Monterrey, Nuevo León  
México  
Tel.: (52-8) 344-3200  
Fax: (52-8) 344-3048

**Canadian Consulate**  
Hotel Fiesta Americana  
Local 30-A  
Aurelio Aceves No. 225  
Col. Vallarta Poniente  
44110 Guadalajara, Jalisco  
México  
Tel.: (52-3) 616-6215  
Fax: (52-3) 615-8665

## KEY CONTACTS IN MEXICO

### MEXICAN GOVERNMENT OFFICES

#### Secretariat of Commerce and Industrial Development (Monterrey Office)

*Secretaría de Comercio y Fomento Industrial (Secofi)*  
Edificio Cintermex, Av. Fundidora y Adolfo Prieto, P.B.,  
local 87  
Col. Obrera  
64010 Monterrey, Nuevo León  
México  
Tel.: (52-8) 369-6480 to 6486  
Fax: (52-8) 369-6487

#### Ministry of Communications and Transportation

*Secretaría de Comunicaciones y Transportes (SCT)*  
Av. Corregidora y Benito Juárez, Piso 3  
Palacio Federal de Guadalupe  
67102 Guadalupe, Nuevo León  
México  
Tel.: (52-8) 354-0120/1662  
Fax: (52-8) 355-0910

#### Secretariat of Foreign Relations

*Secretaría de Relaciones Exteriores (SRE)*  
Av. Lomas Redonda No. 2702  
Col. Lomas de San Francisco  
64710 Monterrey, Nuevo León  
México  
Tel.: (52-8) 347-4355/3084  
Fax: (52-8) 347-3361

#### Federal Electricity Commission

*Comisión Federal de Electricidad (CFE)*  
Av. Alfonso Reyes No. 2400  
Col. Bella Vista  
64410 Monterrey, Nuevo León  
México  
Tel.: (52-8) 374-2107/3710  
Fax: (52-8) 375-7095

#### National Telephone Company

*Teléfonos de México (Telmex)*  
Av. Parque Vía No. 90  
Col. Cuauhtémoc  
06599 México, D.F.  
México  
Tel.: (52-5) 222-9650, 535-2041  
Fax: (52-5) 203-5104

#### National Oil Company

*Petróleos Mexicanos (Pemex)*  
Av. Marina Nacional No. 329, Torre Ejecutiva, Piso 44  
Col. Anáhuac, Delegación Miguel Hidalgo  
11311 México, D.F.  
México  
Tel.: (52-5) 250-1055/3457, 545-8736  
Fax: (52-5) 625-4385

#### Mexican National Railway

*Ferrocarriles Nacionales de México (FNM)*  
Av. Jesús García Corona No. 140  
Pent House, Ala A  
Col. Buenavista del Cuauhtémoc  
06358 México, D.F.  
México  
Tel.: (52-5) 547-3556/7920, 541-1724  
Fax: (52-5) 547-0959

#### Secretariat of Energy

*Secretaría de Energía (SE)*  
Insurgentes Sur No. 552  
Col. Roma Sur  
06769 México, D.F.  
México  
Tel.: (52-5) 564-9789/9790/9629, 584-4304/2962  
Fax: (52-5) 564-9769, 574-3396

#### National Institute for Statistics, Geography and Informatics

*Instituto Nacional de Estadística, Geografía e Informática (INEGI)*  
*Dirección de Políticas y Normas en Informática*  
Patriotismo No. 711 — A, Piso 10  
Col. San Juan Mixcoac  
03730 México, D.F.  
México  
Tel.: (52-5) 598-7617/7490  
Fax: (52-5) 598-7738

### STATE GOVERNMENT OFFICES

#### Department of Economic Development

*Secretaría de Desarrollo Económico*  
Edificio Kalos Piso A1 Oficina 136  
Av. Zaragoza Sur No. 1300  
64000 Monterrey, Nuevo León  
México  
Tel.: (52-8) 345-0031/0091  
Fax: (52-8) 345-3032

**International Projects Department**  
*Secretaría General del Gobierno de Nuevo León*  
*Dirección de Proyectos Internacionales*  
Edificio Kalos, Piso A1, Oficina 136  
Av. Zaragoza Sur No. 1300  
64000 Monterrey, Nuevo León  
México  
Tel.: (52-8) 343-8417/8749

**Water and Drainage Commission of Nuevo León**  
*Comisión de Agua y Drenaje de Nuevo León*  
Av. Matamoros No. 1717 Pte.  
Col. Obispado  
64100 Monterrey, Nuevo León  
México  
Tel.: (52-8) 347-2000 to 2009  
Fax: (52-8) 3476-1949

**City of Monterrey, Ministry of Urban Development and Ecology**  
*Secretaría de Desarrollo Urbano y Ecología*  
Zaragoza y Ocampo  
Palacio Municipal  
64000 Monterrey, Nuevo León  
México  
Tel.: (52-8) 344-3330 ext. 294  
Fax: (52-8) 340-7383

*ProExport Nuevo León*  
*Dirección de Inversión Extranjera*  
Zaragoza 1300 Sur  
Edificio Kalos, Piso A-1, Desp. 105  
Monterrey, Nuevo León  
México  
Tel.: (52-8) 345-7353/1500  
Fax: (52-8) 345-7354

## UNIVERSITIES AND RESEARCH INSTITUTES

**Monterrey Technical Institute**  
*Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM)*  
Av. Eugenio Garza Sada No. 2501 Sur  
Sucursal de Correos "J"  
64849 Monterrey, Nuevo León  
México  
Tel.: (52-8) 358-2000  
Fax: (52-8) 358-8931

**Autonomous University of Nuevo León**  
*Universidad Autónoma de Nuevo León*  
Ciudad Universitaria  
Torre de Rectoría  
Nicolás de los Garza  
6400 Monterrey, Nuevo León  
México  
Tel.: (52-8) 376-4140, 352-1452  
Fax: (52-8) 376-7757

**Regionmontana University**  
*Universidad Regionmontana*  
Av. Villagrán No. 238 Sur  
64000 Monterrey, Nuevo León  
México  
Tel.: (52-8) 342-5290  
Fax: (52-8) 340-0402

**University of Monterrey**  
*Universidad de Monterrey (U de M)*  
Av. Morones Prieto No. 4500  
66238 San Pedro Garza García, Nuevo León  
México  
Tel.: (52-8) 338-0147  
Fax: (52-8) 338-5619

## INDUSTRIAL ASSOCIATIONS AND CHAMBERS OF COMMERCE

**National Retailer's Association**  
*Asociación Nacional de Tiendas de Autoservicios y Departamentales, A.C. (ANTAD)*  
Av. Homero No. 109, Piso 11  
Col. Polanco  
11560 México, D.F.  
México  
Tel.: (52-5) 254-1714,6220  
Fax: (52-5) 203-4495

**National Association of the Computer Programming Industry**  
*Asociación Nacional de la Industria de Programas para Computadoras (ANIPCO)*  
Insurgentes Sur No. 1677-304  
Col. Guadalupe Inn  
01020 México, D.F.  
México  
Tel.: (52-5) 663-3510/662-3632  
Fax: (52-5) 662-5880

## MEXICAN GRUPOS

*Grupo Acero del Norte (GAN)*  
*Altos Hornos de México (AHMSA)*  
Av. Fundidora No. 501  
Edificio Cintermex Lote 125 P.B.  
Col. Obrera  
64010 Monterrey, Nuevo León  
México  
Tel.: (52-8) 369-6640, 6650  
Fax: (52-8) 369-6586

*Grupo Pulsar*  
Plaza Comercial Las Villas  
Río Caura No. 358 Oriente, Altos  
Col. del Valle  
66220 Garza García, Nuevo León  
México  
Tel.: (52-8) 399-0812/0800/0801  
Fax: (52-8) 356-7332

*Grupo Alfa*  
Av. Gómez Morín No. 1111  
Col. Carrizalejo  
66254 Garza García, Nuevo León  
México  
Tel.: (52-8) 335-3535  
Fax: (51-8) 335-8135  
Internet: <http://www.alfa.com.mx/>

*Grupo Axa*  
Bul. Presidente Carlos Salinas de Gortari, Kilómetro 9.25  
66600 Apodaca, Nuevo León  
México  
Tel.: (52-8) 156-2000, 386-3400  
Fax: (52-8) 386-3388

*Grupo Cemex*  
Av. Constitución No. 444 Pte.  
Apartado Postal 392  
64000 Monterrey, Nuevo León  
México  
Tel.: (52-8) 328 3000  
Fax: (52-8) 345 2025  
Internet: <http://www.cemex.com/>

*Grupo Copamex*  
Av. Montes Apalaches No. 107  
Col. Residencial San Agustín  
66260 San Pedro Garza García, Nuevo León  
México  
Tel.: (52-8) 363-0303/2357  
Fax: (52-8) 363-2599 (tourism)  
Fax: (52-8) 363-2890 (Industrias)

*Grupo Cydsa*  
Av. Ricardo Margáin Zozaya No. 325  
66260 Garza García, Nuevo León  
México  
Tel.: (52-8) 335-9090  
Fax: (52-8) 335-3330

*Grupo Maseca*  
Paseo de la Reforma No. 300, Piso 8  
Col. Juárez  
06600 México, D.F.  
México  
Tel.: (52-5) 227-4700  
Fax: (52-5) 514-3728

*Grupo Femsa*  
Av. General Anaya No. 601 Pte.  
Col. Bella Vista  
64410 Monterrey, Nuevo León  
México  
Tel.: (52-8) 328-6000  
Fax: (52-8) 328-6420

*Grupo Gruma*  
Calzada del Valle No. 407 Ote.  
Col. del Valle  
66220 San Pedro Garza García, Nuevo León  
México  
Tel.: (52-8) 399-3300  
Fax: (52-8) 399-3357  
Internet: <http://www.gruma.com/>

*Grupo Imsa*  
Av. Munich No. 175-1  
Col. Cuauhtémoc  
Apartado Postal 239  
San Nicolás de los Garza, Nuevo León  
México  
Tel.: (52-8) 329-8300  
Fax: (52-8) 331-3887

*Grupo Lamosa*  
*Ladrillera Mecanizada*  
Av. Lázaro Cárdenas No. 2475 Pte.  
662200 Monterrey, Nuevo León  
México  
Tel.: (52-8) 363-1280  
Fax: (52-8) 363-1917

*Grupo Proeza*  
Av. Constitución No. 405 Pte.  
64000 Monterrey, Nuevo León  
México  
Tel.: (52-8) 369-7001  
Fax: (52-8) 342-8691

*Grupo Protexa*

Carretera Monterrey-Saltillo No. 339  
66350 Santa Catarina, Nuevo León  
México  
Tel.: (52-8) 336-3030  
Fax: (52-8) 336-3068

*Grupo Ramírez*

*Grupo Industrial Ramírez*  
Av. Universidad No. 1004 Nte.  
Apartado Postal 896  
Monterrey, Nuevo León  
México  
Tel.: (52-8) 52-5460  
Fax: (52-8) 76-9361

*Grupo Villacero*

Av. Félix U. Gómez No. 4204 Nte.  
Col Valle del Nogalar  
66480 San Nicolás de los Garza, Nuevo León  
México  
Tel.: (52-8) 319-8900  
Fax: (52-8) 351-8226

*Grupo Vitro*

Av. Roble No. 660  
Col Valle del Campestre  
66250 Garza García, Nuevo León  
México  
Tel.: (52-8) 329-1200  
Fax: (52-8) 335-7991

**TRADE FAIRS**

**Food Trade Fair**

*ExpoAlimentos*, September 3, 4, 5 1997  
*Asociación Promodora de Exposiciones Apex, A.C.*  
Av. Parque Fundidora No. 501  
Col. Obrera  
64010 Monterrey, Nuevo León  
México  
Tel.: (52-8) 369-6660  
Fax: (52-8) 369-6732

**International Business Centre**

*Centro Internacional de Negocios Monterrey, A.C. (Cintermex)*  
Edificio Cintermex, Av. Fundidora No. 501  
Col. Obrera  
64010 Monterrey, Nuevo León  
México  
Tel.: (52-8) 369-6969  
Fax: (52-8) 369-6911

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We are interested in your views on this publication. Please take a few minutes to respond to the questions below.

1. What is your overall opinion of this publication?

- very useful
- useful
- moderately useful
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2. Please provide your assessment of each of the following aspects of this publication.

a) Quality of text discussion (mark one only):

- excellent
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- fair
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10. Will this publication assist you in your business development?

yes  no

11. a) Does your company currently export?

- Yes, go to 11 b)
- No, go to 11 c)

b) If yes, to which foreign markets?

- U.S.A.  Europe  Japan
- Mexico  Latin America
- Other (please specify) \_\_\_\_\_

c) If not, are you planning to export within the next 12 months?

- Yes, where?
- U.S.A.  Europe  Japan
- Mexico  Latin America
- Other (please specify) \_\_\_\_\_

12. What is the approximate size of your company?

- under \$1 million
- \$1 to 5 million
- \$5 and \$10 million
- over \$10 million

To discuss this evaluation may we contact you? If so,

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

Tel.: \_\_\_\_\_ Fax: \_\_\_\_\_

**Please return the completed survey by fax to (613) 996-6142 or to the address below:**

Latin America and Caribbean Bureau  
Department of Foreign Affairs and International Trade  
Lester B. Pearson Bldg., 125 Sussex Drive  
Ottawa, Ontario K1A 0G2



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