Chemicals and Specialty Products

HIGHLIGHTS

Although Canada accounts for less than 1 percent of Mexico's import market for chemicals, there are emerging opportunities for technological joint ventures and sales of specialty products.

- The chemical sector has consistently out-performed the overall economy over the past 10 years.
- The sector is rapidly restructuring, as producers adapt to the newly competitive environment under the North American Free Trade Agreement (NAFTA).
- Trade liberalization is driving increased specialization: imports and exports of chemicals have both increased.
- Small Mexican companies with access to markets for specialty chemicals lack the technology and capital to take advantage of emerging opportunities.

AN INDUSTRY IN TRANSITION

Mexico's chemical industry is characterized by striking contrasts between large and small operations. Giant multinationals coexist with family-owned enterprises employing fewer than 25 people.

Production of eight basic petrochemicals is reserved for *Petróleos Mexicanos (Pemex)*, the national oil company. Except for those, the bulk of Mexico's chemical production comes from the 291 companies that are members of *Asociación Nacional de la Industria Química (ANIQ)*, National Association of the Chemical Industry. Most of the world's large multinational chemical companies have operations in Mexico.

At the other end of the spectrum, *Cámara Nacional de la Industria de la Transformación (Canacintra)*, National Chamber of Manufacturing Industries, lists about 4,000 companies as part of the chemical sector, with more than 90 percent of them employing fewer than 100 workers.

The industry as a whole has been rapidly restructuring over the past few years. Multinational companies and large Mexican *grupos* took over many smaller family-owned firms, as the industry adapted to sweeping trade liberalization. Except for 1995, the restructuring process has taken place in an environment of steady growth. Between 1985 and 1994, the industry grew at an

SUMMARY REPORT

In addition to this market summary, the Department of Foreign Affairs and International Trade (DFAIT) has prepared a market profile entitled ***Opportunities in Mexico: Chemicals and Specialty Products***. This market information on Mexican chemicals and specialty products has been produced and published by Prospectus Inc. under contract with DFAIT, along with other market profiles and summaries on business opportunities in Mexico. It is available from:

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Cat. No. E73-9/58-1996-1E
ISBN 0-662-25200-4

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Department of Foreign Affairs and International Trade / Ministère des Affaires étrangères et du Commerce international average rate of almost 3 percent. This compares with 2 percent average growth for the economy as a whole, and 2.5 percent for the manufacturing sector. The industry contracted by only 3.2 percent during the 1995 economic crisis, compared with a 6.9 percent reduction in gross domestic product (GDP). Most observers believe that growth rates will return to pre-crisis levels soon.

These developments have created potential opportunities for Canadian companies. Small- to medium-sized Mexican companies need help to adapt to increased competition and to meet export standards. Some are buying inputs from Canada and manufacturing intermediate and final products in Mexico through joint ventures with Canadian firms. The opportunities are greatest in the area of specialty chemicals where service, flexibility and innovation are more important than price. The commodity chemicals market is dominated by multinational corporations, which tend to have their operations rationalized on a North American or world basis.

THE MEXICAN CHEMICAL SECTOR

As it is understood in Canada, the chemical sector includes two principal subsectors: commodity chemicals and specialty chemicals. Commodity chemicals are traded on a global basis in a market dominated by multinational corporations. The main competitive factor is the availability of inexpensive feedstocks. Specialty chemicals are usually high value-added products and suppliers compete by offering extensive service and support. Typically the product is made in small batches to the specifications of individual customers. Canadian companies in this subsector tend to be small- to medium-sized enterprises (SMEs), focussed on regional markets.

These distinctions between product categories are not widely recognized in Mexico. Many specialty chemicals are not produced in large quantities because their technical sophistication is often beyond the capabilities of smaller firms. The multinationals that dominate the industry import many of their specialized requirements from subsidiaries in other countries. The Mexican chemical sector is less vertically integrated than its counterparts in Canada and the United States. Because of a long history of government control of the petrochemicals sector, private sector producers tend to concentrate on intermediate chemicals.

INDUSTRY STRUCTURE

The Mexican chemical sector is dominated by a small number of large companies. About 4,000 companies are registered as chemical producers with the *Cámara Nacional de la Industria de la Transformación (Canacintra)*, National Chamber of Manufacturing Industries. Almost 90 percent are classified as small or micro enterprises. There are 180 large firms and 251 medium-sized companies. The medium and large companies account for more than three-quarters of production. However, this is based on a very broad definition of chemicals, and most studies have concluded that there are fewer than 1,000 companies producing "chemical substances" as defined by the *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics. About 300 of these companies are medium or large.

The larger companies tend to have a strong export orientation, especially since the devaluation of the peso in December 1994. The industry as a whole exports about 40 percent of production, and some companies export as much as 90 percent.

Chemical Industry Activity, 1994
Percent of chemical industry GDP

Activity	%
Basic petrochemicals	9.1
Chemical substances	59.2
Oil by-products	10.0
Rubber and plastic products	21.7
Total	**100.0**

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

GDP shares by Branch, 1994
Percent of chemical substances GDP

Branch	%
Dyes, tints and pigments	3.3
Industrial gases	4.6
Basic chemical products	10.9
Synthetic resins	12.2
Synthetic and cellulose fibres	12.3
Soap, detergents, and related products	11.6
Perfumes, cosmetics and related products	17.4
Insecticides and pesticides	2.4
Paints, varnishes and lacquers	7.2
Waterproofing and related products	5.2
Inks and polishes	2.1
Other chemical products	10.8
Total	**100.0**

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

Small companies generally sell only in the domestic market. They tend to use outdated equipment and many of them have been hard-pressed to meet increasingly rigorous environmental standards. The industry is concentrated in the Valley of Mexico, with 60 percent of all production coming from the Federal District and the State of Mexico.

Petrochemicals

The chemical and petrochemical industries are closely related because of the influence of *Petróleos Mexicanos (Pemex)*, the national oil company. The availability of feedstocks supports a large petrochemical industry accounting for some 2.4 percent of gross domestic product (GDP). *Pemex* has a monopoly over "basic" petrochemicals, but the number of products included has gradually been reduced.

Petrochemical operations are handled by two different *Pemex* divisions. *Pemex Gas y Petroquímica Básica* produces the eight basic petrochemicals where *Pemex* still has a monopoly. *Pemex Petroquímica* is responsible for the production of petrochemical products that are not considered part of the basic petroleum industry. It is regarded as a holding company for operations that will eventually be sold to the private sector. In 1995 *Pemex* initiated the process of privatizing the company's 61 petrochemical plants, located in 10 complexes.

Petrochemicals Classified as "Basic" Under Mexican Law

butane	ethane
heptane	hexane
naphtha	penatanes
propane	raw materials for carbon black

Source: *Petróleos Mexicanos (Pemex)*, the national oil company.

Rationalization

The Mexican chemical industry developed in a highly-protected environment. But there was an influx of new competition after the trade liberalization of the late 1980s. The advent of the North American Free Trade Agreement (NAFTA) in 1994 increased competitive pressures and at the same time opened new markets to Mexican producers. To meet this competition and take advantage of the export boom caused by the devaluation of the peso, Mexican chemical manufacturers have been forced to modernize and rationalize their operations. Pressure from environmental regulators has also motivated some companies to buy new equipment and adopt new technologies.

As the industry has reorganized, it has focussed on products where Mexico has competitive advantages and has moved out of commodities where it can no longer compete. Trade in chemical products between Mexico and the other NAFTA partners has increased in both directions.

FOREIGN TRADE

Estimates of Mexico's foreign trade in chemical products vary widely. There is no universally accepted definition of a chemical. The broadest definitions include basic petrochemicals which might otherwise be classified as part of the petroleum industry. Plastic resins may or may not be considered chemicals. Artificial fibres are sometimes classified as chemicals, but they can also be attributed to the textile industry. By a very broad definition which includes oil by-products, *Banco de México*, Mexico's central bank, estimated 1995 imports at US $8.6 billion and exports at US $5.1 billion. Using a somewhat narrower definition, the *Asociación Nacional de la Industria Química (ANIQ)*, National Association of the Chemical Industry, estimated Mexico's 1995 chemical imports at US $4.7 billion and exports at US $3.7 billion.

This publication focusses on chemical products as defined in chapter 28 (inorganic) and 29 (organic) of the harmonized system of commodity classification (HS). According to Mexican customs data, imports of these chemicals fell by 12 percent to US $1.9 billion in 1995. More than half of these imports originated in the United States. Canada's market share was less than 1 percent, with sales totalling US $13.3 million in 1995, a drop of about 6 percent from the previous year.

These estimates of Canada's exports to Mexico are substantially larger than corresponding statistics published by Statistics Canada. According to Canadian government data, 1995 exports of Chapter 28 and 29 chemicals to Mexico were only C $3.5 million, down from $7.1 million in 1994. Import statistics are usually preferable to export statistics because the need to collect duty and taxes makes reporting more rigorous. Canada's exports to Mexico are often undervalued because of transshipments through the United States.

In addition to the recorded exports, there is also substantial Canadian value added incorporated into American chemical exports to Mexico. Several chemical companies interviewed for this profile reported increased integration with US affiliates over the past few years.

Canada's sales were strongest in the category of inorganic chemicals, which increased by 23 percent in 1995, in spite of Mexico's economic crisis. Canada's share of this market was about 2.5 percent. Phosphates made up more than half of the total. Other important inorganic exports include hydrogen peroxide, precious metals and their compounds, radioactive chemicals, and titanium oxides.

CUSTOMERS

The markets for both commodity and specialty chemicals in Mexico are highly diverse. The following sections briefly describe the business environment in each of the major sectors that are important chemical consumers.

AGRICULTURE

There are about 25 fertilizer plants in Mexico. Major fertilizer producers include *Fertirey, Notroamonía de México, Fertilizantes Químicos del Bajío, Propitécnica, Eleativo* and *Servicios Corporativos Internacionales*. The plants operated by the state-owned *Fertimex* were privatized beginning in 1990. *Pemex* is a major supplier of fertilizers that are by-products of natural gas. Most domestic firms are dependent on imported raw materials. In particular, Mexico has no domestic sources of raw materials for potassium-based fertilizers.

There are about 10 pesticide producers, mostly subsidiaries of multinational companies, which produce about 20 different products. They include *Polaquímcia*, Dupont, Fax, Rohm and Haas, Shell and Unicarb.

AUTOMOTIVE INDUSTRY

The automotive industry was badly hurt by the peso devaluation of December 1994, which cut deeply into domestic demand. The industry recovered quickly, however, on the strength of increased exports. Production rose by more than one-third in the first five months of 1996, compared with the same period a year earlier. The domestic market grew by only 8 percent, after having fallen by 71 percent during 1995. But export production was up by more than 42 percent. Exports now account for 84 percent of automotive production.

CONSTRUCTION

The construction industry is a major user of paints and other coatings. The industry was hard-hit by the peso devaluation but it is recovering rapidly in 1996 as postponed projects come back on-stream. The government is now using new infrastructure projects as a means of stimulating the economy. Public programs financed 275,000 new homes and renovated 350,000 others in 1995.

FIRE ABATEMENT

About 70 percent of Mexican fire abatement equipment production consists of fire extinguishers, most of which use chemicals. About 40 percent of extinguishing preparations are imported. There are about 150 firms in the industry, the largest of which include *Kondor México, SICISA*, Fielding and Grinnell.

FOOD AND BEVERAGE PROCESSING INDUSTRY

The Mexican food processing sector has more than 2,500 companies, but more than 86 percent of them are classified as micro-sized. Large Mexican *grupos* and multinational firms dominate the industry. The leading Mexican firms are *Bimbo, Maseca* and *Hérdez*. Nestlé and Anderson Clayton are among the largest multinationals.

There are about 250 companies in the beverage industry. The soft drink subsector is dominated by Coca-Cola and PepsiCo and their Mexican partners. Several Mexican companies manufacture beer, which is an important export product. The large brewers include *Grupo Modelo, Cervecería Cuauhtémoc-Moctezuma* as well as several others.

METALLURGY

Mexico is an important producer of several metals, including copper, lead, silver, molybdenum and zinc, but iron and steel are by far the most significant. In 1982, the government began to relax its control over steel production by privatizing more than 50 steel production facilities. The *Cámara Nacional de la Industria del Hierro y del Acero (Canacero)*, National Chamber of the Iron and Steel Industry, has about 200 registered firms. They account for 97 percent of domestic production. *Altos Hornos de México (AHMSA)* is the largest steel producer, with more than one-quarter of the nation's production. *Hojalata y Lámina (HYLSA)*, the other major player in the industry, is owned by the Mexican conglomerate, *Grupo Alpa*. There are three other fully-integrated producers: *Ispat Mexicana, Tubos de Acero de México (TAMSA)* and *Siderúrgica Lázaro Cárdenas (Sicartsa)*.

MINING

There are about 15,000 mines in Mexico operated by 800 companies. The bulk of mining activity is controlled by a small number of corporate groups. The largest mining group in Mexico is *Grupo México*. According to media reports, the company exports 55 percent of its sales, and is 100 percent Mexican owned. *Grupo México* owns *Mexicana de Cobre, Mexicana de Cananea, Industrial Minera México* and *Zinc de México*. It also has holdings in *Minerales Metálicos del Norte* and *México Desarrollo Industrial Minero*.

PAINT

The *Asociación Mexicana de Fabricantes de Pinturas y Tintas (Anafapyt)*, National Association of Manufacturers of Paints and Inks, includes about 100 member companies, which together account for about 90 percent of the domestic market. Domestic producers depend heavily on imported raw materials. *Comercial Mexicana de Pinturas (Comex)* is the leading Mexican producer of paints for residential use and has the most extensive distribution network in the industry. Several foreign companies have well established manufacturing plants in Mexico, including Du Pont, Sherwin Williams and BASF.

PHARMACEUTICALS

The pharmaceuticals industry in Mexico has become increasingly export-oriented. Domestic producers, including subsidiaries of multinationals, dominate the market for over-the-counter and health care products, claiming more than

90 percent of the market. Almost 60 companies are active in the pharma-chemical sector which manufactures raw materials for medicines from basic chemicals and other inputs. Another 350 companies produce medicines for human and veterinary use as well as surgical products. Little research and development is done in the country.

Plastics

The Mexican plastics industry is made up of about 2,800 plastics processing companies, plus about 350 firms engaged in activities related to plastics. Mexico has a large production capability in the traditional commodity resins, but is dependent on imports for the newer and more sophisticated inputs. The most important companies include *Duroplast, International Profesional, Industrias Plásticas Máximo, Reich, Celmex,* and *Empaques Plásticos Industriales (EPISA).*

Pulp and Paper Industry

There are eight pulp and paper producing firms and another 58 paper producers in Mexico. The largest manufacturers of industrial and business paper are Kimberley-Clark, *Compañía Industrial de San Cristóbal* (Scott Paper) and Jefferson Smurfit Group of Ireland. They have pulp mills throughout the south, east and central regions of the country. Some of these mills are integrated with papermaking facilities. All of Mexico's newsprint is produced by *Productores e Importadores de Papel S.A. (PIPSA)*, which is a group of three government-owned or government-backed plants.

Soap and Detergents

Mexico's soap and detergent producers are, for the most part, technologically advanced and include two of the largest plants in the world. The principal products are laundry soap, personal soap products and detergents. Mexico does not import significant quantities of these products, but it does import raw materials. The US is the principal supplier, claiming close to 90 percent of the import market.

Tanning

The tanning industry is an important user of chemicals, including salts, chromium, greases and synthetics. The industry's leading companies include *Fábricas de Calzado Canadá* and *Curtidos Rexis.*

Textiles

The Mexican textile industry is a large importer of synthetic fibres, including about C $2.2 million worth of Canadian artificial filaments in 1995. Chemical products imported by the industry include bleaches, dyes and softeners. The larger Mexican textile manufacturers are members of *Cámara Nacional de la Industria Téxtil (Canaintex)*, National Chamber of the Textile Industry. They include *Kaltex, Avante, Romafil, Intretex, Martex Potosí, Negociación Fabril de Soria* and *Grupo Hytt* among many others.

Wastewater Treatment

Mexico has a serious water pollution problem. Less than 400 plants treat only 18 percent of municipal discharges. The industrial sector generates 18 percent of all wastewater and it is estimated that only about 15 percent of it is treated. Mexico expanded its environmental enforcement regulation in 1992, and water treatment activity is expected to grow substantially over the medium term.

COMPETITORS

Companies located in Mexico supply about 70 percent of Mexico's apparent consumption of chemicals. Mexico is a net importer of chemicals. According to estimates by *Asociación Nacional de la Industria Química (ANIQ)*, National Association of the Chemical Industry, imports in 1995 totalled US $4.7 billion. This compared with US $3.7 billion in exports. Local production was estimated at US $14.8 billion.

All of the large chemical producers in Mexico are members of *ANIQ*. There are 291 companies listed in the *ANIQ* directory for 1996-97. The manufacturing chamber lists about 4,000 companies as part of the chemical sector, but more than 90 percent of them are classified as small or micro.

The *ANIQ* directory includes 530 pages of detail on the activities of each company and also lists producers by commodity. In addition, *ANIQ* publishes an annual statistical report which includes production and trade data for hundreds of individual chemicals.

The industry is dominated by the largest firms. Most larger domestic producers are either wholly-owned or partially-owned by multinational chemical companies or have joint ventures or strategic alliances with foreign firms. The most important producers are Amoco, Bayer, *Infra, Cydsa, Girsa, Celanese*, Polaroid, Henkel, BASF, Mobil Oil, Kimex, Hoechst, Dupont, Texaco and Union Carbide.

Many Mexican-owned chemical companies are part of large Mexican *grupos. Girsa Corporativo*, for example, operates more than 15 chemical divisions including *Industrias Resistol. Girsa* is the chemical division of *Grupo Desc*, a huge conglomerate and Mexico's 22nd largest company.

TRENDS AND OPPORTUNITIES

Chemicals are consumed by a wide range of industries and the health of the chemical sector is highly dependent on the state of the overall economy. Domestic demand was cut sharply in 1995 as the result of the December 1994 devaluation of the peso and the economic crisis that followed. Apparent domestic consumption of chemicals fell by almost 9 percent to US $15.8 billion. This was partly offset by a US $1.2 billion increase in exports. As a result, real output of chemical products fell by only 3.2 percent, compared with 6.9 percent for the overall economy.

Forecasts of 1996 gross domestic product (GDP) growth range from the official government number of 3 percent to private estimates as low as 1.5 percent. Imports are recovering competitive positions damaged by the devaluation as domestic inflation works its way through the cost structures of domestic producers.

OPPORTUNITIES FOR PRODUCTS

There are opportunities for Canadian companies in the provision of both commodity and specialty chemicals. Specialty chemicals appear to be the best prospects for small- to medium-sized Canadian producers. They involve higher value added, are profitable at lower volumes, and competition tends to be based more on service than price.

Industry observers say that there are opportunities for imports of specialty chemicals used in Mexico in the manufacture of a wide variety of products:

- plastics
- paints
- detergents and cleaning products
- cosmetics
- chemicals for water treatment
- agricultural products
- pulp and paper
- adhesives
- emulsions
- starches
- lubricators
- pharmaceutical products
- foods

OPPORTUNITIES FOR CONSULTING AND OTHER SERVICES

Mexico has a small number of universities and research centers that carry out world-class scientific research. But officials of the technological committee at *Cámara Nacional de la Industria de la Transformación (Canacintra)*, National Chamber of Manufacturing Industries, said in interviews that there is insufficient government support for research and development (R&D) in the chemical industry. A government agency, the *Consejo Nacional de Ciencia y Tecnología (Conacyt)*, National Chamber of Science and Technology, does provide R&D assistance. But the officials believe that more research support is essential if the industry is to reach its potential.

This suggests opportunities for Canadian companies. They have technologies that could be adapted and applied in Mexico, as well as the know-how to run training programs associated with technology transfer. Observers believe that companies with a proven track record and a specific project proposal will be more successful in obtaining government aid or concessions than speculative research ventures.

THE REGULATORY ENVIRONMENT

The principal government regulations affecting the chemical sector are those dealing with product standards and labelling, foreign investment, intellectual property and barriers to trade. The chemical industry is also a major target of environmental regulators, but those are discussed in a separate publication.

The Government of Mexico regulates the quality and purity of a wide range of products, including a large number of chemicals. These standards apply to imported as well as domestically produced goods:

- Official standards, known as *Normas Oficiales Mexicanas (NOMs)*, are administered by the *Secretaría de Comercio y Fomento Industrial (Secofi)*, Secretariat of Commerce and Industrial Development. Goods subject to *NOMs* must be accompanied by a certificate of compliance in order to enter Mexico.
- Health regulations are administered by the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar)*, Secretariat of Agriculture, Livestock and Rural Development. *Sagar's Dirección General de Sanidad Vegetal*, Vegetable Sanitation Division, publishes an official register of all agricultural chemicals that can be used in Mexico.

Some agricultural chemicals, including DDT, are restricted and may be purchased only with written authorization from a government technician who will supervise their application. A number of other agricultural chemicals are prohibited altogether by a decree published in the *Diario Oficial*, National Gazette, 3 January 1991.

Mexico's *Ley de Fomento y Protección de la Propiedad Industrial*, Law for the Promotion and Protection of Industrial Property and the *Ley Federal de Derechos del Autor*, the Mexican Copyright Law, was amended in 1993 to comply with the North American Free Trade Agreement (NAFTA). Moreover, NAFTA's chapter on intellectual property makes specific enforcement provisions. Trade secrets are now explicitly protected and the law provides both civil and criminal sanctions.

The *Ley de Inversión Extranjera*, Foreign Investment Law of 28 December 1993, greatly expanded opportunities for foreign investors. In most cases, 100 percent foreign investment in chemical operations is allowed. The regulations concerning privatized petrochemical facilities previously owned by *Petróleos Mexicanos (Pemex)*, the national oil company, are in a state of flux, but these plants are likely to be restricted to 49 percent foreign ownership.

MARKET ENTRY STRATEGIES

Most chemical products are sold through agents or distributors. The trade liberalization beginning in the late 1980s put competitive pressure on this system and encouraged the development of more cost-effective distribution channels. Buyers and sellers have been forced to seek out new, more efficient lines of supply. This has created opportunities for companies that were previously unknown in the Mexican market. On the other hand, chemical industry experts say that Canadian enterprises are almost unknown in the country. This implies that more aggressive promotion could help Canadian companies to establish a foothold in this market. Joint ventures with established Mexican producers are another way to gain market access.

Many Canadian companies that succeed in Mexico, make their first contacts with potential customers or partners at industry trade shows. Major annual shows include:

- *Petro y Chem México*. The petrochemical show is held annually in October at the World Trade Centre in Mexico City.
- *Exposición Internacional Ecología Industrial*. The second exposition, covering environment and industry, was held in Mexico City in April 1996.
- *WTC Expo Internacional*. This industry, commerce and services show was held at the World Trade Centre in Mexico City in April 1996.
- *Enviro-Pro Expo/Tecomex '96*. This environmental exposition and conference was held in September 1996 at *Palacio de los Deportes*.

KEY CONTACTS

CANADA

Canadian Government

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.

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Fax: (613) 996-9709
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The Trade and Economic Division of the Embassy of Canada 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

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

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.

World Information Network for 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. 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).

Industry Canada

Chemicals and Bio-Industries Branch
Industry Canada
235 Queen Street
Ninth Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 954-3075
Fax: (613) 954-3129

Canadian International Development Agency (CIDA)

CIDA is an important possible source of financing for Canadian ventures in Mexico. A special fund is 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. For more information, call (819) 997-7905, or fax (819) 953-5024.

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 has established relationships with leading commercial and public sector institutions in Mexico and Latin America. For information on the full range of EDC services, call (613) 598-2500, or fax (613) 598-6858.

Revenue Canada

Revenue Canada, Trade Administration Branch provides service in English, French and Spanish. Revenue Canada publications and customs notices are also available by calling or faxing the NAFTA Information Desk: 1-800-661-6121 or (613) 941-0965; fax: (613) 952-0022.

Business and Professional Associations

Canadian Chemical Producers' Association
350 Sparks Street
Suite 805
Ottawa, ON K1R 7S8
Tel.: (613) 237-6215
Fax: (613) 237-4061

Canadian Manufacturers of Chemical Specialties Association
56 Sparks Street
Suite 702
Ottawa, ON K1P 5A9
Tel.: (613) 232-6616
Fax: (613) 233-6350

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 and 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

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Ottawa, ON K1V 0W2
Tel.: 1-800-361-4637 or
(613) 737-3374

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 Embassy in Canada

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

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Alfonso Reyes No. 30, Piso 10
Col. Condesa,
06140 México, D.F.
México
Tel.: (52-5) 729-9243
Fax: (52-5) 729-9320

Secretariat of Commerce and Industrial Development Bureau of Standards
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Av. Puente de Tecamachalco No. 6
Col. Lomas de Tecamachalco
53950 Tecamachalco
Estado de México
México
Tel.: (52-2) 729-9300
Fax: (52-5) 729-9484

Secretariat of Agriculture, Livestock and Rural Development
Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar)
Insurgentes Sur No. 476, Piso 13
Col. Roma Sur
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México
Tel.: (52-5) 584-0010/0808
Fax: (52-5) 584-1177

Secretariat of Environment, Natural Resources and Fisheries
Secretaría del Medio Ambiente, Recursos Naturales y Pesca (Semarnap)
Río Elba No. 20
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México
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Fax: (52-5) 286-7971

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México
Tel.: (52-5) 553-7670/7940
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Marina Nacional No. 329, T. Pemex, Piso 44
Col. Huasteca
11311 México, D.F.
México
Tel.: (52-5) 545-8736, 250-1055
Fax: (52-5) 625-4385

National Oil Company
Petróleos Mexicanos (Pemex), Gas y Petroquímica Básica
Av. Marina Nacional No. 329
Torre Ejecutiva, Piso 39
Col. Huasteca
11311 México, D.F.
México
Tel.: (52-5) 254-3823/4567
Fax: (52-5) 545-8091

National Oil Company
Petróleos Mexicanos (Pemex), Petroquímica
Av. Marina Nacional No. 329
Torre Ejecutiva, Piso 35
Col. Huasteca
11311 México, D.F.
México
Tel.: (52-5) 250-8919/554-0935
Fax: (52-5) 254-2672

Intersecretarial Commission for the Control, Use and Processing of Insecticides, Fertilizers and Toxic Substances
Cicoplafest
San Luis Potosí No. 192, Piso 2
Col. Roma Sur
México, D.F.
México
Tel.: (52-5) 584-6030/6153
Fax: (52-5) 584-5260

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Instituto Nacional de Estadística, Geografía e Informática (INEGI)
Héroes de Nacozari No. 2301 Sur, Edif. Sede
Puerta 7, Nivel 1
Col. Jardines del Parque
20290 Aguascalientes, Aguascalientes
México
Tel.: (52-49) 98-8241/8345
Fax: (52-49) 98-7876

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Banco de México
Tacuba No. 4, Piso 1
Col. Centro
06059 México, D.F.
México
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Fax: (52-5) 237-2370

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Universidad Nacional Autónoma de México (UNAM)
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Circuito Escolar, Cuidad Universitaria
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México
Tel.: (52-5) 622-3278
Fax: (52-5) 616-1037

Monterrey Technical Institute
Instituto Tecnológico de Estudios Superiores de Monterrey (ITESM)
Fray Servando Teresa de Mier No. 99
Col. Centro
México, D.F.
México
Tel.: (52-5) 761-4096

Monterrey Technical Institute
Instituto Tecnológico y de Estudios Superiores de Monterrey (ITESM) Campus Monterrey
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 Metropolitan University
Universidad Autónoma Metropolitana (UAM)
Iztapalapa, AP. 55-535
09340 México, D.F.
México
Tel.:(52-5) 724-4723/4985
Fax: (52-5) 724-4723

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Asociación Nacional de la Industria Química A.C. (ANIQ)
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03100 México, D.F.
México
Tel.: (52-5) 559-7833
Fax: (52-5) 559-5889

Mexican Institute of Chemical Engineers
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Horacio No. 124-1301
Col. Polanco
11560 México, D.F.
México
Tel.: (52-5) 250-4844/4857
Fax: (52-5) 545-5817

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Gabriel Mancera No. 309
Col. Del Valle
03100 México, D.F.
México
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Fax: (52-5) 543-6488

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México
Tel.: (52-5) 280-8637
Fax: (52-5) 280-3973

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Av. Cuauhtémoc No. 1481
Col. Santa Cruz Atoyac
03330 México, D.F.
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Tel.: (52-5) 688-9616
Fax: (52-5) 688-9477

National Chamber of the Chemical Laboratory Industry
Cámara Nacional de la Industria de Laboratorios Químicos
Cuauhtémoc No. 1482
Col. Santa Cruz Atoyac
03310 México, D.F.
México
Tel.: (52-5) 604-2602, 688-9330
Fax: (52-5) 688-9704

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Sindicato de Trabajadores de la Industria Química y Petroquímica
Insurgentes Sur No. 756
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México
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Fax: (52-5) 543-0063

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México
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Unión de Formuladores y Fabricantes de Agroquímicos
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México
Tel.: (52-5) 688-9810

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Confederación Nacional de Floricultores y Viveristas de la República Mexicana
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Melchor Ocampo No. 193
Torre A, Piso 8
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Tel.: (52-5) 203-1567
Fax: (52-5) 254-0325

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Torre A, Piso 8
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México
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Periférico Sur No. 4839
11570 México, D.F.
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Ensenada No. 90
Col. Condesa
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México
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Fax: (52-5) 592-6613