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OPPORTUNITIES IN MEXICO:
PLASTICS AND ADVANCED MATERIALS



 Department of Foreign Affairs and International Trade
Ministère des Affaires étrangères et du Commerce international
Latin America & Caribbean Branch



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

Market Profile – Mexico

Opportunities in Mexico: Plastics and Advanced Materials was developed jointly by the Department of Foreign Affairs and International Trade (DFAIT) and Prospectus Inc. This market profile was made possible through the support of the Toronto office of Baker & McKenzie.

This market profile is designed to provide an overview of the market for **plastics and advanced materials** in 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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OPPORTUNITIES IN MEXICO:

PLASTICS AND ADVANCED MATERIALS

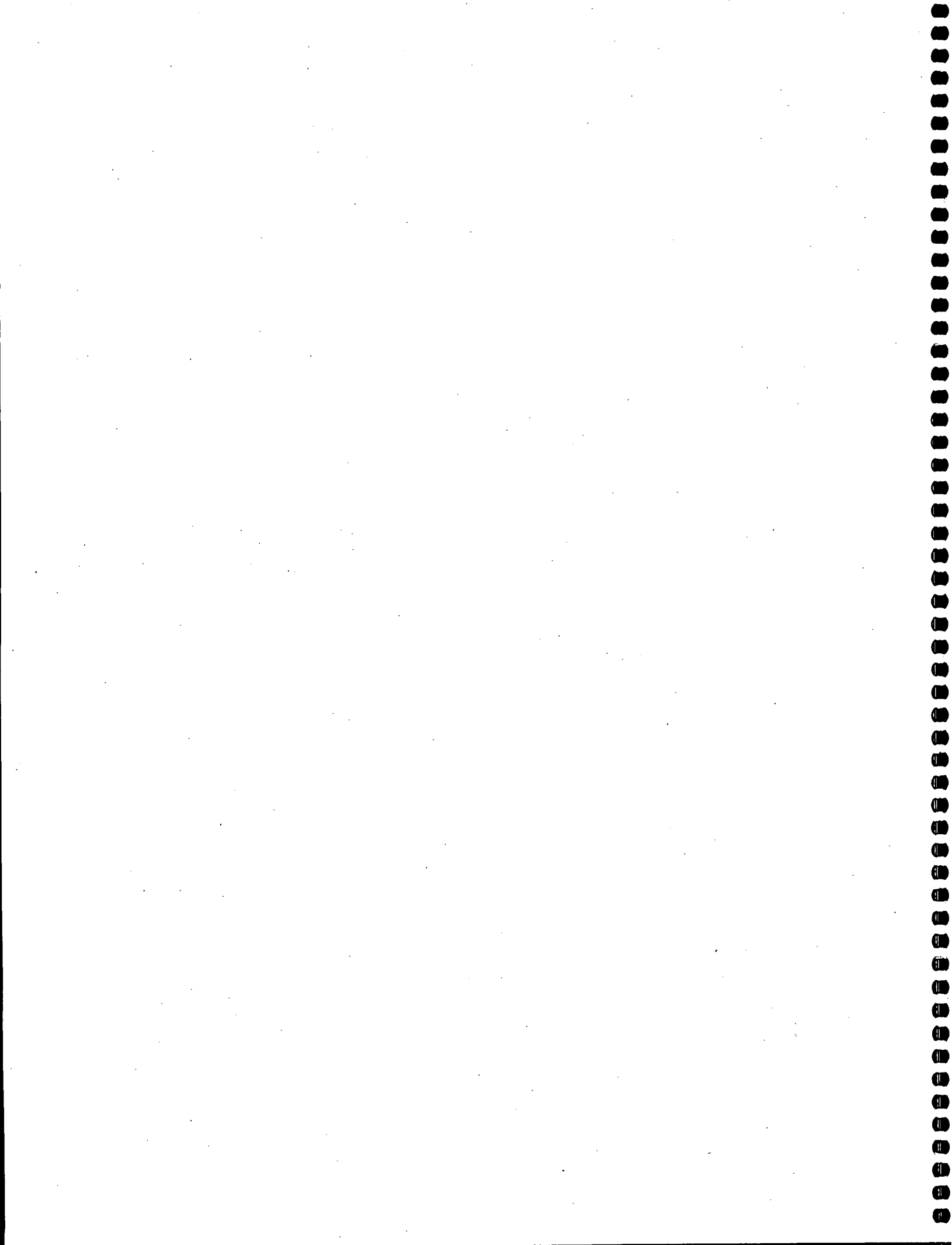
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The lawyers in the firm combine expertise in Mexican law with an understanding of the business environment and governmental process in Mexico. The firm enjoys an excellent reputation in business and government circles as one of the leading Mexican firms dealing with international and domestic business transactions. The lawyers from the four Mexican offices regularly meet with their Canadian counterparts to discuss coordination of business activities in the North American context and to encourage trade and investment activities between Canada and Mexico. Partners from the Mexican offices serve on a number of domestic and international bodies as representatives of both national business organizations and the Mexican government. Partners from the Mexican offices regularly advise the Mexican government on international business matters including the recent NAFTA negotiations.

The Toronto office, in existence since 1962, is an integral part of the North American practice of the firm which includes nine offices in the United States and four in Mexico.

The areas of firm's expertise in Canada and Mexico include:

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The Baker & McKenzie offices in Canada and Mexico work to assist Canadian companies to find the right partner to enable them to establish or expand business activities in Mexico. Whether a company's objective is to raise capital, establish a joint venture or strategic alliance, or begin exporting to the Mexican market, Baker & McKenzie offers a coordinated approach to ably facilitate entry to the Mexican market.



Bill Watson
(416) 865-6910

Allan Turnbull
(416) 865-6923

Roy Kusano
(416) 865-6903

Paul Burns
(416) 865-6912

Mexico



THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of 360 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico exceeded \$5.5 billion in 1994 and is expected to exceed \$7 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
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AN UNDERDEVELOPED MARKET

Per capita consumption of plastics in Mexico is growing, but it's still only about one-quarter of Canada's level. This suggests excellent long-term potential.

Plastics is one of Mexico's most dynamic industries. For more than a decade, its growth has consistently outperformed the gross domestic product (GDP). In spite of this progress, however, the use of plastics in Mexico is far below the levels of developed countries. Plastics consumption per capita rose steadily from 6 kilograms in 1980 to 26 kilograms in 1994. But this is still far below the 90 kilograms per capita in Canada and the United States. This suggests sustained market growth, as Mexico gradually catches up with the rest of North America in substituting plastics for traditional materials. Per capita consumption is projected to reach 30 kilograms by the year 2000. This creates outstanding opportunities for producers willing to adopt a long-term market strategy.

For decades, Mexico's plastics industry developed under an umbrella of protectionism and policies of self-sufficiency. The industry benefitted from a reliable supply of secondary petrochemicals from *Petróleos Mexicanos (PEMEX)*, the national oil company, at regulated prices. While this fostered the growth of the domestic industry, it also discouraged innovation and sheltered shoddy quality standards. Ultimately, it deprived other Mexican industries of the leading-edge products they need to compete in world markets. When the Mexican government liberalized the nation's trade policies in the late 1980s, the plastics market was abruptly opened to foreign competition. The industry reacted quickly with massive spending on new technology as it tried to protect its market share. The North American Free Trade Agreement (NAFTA) has placed the sector under even greater competitive pressure. Mexican producers will not only have to improve productivity and quality, but also broaden their product lines.

Sustained growth and pressure from competitors have forced the plastics industry to rely heavily on imports. Between 1990 and 1994, Mexican consumption of plastic resins grew by 24 percent to reach 2 million tonnes, but imports increased by 63 percent over the same period. Import penetration for resins now stands at about 32 percent of the market by volume. In 1994, the value of imported resins and other primary materials was almost US \$1.2 billion.

Imports of finished and semi-finished plastic products were almost US \$3 billion in 1994. According to data published by the *Asociación Nacional de las Industrias del Plástico (ANIPAC)*, National Association of the Plastics Industry, Mexico imported 265,000 tonnes of finished parts in 1994, about 13 percent of domestic consumption.

Under the North American Free Trade Agreement (NAFTA), trade barriers will continue to fall, and competition will force further modernization. The result will be long-run opportunities for Canadian suppliers of plastic products, materials and technology. As in most other sectors, the key to entering the Mexican plastics market is to establish a permanent local presence. Many Canadian companies have found that partnerships or joint ventures with Mexican firms are a good way to accomplish this. In the current economic environment, Mexican plastics producers badly need updated technology but they are hard pressed to pay for it. Canadian firms that can bring capital as well as know-how to a partnership will find themselves increasingly welcome.

OVERVIEW OF THE PLASTICS SECTOR

Imports of plastics-producing equipment jumped by 250 percent between 1990 and 1994, as the industry raced to adapt to the newly-liberalized trade environment.

The Mexican plastics industry is made up of about 2,800 plastics processing companies. In addition, there are an estimated 350 firms engaged in activities related to plastics. These firms employ about 126,000 people, or almost 4 percent of the total manufacturing work-force. The industry is concentrated in the Mexico City area as well as in the states Jalisco, Guanajuato and Nuevo León. About 56 percent of all plastics-producing companies are located in Mexico City or in the State of Mexico. The number of firms has fallen slightly in recent years as a result of the rationalization imposed on the industry by trade liberalization.

CORPORATE STRUCTURE

Large, high-technology firms coexist with small, family-owned businesses. Three-quarters of the firms have fewer than 100 employees, and half of them have less than 20. Two hundred large firms employ 40 percent of the industry's workers. Large multinational firms are increasing their dominance of the industry as family firms have struggled to cope with economic restructuring and the economic crisis caused by the devaluation of the peso in December 1994. The ability of large firms to export and maintain hard-currency earnings has been a major advantage in weathering this crisis. Many of the multinationals meet ISO 9000 standards, while the smaller family-owned firms tend to have trouble meeting international quality standards.

PRINCIPAL ACTIVITIES OF REGISTERED PLASTICS COMPANIES, 1994

| Products | Percentage |
|-----------------------------------|------------|
| Film and bags | 14.5 |
| Clean plastic packaging | 11.8 |
| Household goods | 9.1 |
| Moulded parts and packaging | 8.2 |
| Footwear | 7.8 |
| Toys | 6.3 |
| Building plastics | 5.7 |
| Decorative laminates | 5.3 |
| Polyvinyl chloride (PVC) products | 5.1 |
| Shapes and tubes | 4.9 |
| Other products | 21.3 |

Source: *Asociación Nacional de las Industrias del Plástico (ANIPAC)*, National Association of the Plastics Industry.

Many Mexican-owned companies are seeking partnerships or joint ventures with foreign firms to improve their competitiveness. They seek technical assistance and capital, and in exchange offer access to the local market. Mexican company officials interviewed for this profile suggested that joint ventures are a way of ensuring that they meet the quality standards of the partner's market. They also believe that low labour costs in Mexico create opportunities for co-production arrangements.

The pending privatization of 61 petrochemical plants owned by *Petróleos Mexicanos (PEMEX)*, the national oil company, is causing a realignment of supplier-customer relationships. The largest firms are interested in buying *PEMEX* plants as a means of vertical or horizontal integration. Smaller companies are looking for new suppliers, because of a concern that competitors may buy key elements of *PEMEX*.

PRODUCTION TECHNIQUES

Injection and extrusion moulding are the most widely-used production techniques, because of their versatility. Blowing is becoming increasingly common, as advanced packaging products become more popular. Blowing is required because of the increased use of some new plastics and resins such as polyethylene terephthalate (PET).

The industry has been forced to modernize in the face of foreign competition. Imports of plastics production machinery more than doubled to US \$232 million between 1990 and 1994 according to data from the *Asociación Nacional de las Industrias del Plástico (ANIPAC)*, National Association of the Plastics Industry. The largest increases were for injection moulding equipment (312 percent), vacuum forming machinery (243 percent), blow moulding equipment (227 percent) and extruders (163 percent). Other, more sophisticated processes are now being introduced, including laminating, rotational moulding, foaming, compression, coating, metalizing and electro-chroming.

MODERNIZATION OF THE PLASTICS SECTOR

MACHINERY IMPORTS

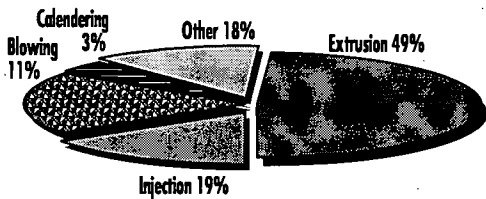
US \$ MILLIONS

| | 1990 | 1992 | 1994 |
|------------------------------|-------------|--------------|--------------|
| Injection moulding machinery | 31.1 | 48.8 | 97.1 |
| Extruders | 17.8 | 25.6 | 29.1 |
| Blow moulding machinery | 24.6 | 36.7 | 55.9 |
| Vacuum forming machinery | 12.1 | 15.8 | 29.4 |
| Auxiliary equipment | 6.8 | 14.5 | 20.7 |
| Total | 92.4 | 141.4 | 232.2 |

Source: *Asociación Nacional de las Industrias del Plástico (ANIPAC)*, National Association of the Plastics Industry. 1995 Annual Report.

Plastics-making equipment is mostly imported, primarily from American and European sources. According to the United States Department of Commerce, the U.S. had a 43 percent market share in 1993, followed by Italy with 16 percent and Taiwan with 12 percent. Industry experts interviewed for this profile said that Husky is the only major Canadian company active in the Mexican plastics equipment market. They add that the company's products are highly regarded. Mexican-made equipment is considered technically inferior to imports. Some Asian imports are available in Mexico but except for those from Japan, they are considered inferior to American and European equipment. The Japanese firm, Tatming, imported 60 machines during 1994, but it expects sales to fall by half during 1995.

PLASTIC PRODUCTION METHODS IN MEXICO, 1993



Source: Caroline Vêrut. *The Market for Plastics Product Machinery, Equipment and Materials*. Mexico City: Canadian Embassy, 1993.

The most commonly used resins are low-density polyethylene (LDPE), high-density polyethylene (HDPE) and polyvinyl chloride (PVC), followed by polystyrene, unsaturated polyester and polypropylene. Producers are gradually switching to new materials. Sales of the traditional commodity resins (LDPE, HDPE, PVC, polypropylene and polystyrene) have increased by only 3 percent per annum in the past few years, and thermofixed resins have fallen by 20 percent. The most dynamic products are the new plastic resins, versatile resins, technical plastics, engineering resins and specialty products.

The packaging industry is by far the most important consumer of plastics in Mexico. The principal packagers are the food, beverage and cosmetics industries. Expanding markets include paints, coverings and adhesives as well as the construction, automobile and household products industries. Future growth is predicted for electronics, medicine, marine and avionics applications.

THE NATIONAL OIL COMPANY

In 1938, the Mexican government expropriated the private oil companies and established *Petróleos Mexicanos (PEMEX)*, the national oil company, to consolidate the industry under exclusive government control. The oil companies retaliated by boycotting Mexican oil, but this action was short lived because of the strategic requirements of the war. National ownership of mineral resources was subsequently entrenched in the Mexican constitution. March 18, the *Día de la Expropiación Petrolera* is still celebrated in Mexico as a day of "national pride".

The national pride attached to *PEMEX* is a powerful force preventing the administration of President Zedillo from privatizing parts of the energy sector. Privatization of state enterprises has been government policy since 1988, but the energy sector was excluded. In January 1995, the government announced that as part of its stabilization plan in reaction to the devaluation, it would accelerate the privatization process. The possibility that this might include *PEMEX* has caused considerable debate, and the government has moved cautiously.

So far, the government has announced that 61 *PEMEX* petrochemical plants will be sold and that transmission, distribution and storage of natural gas will also be privatized. But to calm opposition, President Zedillo has assured the nation that *PEMEX* will continue to control the exploration, extraction and processing of oil and gas reserves, as well as the production of basic petrochemicals.

PEMEX has long been criticized for inefficiency, corruption and environmental damage. The labour requirements per barrel of oil were at 1.4 times that of the Venezuelan petroleum industry. The Mexican government responded in 1992 by restructuring *PEMEX* into four semi-autonomous subsidiaries:

- *PEMEX Exploración y Producción*, Exploration and Production
- *PEMEX Refinación*, Refining
- *PEMEX Gas y Petroquímica Básica*, Gas and Basic Petrochemicals
- *PEMEX Petroquímica*, Petrochemicals

More than 100,000 jobs were cut in the resulting reorganization while production was maintained approximately at previous levels.

The petrochemicals produced by *PEMEX Gas y Petroquímica Básica*, Gas and Basic Petrochemicals, are considered part of the petroleum industry. *PEMEX* will retain its constitutional monopoly over "basic" petrochemical products. But the scope of the monopoly has gradually been reduced.

PETROCHEMICALS CLASSIFIED AS "BASIC" UNDER MEXICAN LAW

| | |
|----------|--------------------------------|
| Butane | Ethane |
| Heptane | Hexane |
| Naphthas | Penatanes |
| Propane | Raw materials for carbon black |

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

PEMEX Petroquímica is responsible for the production of petrochemical products that are not considered part of the basic petroleum industry. It was created specifically to handle the products that are open to private competition.

This subsidiary has had difficulty rationalizing its operations to accommodate liberalized trade policies. The list of basic petrochemicals reserved for the state was reduced from 70 to 20 products in 1989, and to eight in 1992. The company has also been burdened with regulated prices that are in effect consumer subsidies. It lost N \$738 million pesos in 1993, but in 1994 it managed to earn a small profit of N \$202 million pesos on a volume of more than N \$7 billion pesos.

PEMEX announced its intention to begin to withdraw from the secondary petrochemicals business in early 1993. Officials said it would close some plants and privatize others. This process was delayed because of low world prices for petrochemicals. Instead of selling the plants at fire sale prices when privatization was first announced, some were simply shut down to wait for the market to rebound. The privatization plan has now been reactivated and as of early 1995, the government was trying to privatize 61 petrochemical plants.

Privatization will be carried out under the supervision of the *PEMEX Comisión Intersecretarial de Desincorporación*, Intersecretarial Commission for Privatization. The first tenders, for the Cosoleacaque plant, will begin in October 1995.

Mexican corporations will be created to operate each facility. *PEMEX* will maintain the right to buy minority shares in these corporations, but will dispose of these shares, once the transition to private operation is complete.

Several major multinational firms are reportedly considering purchases of *PEMEX* plants. Most observers believe that partnerships between foreign and Mexican firms are the most likely to be awarded purchase contracts.

PEMEX PETROCHEMICAL PRODUCTION, 1994
'000s OF TONNES

| | |
|----------------------------------|--------------|
| Methane derivatives | 5,927 |
| Carbanic anhydrous | 3,213 |
| Ammoniac | 2,468 |
| Methanol | 185 |
| MTBE | 61 |
| Ethane derivatives | 3,048 |
| Ethylene | 1,317 |
| Dichloroethane | 356 |
| Low-density polyethylene | 341 |
| Ethylene oxide | 280 |
| Acetaldehyde | 219 |
| Vinyl chloride | 212 |
| High-density polyethylene | 202 |
| Ethylene glycols | 113 |
| Perchloroethylene | 8 |
| Aromatics and derivatives | 1,701 |
| Xylene | 339 |
| Toluene | 283 |
| Benzene | 247 |
| Paraxylene | 263 |

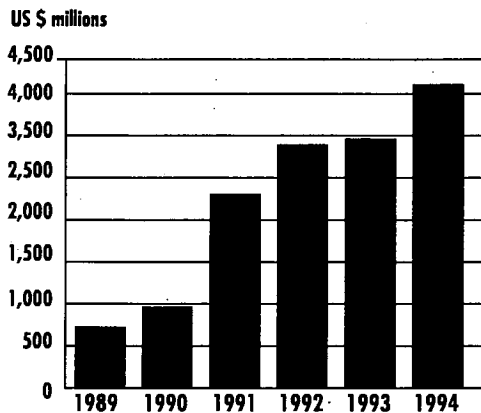
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|----------------------------------|---------------|
| Ethylbenzene | 160 |
| Styrene | 143 |
| Aromino 100 | 104 |
| Heavy aromatics | 64 |
| Orthoxylene | 50 |
| Cumeno | 43 |
| Fluxoil | 5 |
| Propylene and derivatives | 345 |
| Acrylonitrile | 161 |
| Polypropylene | 76 |
| Propylene | 67 |
| Hydrocyonic acid | 20 |
| Isoproponal | 17 |
| Acetonitrolic | 4 |
| Others | 2,046 |
| Pentane | 822 |
| Oxygen | 456 |
| Rafinado II | 214 |
| Hydrochloric acid | 141 |
| Nitrogen | 110 |
| Polymeric petrochemical | 132 |
| Hexone | 58 |
| Butane crude | 50 |
| Muriotic acid | 15 |
| Heptane | 13 |
| Hydrogen | 18 |
| Tetrachloride | 13 |
| Major petrochemicals | 4 |
| Total | 13,067 |

Source: Petróleos Mexicanos (PEMEX), the national oil company. *Memoria de Labores*, 1994.

THE ROLE OF IMPORTS

MEXICAN IMPORTS OF PLASTICS PRODUCTS FROM THE WORLD



Source: *Secretaría de Comercio y Fomento Industrial (SECOFI)*,
Secretariat of Commerce and Industrial Development, 1995.

In the four years ending in 1994, Mexican imports of plastics products quadrupled to reach more than US \$4 billion. Canada's exports grew by 62 percent in 1994, but they are still small in absolute terms.

Until recently, Mexico has not been a major importer of plastics products or raw materials. Until the late 1980s, the domestic industry developed under protectionist policies that encouraged self-sufficiency. Moreover, demand was low by Canadian standards because Mexico has been slow to substitute plastics for traditional materials such as metal, paper and wood.

The situation changed abruptly in 1988 when the Mexican government changed its policy and unilaterally liberalized trade. The nation became a full member of the General Agreement on Tariffs and Trade (GATT), the maximum tariff was chopped from 100 percent to 20 percent, and a system of import permits for high technology goods was scrapped. The government's objective was to modernize the economy, which had grown increasingly inefficient under the protectionist umbrella.

For the plastics industry, the results were dramatic. Imports of plastics products flooded the market, forcing producers to simultaneously increase efficiency and improve quality. Raw materials producers could not keep up with the demand, particularly for advanced materials, and many manufacturers of plastics products were forced to import primary materials. The availability of new products helped drive up per capita consumption from 21.6 kilograms in 1990, to 26.0 kilograms in 1994. Total imports of plastics products, including raw materials as well as semi-finished and finished goods, quadrupled in four years from US \$990 million in 1990 to US \$4.1 billion in 1994. Imports grew by more than 19 percent in 1994 alone.

The largest increases were for finished and semi-finished plastics products, which grew eight-fold over the five years ending in 1994 to reach almost US \$3 billion. Resins and other primary materials increased from US \$541 million in 1989 to almost US \$1.2 billion in 1994, a 218 percent increase.

Raw material imports are concentrated in particular product areas where Mexico is not self-sufficient. Polypropylene was not produced at all in Mexico until 1991 and the country continues to be dependent on imports for a variety of other products. In 1994, imported resins accounted for about one-third of the market.

Imports of finished and semi-finished plastics products have increased in most categories. The principal exception is tubes, pipes hoses and fittings, which have decreased over the past three years.

The United States dominates Mexico's import markets for both finished products and raw materials. In 1994, the American market share was about 87 percent for both categories.

Canadian sales have traditionally been small. Exports have grown rapidly over the past few years although at less than US \$40 million in 1994, they remain small in absolute terms. Total exports of plastics products to Mexico grew by 28 percent in 1993 and by another 62 percent in 1994. About one-third of Canada's 1994 exports were primary materials. This category was dominated by ethylene polymers, which alone accounted for 22 percent of total exports.

In the finished and semi-finished category, the most important product group was plates, sheets, film, foil, tape and strip, which are represented in the Harmonized System (HS) categories 3919 and 1920. Packing and packaging material is another major export, although sales have fallen slightly over the past few years. Sales of fully finished products such as kitchenware have been growing, although they remain small in absolute terms. Canada's import market share in 1994 was about 1 percent for primary materials and slightly less than that for finished and semi-finished products.

MEXICAN IMPORTS FROM THE WORLD US \$ MILLIONS

| Plastics-related Raw Materials | 1992 | 1993 | 1994 |
|---|------------|------------|--------------|
| Resins and other primary forms | 879 | 979 | 1,189 |
| Polymers of ethylene | 199.0 | 245.8 | 313.6 |
| Polymers of propylene or other olefins | 130.4 | 117.7 | 132.0 |
| Polymers of styrene | 77.9 | 107.3 | 130.8 |
| Polymers of vinyl chloride or other halogenated olefins | 38.8 | 36.8 | 43.6 |
| Polymers of vinyl acetate or other vinyl esters | 41.4 | 44.6 | 45.3 |
| Acrylic polymers | 62.3 | 72.4 | 92.6 |
| Polyacetals | 116.5 | 131.5 | 168.6 |
| Polyamides | 13.5 | 15.4 | 22.8 |
| Amino-resins, phenolic resins and polyurethanes | 32.6 | 36.0 | 44.6 |
| Silicones | 53.6 | 59.0 | 75.9 |
| Other resins | 16.0 | 14.6 | 19.6 |
| Cellulose and derivatives | 38.9 | 39.5 | 43.3 |
| Natural polymers and related products | 47.9 | 50.8 | 49.1 |
| Ion exchangers | 10.6 | 7.5 | 7.1 |

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| Plastics-related Finished Products | 1992 | 1993 | 1994 |
|--|--------------|--------------|--------------|
| Plastics products | 2,447 | 2,488 | 2,947 |
| Waste, parings and scrap | 2.9 | 2.1 | 3.5 |
| Monofilaments, rods, sticks and profiles | 8.6 | 9.3 | 10.2 |
| Tubes, pipes, hoses and fittings | 230.6 | 176.7 | 198.2 |
| Floor coverings | 8.5 | 9.9 | 11.9 |
| Self-adhesive plates, sheets, film, foil, tape and strip | 109.8 | 117.2 | 155.5 |
| Plates, sheets, film, foil and strip, not cellular or reinforced | 241.4 | 280.8 | 351.6 |
| Other plates, sheets, film, foil and strip | 159.6 | 178.5 | 207.0 |
| Baths, shower stalls, wash basins, etc. | 8.7 | 8.2 | 9.3 |
| Packing and packaging materials | 322.7 | 328.6 | 434.4 |
| Tableware, kitchenware, and other household articles | 56.1 | 78.9 | 95.5 |
| Builder's ware | 14.7 | 19.3 | 17.8 |
| Office and school supplies | 10.4 | 12.6 | 13.7 |
| Clothing and apparel | 28.8 | 28.3 | 27.9 |
| Fittings for furniture and coachwork | 8.6 | 11.1 | 18.6 |
| Statuettes and other ornamental articles | 6.5 | 8.2 | 11.5 |
| Other articles of plastic | 1,229.1 | 1,218.7 | 1,380.9 |
| Total world imports | 3,326 | 3,467 | 4,136 |

Sources: Government of Mexico import data and Statistics Canada World Trade Database.

MEXICAN IMPORTS FROM CANADA US \$ THOUSANDS

| Plastics-related Finished Products | 1992 | 1993 | 1994 |
|---|--------------|--------------|---------------|
| Resins and other primary forms | 3,678 | 6,465 | 12,835 |
| Polymers of ethylene | 1,495.9 | 4,068.2 | 8,649.9 |
| Polymers of propylene or other olefins | 831.2 | 377.9 | 593.5 |
| Polymers of styrene | 113.1 | 41.2 | 21.7 |
| Polymers of vinyl chloride or other halogenated olefins | 96.2 | 797.6 | 1,011.1 |
| Polymers of vinyl acetate or other vinyl esters | — | 2.6 | 8.1 |
| Acrylic polymers | 6.4 | 77.3 | 822.4 |
| Polyacetals, etc. | 748.2 | 752.5 | 1,037.9 |

continued on next page

| | 1992 | 1993 | 1994 |
|---|---------------|---------------|---------------|
| Polyamides | 2.3 | 1.6 | 80.3 |
| Amino-resins, phenolic resins and polyurethanes | 188.0 | 156.7 | 180.4 |
| Silicones | 96.1 | 23.7 | 80.0 |
| Other resins | 3.3 | 3.6 | 2.3 |
| Cellulose and derivatives | 42.6 | 96.6 | 7.9 |
| Natural polymers and related products | 2.2 | 48.7 | 333.5 |
| Ion exchangers | 52.9 | 17.1 | 6.2 |
| Plastics products | 15,250 | 17,687 | 24,702 |
| Waste, parings and scrap | — | 8.9 | 31.5 |
| Monofilaments, rods, sticks and profiles | 6.9 | 5.1 | 16.0 |
| Tubes, pipes, hoses and fittings | 1,053.0 | 799.6 | 1,509.8 |
| Floor coverings | 50.5 | 41.7 | 88.0 |
| Self-adhesive plates, sheets, film, foil, tape and strip | 2,534.8 | 2,966.4 | 5,950.5 |
| Plates, sheets, film, foil and strip, not cellular or re-enforced | 2,404.9 | 4,280.1 | 5,130.3 |
| Other plates, sheets, film, foil and strip | 215.6 | 343.8 | 473.8 |
| Baths, shower stalls, wash basins, etc. | 5.5 | 22.2 | 84.1 |
| Packing and packaging materials | 5,584.3 | 5,594.9 | 4,830.5 |
| Tableware, kitchenware, and other household articles | 224.4 | 86.4 | 1,451.6 |
| Builder's ware | 1,816.6 | 1,040.9 | 1,453.6 |
| Office and school supplies | 7.5 | 6.9 | 8.6 |
| Clothing and apparel | 4.9 | 9.0 | 24.6 |
| Fittings for furniture and coachwork | 127.5 | 492.7 | 165.6 |
| Statuettes and other ornamental objects | 16.2 | 3.0 | 13.4 |
| Other articles of plastic | 1,198.0 | 1,985.4 | 3,469.7 |
| Total Canadian imports | 18,928 | 24,152 | 37,537 |

Sources: Government of Mexico import data and Statistics Canada World Trade Database.

CUSTOMERS

Packaging is the largest use for plastic products. Food and beverage processors are the most important packagers, followed by cosmetics and toiletries.

FINISHED AND SEMI-FINISHED PRODUCTS

The largest users of plastics products are the food and beverage industry, and the automotive industry. The construction sector has traditionally been a major user of plastics but it is presently in a serious slump as a result of the devaluation of the peso. The cosmetics and toiletries industry is also an important user of plastic packaging.

PRINCIPAL MARKETS FOR PLASTICS, 1994

| | Percentage |
|------------------------------------|------------|
| Packaging | 42.3 |
| Construction | 22.9 |
| Home and office products | 7.9 |
| Automotive | 5.0 |
| Clothing and footwear | 4.5 |
| Electrical and electronic products | 3.3 |
| Other | 14.1 |
| Total | 100 |

Source: Asociación Nacional de las Industrias del Plástico, (ANIPAC), National Association of the Plastics Industry.

FOOD AND BEVERAGE INDUSTRY

The Mexican food processing and packaging industry is the most important user of plastic packaging. About 8,000 food processing companies are registered with the *Cámara Nacional de la Industria de Transformación (CANACINTRA)*, National Chamber of the Manufacturing Industry. According to chamber officials, there are more than 40,000 additional unregistered companies in the industry. These are mostly small family-owned firms. Total food processing employment is estimated at more than 670,000 people.

The industry is dominated by a few major players including *Grupo Industrial Bimbo*, *Grupo Maseca (GRUMA)* and *Herdez*. There are also a myriad of small, micro-enterprises which supply to "mom-and-pop" style stores within a few blocks or a few kilometres of their processing facilities.

Mexican family firms that have become industry leaders today share shelf space with a large number of American and European multinational firms, such as Anderson Clayton, Nestlé and Danone.

These foreign conglomerates typically own and operate Mexican plants, joint-venture with a Mexican partner, or license their brands to Mexican firms. They generally use Mexican primary food products, but tend to shop outside the country for their packaging needs.

For many years, Mexico's protectionist policies and price controls either shut out or discouraged foreign investment in the food and beverage sector, and domestic manufacturers held sway over a captive consumer market. Since the late 1980s reduced trade barriers have led to new foreign investment as well as aggressive joint-venturing with foreign food processors. As a result, this sector is now one of the most fiercely competitive in the country. In this environment, the use of advanced packaging techniques has become a powerful competitive tool.

CLASSIFICATION OF FOOD INDUSTRY

The *Cámara Nacional de la Industria de Transformación (CANACINTRA)*, National Chamber of the Manufacturing Industry, categorizes its 8,000 food industry members as:

- large, accounting for 1 percent of membership, about 100 corporations;
- medium, accounting for 18 percent of membership, about 1,400 companies; and
- micro-enterprises, accounting for 81 percent of membership, about 6,500 companies.

Corporate concentration like this is not uncommon in Mexico, where only the large firms have had sufficient investment capital to expand, often through acquisition.

Testimony to the strength of the larger players in this industry is the fact that, according to the highly respected business magazine, *Expansión*, 35 food-related companies and 29 additional companies in the beverage sector were ranked among Mexico's top 500 companies in terms of sales in 1993.

LEADING FOOD PRODUCERS 1993 SALES AND RANK IN TOP 500 MEXICAN CORPORATIONS

| Rank | Company | Sales (US \$ Millions) |
|--------------|--|------------------------|
| 9 | Grupo Industrial Bimbo | 1,516 |
| 10 | Compañía Nestlé | 1,383 |
| 50 | Anderson Clayton | 474 |
| 34 | Grupo Industrial Maseca | 473 |
| 84 | Sigma Alimentos | 383 |
| 75 | Herdez | 292 |
| 68 | Ganaderos Productores de Leche Pura | 284 |
| 96 | Agrobios | 174 |
| - | Productos Carnation (part of the Nestlé Group) | 156 |
| 119 | Lechera Guadalajara | 130 |
| 123 | Danone de México | 124 |
| 128 | Ingenio Tres Valles | 109 |
| 154 | Productos de Leche | 96 |
| 153 | Heladas Halanda | 89 |
| 159 | Molinos Azteca | 75 |
| 138 | Corporación Azucarera de Tala | 70 |
| 192 | Derivadas de Maíz Alimenticia | 58 |
| 218 | Laboratorios y Agencias Unidas | 57 |
| 204 | Ingenio Adolfo López Mateos | 43 |
| 260 | Aceite | 37 |
| Total | | 6,023 |

Source: *Expansión*, 1994.

LEADING BOTTLERS 1993 SALES AND RANK IN TOP 500 MEXICAN CORPORATIONS

| Rank | Company | Sales (US \$ Millions) |
|--------------|------------------------------------|------------------------|
| 44 | Grupo Embotellador de México | 424 |
| 64 | Cervecería Moctezuma | 328 |
| 85 | Industria Embotelladora de México | 189 |
| 97 | Embotelladora Valle de Anáhuac | 151 |
| 105 | Grupo Embotelladoras Unidas | 145 |
| 127 | Embotelladora la Favorita | 110 |
| 175 | Embotelladora la Frontera | 71 |
| 201 | Compañía Embotelladora de Culiacán | 51 |
| 223 | Embotelladora San Luis | 43 |
| 256 | Embotelladora Guadiana | 38 |
| Total | | 1,550 |

Source: *Expansión*, 1994.

The availability of new imported products, coupled with the demands of a well-traveled and sophisticated middle class, has put pressure on food processors to develop new, attractively packaged product lines to compete with these imports. Increasing demand for consumer-ready food products is forecast to continue well into the next century. Mexican food processors are now restructuring in an effort to respond to this rapidly growing and increasingly sophisticated market.

Beverage manufacturers have reportedly maintained their demand for raw materials in spite of the economic crisis. Mexico is the world's largest per capita consumer of beverages after the United States. Polyethylene Terephthalate (PET) bottles are growing in popularity.

THE CONSTRUCTION SECTOR

Three major groups comprise the market for construction and building products in Mexico:

- construction companies
- public works entities in federal, state and municipal governments and state-owned companies
- the informal or consumer market

The Mexican construction industry employs 2 million workers in approximately 18,000 companies. The industry is dominated by a few large companies with the largest 300 accounting for more than half of the value of total production. A few of the largest firms have annual sales in the order of US \$1 billion and operate internationally as well as domestically.

The largest construction companies are the most important buyers of imported construction materials. They are likely to purchase the most sophisticated products and the widest variety of materials. Acrylic paint, polyvinyl chloride (PVC) plumbing and plastic finishings are examples. In recent years, their influence over purchasing decisions has grown as the role of government has changed. Traditionally, the federal and state governments functioned as general contractors for public works projects. But increasingly, private sector contractors are taking over total project responsibility, while governments focus on financing and project promotion.

The largest construction companies are highly diversified. They provide engineering and contracting services and also produce many of the building materials they use. It is not uncommon for them to create separate divisions to manufacture products in high demand. This makes them ideal candidates for technology alliances or other joint ventures with Canadian producers.

THE CONSTRUCTION INDUSTRY, 1992

| Class Size (US \$ millions) | Number of Companies | Percentage of Companies | Value of Production | Percentage of Production (US \$ millions) |
|--------------------------------|------------------------|----------------------------|------------------------|---|
| up to 1 | 14,527 | 80.49 | 3,500 | 32 |
| 1 to 3.3 | 2,609 | 14.46 | 900 | 8 |
| 3.3 to 6.7 | 614 | 3.40 | 500 | 5 |
| over 6.7 | 299 | 1.66 | 6,100 | 55 |
| Total | 18,049 | 100 | 11,000 | 100 |

Source: Cámara Nacional de la Industria de la Construcción (CNIĆ), National Chamber of the Construction Industry.

MEXICO'S TOP TEN CONSTRUCTION COMPANIES

| Rank (US \$ millions) | Company | 1992 Revenue | Main Location | No. of employees |
|--------------------------|------------------------------------|-----------------|------------------|---------------------|
| 1 | Empresas ICA Sociedad Controladora | 1,600 | Mexico City | 38,000 |
| 2 | Bufete Industrial Construcciones | 340 | Mexico City | 10,600 |
| 3 | Compañía Contratista Nacional | 160 | Mexico City | 4,200 |
| 4 | Grupo Contelmex | 94 | Mexico City | 600 |
| 5 | Desarrollo Monarca | 93 | Mexico City | 1,100 |
| 6 | Construcciones y Canalizaciones | 68 | State of Mexico | 1,760 |
| 7 | Grupo Calpan | 53 | Mexico City | — |
| 8 | Constructor y Perforadora Latina | 51 | Mexico City | 439 |
| 9 | Ingenieros y Contratistas | 48 | Mexico City | 2,500 |
| 10 | FYPASA Construcciones | 48 | Mexico City | 490 |

Source: Obras. Industry Survey. Mexico City, September 1993.

The top ten Mexican construction companies are shown in an accompanying table. Other important construction companies include *GUTSA Construcciones*, *Tribasa*, *Grupo Mexicano de Desarrollo*, and *Grupo Protexa*.

Alternative building systems that combine non-traditional materials and concrete are considered to have good potential in Mexico's housing sector. There have been a number of demonstration projects in recent years using PVC plastic combined with concrete. Homes built from these components are relatively inexpensive and also allow very fast construction, reducing financing costs. According to industry experts, these building systems face considerable obstacles. Mexicans are reluctant to use plastic because it does not look substantial. PVC parts must be imported, which takes time, and creates problems for replacement parts. Also, Mexican workers do not usually know how to use PVC technology and few are interested in learning.

For cultural reasons, Mexicans are strongly attached to traditional construction techniques, such as stucco and plaster over masonry. Notwithstanding these objections, Mexico's acute housing shortage will eventually force a change in consumer attitudes. According to some estimates, the nation requires an additional six million housing units, just to adequately house the current population. The vast majority of Mexican homes cost less than US \$20,000 at pre-devaluation exchange rates, and plastic building products can be competitive in this price range.

There is a growing market in Mexico for do-it-yourself products for home building or renovations. Large retail stores that cater to this market report that while this market is still immature, there has been considerable consumer interest. Some of them have found that small contractors make up the majority of the participants in their consumer workshops.

THE AUTOMOTIVE INDUSTRY

The Mexican auto parts industry is organized into groups. The industry's national association, *Industria Nacional de Autopartes (INA)*, National Auto Parts Industry, represents the 140 largest parts manufacturers and produces most of the industry's statistics. The majority of these firms are clustered into 13 groups which link fabricators and distributors. Little information is available about the remaining 400 or so firms because they are small and do not belong to the *INA* or the parts groups. In addition, there are about 160 foreign-owned *maquiladoras*, most of them located in the northern border region. They import parts duty-free, in-bond from the United States and export assembled components.

AUTO PARTS GROUPS, 1994

| Group Name | Affiliates |
|---------------------------|------------|
| Grupo Bocar | 13 |
| Grupo Condumex | 16 |
| Grupo Echlin | 7 |
| Grupo Federal Mogul | 4 |
| Grupo ICA | 3 |
| Grupo Protexa | 6 |
| Grupo Ramirez | 6 |
| Grupo Rassini | 3 |
| Grupo Spicer | 26 |
| Grupo Summa | 8 |
| Grupo Tebo | 12 |
| Grupo Industrial Telleria | 3 |
| Grupo Viro | 3 |

Source: Automotive Industries Association of Canada, (AIAC), 1994.

As a result of new export-oriented policies implemented by Mexico in the late 1980s, the total apparent consumption of auto parts surged by more than 60 percent over the following three years.

The automotive parts sector includes two distinct markets: purchases by original equipment manufacturers (OEMs), and the aftermarket for replacement parts, materials and accessories.

The Mexican content rules for OEM purchases have been substantially relaxed, and will be phased out altogether under the North American Free Trade Agreement (NAFTA). For the most part, OEM parts will continue to be sourced within the broader global strategies of the five companies involved in passenger vehicle and light truck manufacture. Therefore, the NAFTA changes do not necessarily imply major new OEM market opportunities for independent producers. Moreover, the major automobile manufacturers are reportedly working to develop Mexican suppliers to reduce their imports of plastic parts. On the other hand, the Mexican bus and truck industry may present some opportunities.

The aftermarket segment is more dynamic than the OEM segment because a large number of companies are involved. According to the *INA*, about 30 percent of local parts production goes to the aftermarket. With imports included, the aftermarket makes up 40 percent of total parts sales.

MANUFACTURERS OF CARS AND GASOLINE TRUCKS IN MEXICO, 1992 PERCENTAGE OF MARKET SHARE

| | Passenger Cars | Gasoline Trucks | Exports |
|----------------|----------------|-----------------|------------|
| Nissan | 22.5 | 15.3 | 10.5 |
| Chrysler | 18.8 | 20.0 | 26.7 |
| Ford | 15.3 | 23.6 | 34.5 |
| Volkswagen | 32.0 | 5.3 | 8.7 |
| General Motors | 11.4 | 27.9 | 19.6 |
| Total | 100 | 92.1 | 100 |

Source: *Asociación Mexicana de la Industria Automotriz (AMIA)*, National Association of the Automotive Industry.

MANUFACTURERS OF TRUCKS AND BUSES IN MEXICO, 1992

PERCENTAGE OF MARKET SHARE

| Company | Diesel Trucks | Gasoline Trucks | Buses |
|-----------------------|---------------|-----------------|------------|
| Dina | 21.5 | 4.4 | 33.5 |
| Mercedes Benz | 28.7 | 3.4 | 30.0 |
| Kenmex | 47.0 | 0.1 | — |
| TRAMOSA | 0.7 | — | 3.2 |
| Victor Patrán | 2.1 | — | — |
| Mexicana de Autobuses | — | — | 33.3 |
| Total | 100 | 7.9 | 100 |

Source: Asociación Mexicana de la Industria Automotriz (AMIA), National Association of the Automotive Industry.

THE RETAIL SECTOR

The vast majority of plastics products exported to Mexico by Canadian suppliers are raw materials or intermediate goods sold to Mexican producers for incorporation into finished products. Some finished products such as floor coverings and bathroom fixtures are sold to industrial customers. A small but growing group of products are consumer goods that are distributed by retailers. This includes, for example, tableware, kitchenware and other household articles. Sales of these products grew from US \$224,000 in 1992 to about US \$1.4 million in 1994. Other retail products include office, home and school supplies, and apparel.

The Mexican retail sector is highly diverse. On one hand, it has a very large number of small retail outlets often referred to as "mom-and-pop" stores. There are almost 300,000 retail units and the population per unit is only about 300, compared to about 900 in Canada. On the other hand, the market is dominated by very large retail supermarkets. Major supermarkets make up only about 5 percent of the retail outlets, but account for 40 percent of sales. Experts predict that the market share of supermarkets and other retail chains will expand further to about 70 percent over the next several years.

OVERVIEW OF THE MEXICAN RETAIL SECTOR

| Type of Outlet | Typical Size | No. of Outlets |
|--------------------------|------------------|----------------|
| Hypermarkets | >1500 sq. metres | 445 |
| Supermarkets | <1500 sq. metres | 1,215 |
| Large traditional stores | One check-out | 17,341 |
| Small traditional stores | One clerk | 154,522 |
| Small kiosks and stands | — | 98,472 |
| | | 271,995 |

Source: Canada Park International, 1994.

Wholesalers handle some of these products, but increasingly, large retail chains are buying directly from foreign suppliers. Some of them also act as wholesalers. There are five very large supermarket chains in Mexico. Three of them, *Cifra*, *Gigante* and *Comercial Mexicana* operate on a national basis. Mexican supermarkets typically devote less than one-third of their space to food products. Health and personal care products use about 30 percent of the space, with the remaining 40 percent allocated to other non-food products, including cookware and houseware.

Most of the large Mexican retailer chains have been expanding, mostly through joint ventures. Some examples include:

- *El Puerto de Liverpool*, a large Mexican department store chain that has joined forces with K-Mart. This joint venture is developing *supermercados*, supermarkets, which will carry both food items and lower-end apparel. *Liverpool* plans to invest over \$300 million in this and other ventures.
- *Cifra*, Mexico's leading retailer, has entered into a joint venture with Wal-Mart. They plan to invest \$800 million in the next three years, primarily in discount stores and supermarkets. This will increase *Cifra's* sales space by more than 50 percent. *Cifra's* annual sales in 1992 were US \$3.7 billion through 238 stores, mostly in Mexico City.
- *Gigante*, Mexico's second largest chain, plans to open warehouse stores in association with Carrefour of France. *Gigante* has 236 stores with broad national coverage. *Gigante* also has a joint venture with Fleming Co. to establish discount stores.
- *Comercial Mexicana* and Price Club/Costco opened warehouse stores in 1991 and continue to seek new opportunities. *Comercial Mexicana* controls its own chain of supermarkets, plus *Sumesa* and Price Club. It has 133 stores in 30 cities. Sixty-four percent of its floor space is located in or near Mexico City.
- Sears Roebuck's Mexican arm, *Sears de México*, will spend over US \$35 million over the next five years, opening five or six new stores per year.
- Dillards and J.C. Penney plan to open stores in Mexico in 1995. Dillards now has a joint venture agreement with *Cifra*.

New American-style mall developments are springing up all over the country. Most of the large chains are pursuing joint ventures with foreign retailers.

RESINS AND MATERIALS

The main customers for resins and primary materials are plastics products manufacturers. Some Mexican raw materials producers also import in order to round out their product lines. In addition, the directory of the *Asociación Nacional de las Industrias del Plástico (ANIPAC)*, National Association of the Plastics Industry, lists 41 companies that are distributors of either raw materials or plastics-making equipment, or both.

EXPANSION OF THE RESINS MARKET

'000s TONNES

| | 1990 | 1992 | 1994 |
|----------------------|-------|-------|-------|
| Installed capacity | 1,570 | 2,145 | 2,250 |
| Production | 1,250 | 1,600 | 1,670 |
| Imports | 400 | 570 | 650 |
| Exports | 240 | 360 | 320 |
| Apparent consumption | 1,410 | 1,810 | 2,000 |

Source: Asociación Nacional de las Industrias del Plástico (ANIPAC), National Association of the Plastics Industry. 1995 Annual Report.

Mexico's apparent consumption of plastic resins grew by 42 percent between 1990 and 1994, and was estimated at 2 million tonnes in the latter year. The market will contract in 1995 because of the economic crisis that followed the December 1994 devaluation of the peso. The construction industry, in particular, was hard hit by this crisis and the demand for plastics products has fallen in other industries as well. The larger Mexican plastics producers are attempting to maintain production by exporting. This should help maintain the demand for raw materials to some extent, since the finished products are eventually exported for hard currency. The large multinationals are continuing to expand their production, and some of them will take over parts of *Petróleos Mexicanos (PEMEX)*, the national oil company. New plants under construction by Shell, Eastman and Celanese are not expected to begin production until mid-1996 at the earliest.

The most recent estimates of apparent consumption of individual resins are for 1992. In that year, low-density polyethylene (LDPE) was the most commonly used resin, followed by high-density polyethylene (HDPE), polyvinyl chloride, polypropylene and polystyrene.

CONSUMPTION OF PLASTIC RESINS, 1992

'000 TONNES

| Product | Production | Imports | Exports | Consumption |
|----------------------------------|------------|---------|---------|-------------|
| Low-density polyethylene (LDPE) | 354.8 | 70.2 | 7.4 | 417.6 |
| High-density polyethylene (HDPE) | 220.1 | 143.5 | 66.6 | 297.0 |
| Polyvinyl chloride | 407.2 | 26.1 | 201.4 | 231.9 |
| Polypropylene | 111.7 | 111.2 | 30.9 | 192.0 |
| Polystyrene | 115.6 | 42.3 | 8.6 | 149.3 |
| Acrylic | 81.4 | 25.4 | 10.3 | 96.5 |
| Urea resins | 67.5 | 2.0 | 0.6 | 68.9 |

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| Product | Production | Imports | Exports | Consumption |
|---|----------------|--------------|--------------|----------------|
| Alkyd resins | 64.0 | 0.4 | 0.4 | 64.0 |
| Polyvinyl, acetate emulsions | 46.1 | 6.0 | 2.8 | 49.3 |
| Polyesters | 34.8 | 17.3 | 7.4 | 44.7 |
| Polyurethanes | 33.6 | 5.9 | 0.2 | 39.3 |
| Acrylonitrile butadiene styrene (ABS) and SAN | 44.3 | 13.4 | 19.0 | 38.7 |
| Polyethylene terephthalate | 27.2 | 6.7 | 4.7 | 29.2 |
| Phenolic resins | 17.5 | 5.6 | 0.4 | 22.7 |
| Epoxy resins | 1.8 | 11.3 | 3.6 | 9.5 |
| Linear LDPE | — | 8.9 | — | 8.9 |
| Melamine resins | 5.0 | 1.7 | 0.1 | 6.6 |
| Ionic interchange | 2.2 | 3.0 | 0.2 | 5.0 |
| Polyamides | 1.4 | 3.2 | — | 4.6 |
| Maleic resins | 4.0 | 0.1 | 1.3 | 2.8 |
| Tar esters | 3.5 | 0.2 | 0.9 | 2.8 |
| Fumaric and furanic resins | 2.4 | — | — | 2.4 |
| Other | 20.1 | 77.2 | 15 | 82.3 |
| Total | 1,666.2 | 581.6 | 381.8 | 1,866.0 |

Source: Comisión Petroquímica Mexicana, Mexican Petrochemicals Commission, 1993.

PRODUCT APPLICATIONS OF THE PRINCIPAL RESINS PERCENTAGE OF TOTAL USES FOR EACH RESIN

| Low-density Polyethylene | % | Styrene Polymers | % |
|--------------------------|------------|----------------------|------------|
| Transparent film | 76 | Containers | 44 |
| Industrial film | 8 | Consumer electronics | 19 |
| Household articles | 6 | Construction | 14 |
| Pipes and tubes | 5 | School and home | 7 |
| Inside recycling pack | 5 | Packaging | 5 |
| | | Industrial | 3 |
| | | Other | 8 |
| Total | 100 | Total | 100 |

continued on next page

| High-density Polyethylene | % | Polyvinyl Chloride | % |
|---------------------------|------------|--------------------|------------|
| Home articles | 37 | Pipes and tubes | 29 |
| Large containers | 19 | Bottles | 13 |
| Boxes | 12 | Flexible film | 11 |
| Leisure | 8 | Decoration | 9 |
| Food containers | 6 | Shoes | 8 |
| Industrial | 6 | Cable | 5 |
| Pharmaceuticals | 5 | Profiles and hoses | 5 |
| Medium containers | 4 | Textile coverings | 4 |
| Other | 3 | Rigid film | 3 |
| | | Other | 13 |
| Total | 100 | Total | 100 |

Source: *Asociación Nacional de la Industria Química (ANIQ)*, National Association of the Chemical Industry.

COMPETITION

Domestic firms can supply most of Mexico's basic plastic products, but the industry relies on imports for a wide variety of advanced materials.

American and European suppliers are the most important competition for Canada in Mexican plastics markets. Mexican manufacturers of finished and semi-finished plastics products are able to supply the market for lower-end products, but the nation relies on imports for more sophisticated ones. Similarly, in the case of resins, Mexico has a large production capability in the traditional commodity resins, but is dependent on imports for the newer and more sophisticated products.

Domestic producers of resins and materials have responded to the increased demand with new production capacity. For example, there was no polypropylene produced in Mexico until 1991, when *Petróleos Mexicanos (PEMEX)*, the national oil company, began production. By 1992, imports of this product had been cut in half. Similarly, imports of low-density polyethylene (LPDE) have been sharply reduced as new *PEMEX* production facilities have come on line.

There are too many plastics producers in Mexico to list here, but the main industry associations produce directories providing contact information. While there are many family-owned companies in the Mexican plastics sector, few of them are in the forefront of the industry. Most leading companies are part of large multinationals or are integrated into a network of alliances between Mexican and foreign firms. The following firms are among the most important:

- *Duroplast*, a large privately-owned company, has two joint ventures. One is with Prince Corp., an American company, and the other with *Iberofon Plásticos*, a Spanish company.
- *International Professional*, a large manufacturer and processor, is privately-owned and part of the Mexican group, *Industrias Plásticas Máximo*.
- *Reich*, the largest Mexican recycler, was originally a family-owned group which is now moving toward professional management.
- *Celanese Mexicana (Celmex)* is part of Hoechst Group of Germany. In Mexico it owns *Comtex*, *Univex*, *Derivados Macroquímicos*, *Novacel*, and *Sales del Bajío*.
- *Empaques Plásticos Industriales (EPISA)*, is a large manufacturer of industrial plastic packaging material. In Mexico, this privately-owned company has very little competition and buys more than two-thirds of its raw material from *PEMEX*. There are no international firms competing in the Mexican industrial plastic packaging industry, thus *EPISA* enjoys a virtual monopoly. On the other hand, it faces strong buyer groups in more than ten Mexican industries.

Some of the other firms which have notable operations in Mexico are: BASF, DuPont, Eastman, Na Ya, ICI, Shell, Plastivex and *Bocar*. These companies are processors, producers, and manufacturers of plastics and resins.

BASF Mexicana operations depend entirely on BASF U.S.A. They are well-known in Mexico for their high level of service. The company provides clients with technical support and training to make them more productive, thus making them better customers in the long run. BASF is also a distributor of Sengel plastic-making machinery, one of Husky's major competitors.

The United States is by far the most important supplier of plastics products, enjoying an 87 percent import market share in 1994. Germany, Brazil and France are the other significant competitors. Canada supplied about 1 percent of the import market in that year.

Canadian firms are not well-known in the plastics market. Industry participants interviewed for this profile mentioned NOVACOR as an important supplier of catalysts, anti-rust treatment and ultraviolet blocking additives. Big 'O' was mentioned as having made a brief and unsuccessful appearance in the Mexican market.

The few Canadian companies that have pursued the Mexican market are well-regarded and even considered leaders in their area of expertise. On the other hand, Mexican buyers commented on the general lack of visible presence and follow-up on the part of Canadian companies in Mexico. They prefer to deal with American and European companies with demonstrated staying power in the local market.

MAJOR SUPPLIERS OF PLASTIC RESINS

| | |
|--------------------------|--------------------------------|
| Altaresin | Kimex |
| Amoco | K.J. Quinn |
| BASF | Mobil Polymers |
| Bayer | Monsanto Chemical Co. |
| BF Goodrich | Nacional de Resinas |
| Borden | PEMEX |
| Borg-Warner Chemicals | Phillips Petroleum |
| Celanese | Plastiglas |
| Chevron Chemical | Plexchem International |
| Ciba Geigy | Policyd |
| Cyanamid | Polidesa |
| Dayton Chemicals | Polimar |
| Dow Chemicals | Polímeros de México |
| Du Pont de Nemours | Polioles |
| EGC Corp. | Poliresinas Huettenes Albertus |
| Egon Meyer | Química Hércules |
| Fenoquimia | Rebesa Química |
| Fuller | Reichhold Chemicals |
| Grupo Primex | Resinas de México |
| Himont | Resinas Sintéticas |
| Indelpro | Rohm & Haas |
| Industria Química Delgar | Shell |
| Industrias Resistal | Simon |

Source: Department of Foreign Affairs and International Trade (DFAIT), 1993 and interviews, 1995.

PRODUCT TRENDS AND OPPORTUNITIES

In spite of the devaluation of the peso and the crisis that it spawned, there are still opportunities for technically-advanced or specialized products.

The economic crisis has taken its toll among the smaller producers and distributors of plastics products and equipment. Domestic production has been cut back in response to reduced demand from construction, automotive, home products and other industries that have been hurt directly by the devaluation of the peso in December 1994. In the first half of 1995, for example, construction activity was down by 70 percent and automotive sales had shrunk by 40 percent compared to the same period in 1994. Imports of resins were maintained up until September 1995 because of international demand for the products of the Mexican plastics industry. Sales were projected to fall off in the last quarter.

Some mid-sized firms that modernized during 1994 were caught with large dollar debts when the peso was devalued at the end of the year. Many of them have gone out of business or have been acquired by larger firms.

The firms that are weathering the crisis are mainly those that export. The average export level among the larger companies is 30 percent. Most of these companies have access to foreign financial markets, and have been able to maintain their equipment and achieve economies of scale.

RESINS

The range of resins available in Mexico is still limited. This is partly because there is no local production of many resins, but also because some importers do not offer full product lines. Mexican plastics processors are very interested in exploring new materials and several joint ventures with foreign firms are now under development. New products will be introduced into the local market as these projects mature.

Engineering resins, usually produced in low volume and at higher cost than commodity resins, are particularly sought after in Mexico. These are currently imported because their sales volumes are too low to justify the technically-advanced production processes involved. Engineering resins used in Mexico include ABS, PET, polycarbonate, polyacetal resins, nylon, fluoropolymers, polyamide, polyesters, polyurethanes, epoxy resins, unsaturated polyester, alloys and blends.

Additives for plastics are also an important market opportunity. Mexico relies entirely on imports and foreign suppliers of these products have not marketed their products aggressively.

According to estimates published by the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development, about two-thirds of current demand is for four types of resin:

- polyvinyl chloride (PVC)
- low- and high-density polyethylene
- polypropylene
- polystyrene

Of these, only PVC is in growing demand according to this source. *SECOFI* also notes that urea-formaldehyde resins, polyvinyl acetate emulsions and bottle-type PET are in strong demand as of early 1995.

Interviews were conducted with a group of plastics producers. They named a number of other products in demand, including, nylons (i.e., a type called *Santo Prener*) and Zytel. Another product with good long-run potential is resins used in the production of non-toxic and microwavable plastic food containers. The general advice offered to Canadians by industry experts in Mexico is to focus on niche markets with innovative products that rely on specialized technologies.

SERVICES

The modernization boom of the past five years has been substantially curtailed by the devaluation of the peso. Interest rates are extremely high and capital is hard to come by at any price. Only companies with substantial hard currency earnings are still in the market for equipment. This is creating a market for consulting and training services as Mexican producers try to get the most out of their existing investments.

Training is one of the services in demand as a result of this trend. Training designed to help workers use equipment more efficiently is especially needed. There is also a poor understanding of the benefits of preventative maintenance in Mexico and therefore a strong need for employee education. Training for repair technicians is also required.

Some companies operate their own internal training programs. *Duroplast*, for example, draws on the expertise of its clients, including Volkswagen to train its employees.

The privatization of 61 plants owned by *Petróleos Mexicanos (PEMEX)*, the national oil company, which is now underway, should create the need for administrative and financial consultants. The plants are in desperate need of modernization. According to one expert, most *PEMEX* equipment is 20 years out of date. Once these plants have been separated from the main *PEMEX* operations, there will also be a need to rationalize the remaining *PEMEX* facilities to improve efficiency.

There is increasing awareness in Mexico of the need for recycling. The industry will require better technology to recycle effectively, creating a demand for specialized consulting services.

PET BOTTLES

Polyethylene terephthalate (PET) was mentioned by a number of experts interviewed for this profile, as a product with particular potential. PET is expected to gradually displace polyvinyl chloride (PVC) and glass bottles. Its use is projected to rise dramatically in the edible oil, water and soft-drink sectors.

Currently, Eastman holds 44 percent of the market share, followed by HCC with 26 percent. Both companies have ambitious plans to extend their production capabilities. Shell is planning to open two PET plants by 1998 but since exports are planned, Mexico is not expected to have excess supplies in the long run.

The expected rise in PET consumption will come from the replacement of glass containers with PET containers, as well as from the growth of bottled products in consumer markets. Mexicans consume 37 gallons of soft drinks per capita each year. Sales of bottled water are growing rapidly, driven by health concerns and Mexico's badly polluted environment. Mexicans also consume 220 million gallons of edible oils per year.

The demand for discardable bottles is expected to outpace that for reusable products. PET bottles in Mexico typically last for 15 trips, compared with about 40 in many other countries. This is partly because of mishandling and partly because Mexicans use soft drink bottles for a variety of other purposes, such as gasoline containers and footballs. The low return rate makes reusable PET products generally uneconomical and producers are adopting non-recyclable PET containers instead.

GROWTH OF PET CONSUMPTION TONNES

| Sector | 1995 | 2000* |
|---------------------|----------------|----------------|
| Soft drinks | 126,000 | 392,000 |
| Edible oils | 27,000 | 92,000 |
| Bottled water | 9,000 | 18,000 |
| Food packages | 28,000 | 37,000 |
| Alcoholic beverages | 12,000 | 14,000 |
| Others | 55,000 | 65,000 |
| Total | 257,000 | 618,000 |

Note: Others include coffee, juice, liquid detergent, pharmaceuticals, toiletries.
* projected

Source: Interviews.

DO-IT-YOURSELF HOME IMPROVEMENT PRODUCTS

The do-it-yourself (DIY) culture has yet to take root in Mexico, as it has in Canada and the United States. This has an implication for new home improvement products, many of which are made from plastics. Skilled labour is relatively cheap and most Mexicans lack the skills to do home projects on their own.

Retailers believe that the market for DIY products has a promising future, although it may take ten years to develop. The economic crisis has forced more consumers to consider doing their own home repairs and renovations. Mexican consumers are impressed with the large array of DIY products, and tend to be lured by the convenience of having many products under one roof. Visiting the store provides what is often the only opportunity to learn about new products.

Industry experts say that the lack of customer skills is still an obstacle and that this is a good time to educate the public about DIY products. Most retailers offer workshops and even write their own instruction manuals. Interestingly, self-employed casual workers make up the largest proportion of the workshop participants. They contract with homeowners for projects and then bring their customers to the store to make the purchases.

DIY products aimed directly at consumers should be simple to use, and include detailed instructions in Spanish.

THE REGULATORY ENVIRONMENT

Companies that conform to Canadian quality and environmental standards will encounter no obstacles to entering the Mexican market, even once new regulations are enacted.

There are currently no official standards that affect the plastics industry. The larger Mexican producers are attempting to develop voluntary quality standards within the guidelines of federal law. There is also the likelihood of future government regulation in the areas of recycling and hazardous wastes.

QUALITY STANDARDS

Under the *Ley Federal de Normalización*, Federal Law of Standardization, of 1992, government secretariats may enact *Normas Oficiales Mexicanas (NOMS)*, official standards, to regulate the technical standards or quality of goods sold in Mexico. Products subject to *NOMs* must be accompanied by a certificate of compliance when they enter the country.

There are currently no mandatory standards in effect for plastics, but the law puts the onus on designated industries, including plastics, for the development and enforcement of their own quality and operating standards. The plastics industry is now attempting to develop appropriate policies. Some of the larger companies, such as *Duroplast*, already comply with ISO 9000 and 9002 standards. But the industry has its own unique problems. For one thing, raw materials, especially those manufactured by *Petróleos Mexicanos (PEMEX)*, the national oil company, tend to fluctuate in quality from lot to lot and machinery must be able to cope with these changes. The lack of regular machinery maintenance also leads to unacceptable quality variations.

Some large buyers, including those in the automotive and food packaging industry, regularly audit their suppliers' operations to ensure consistent quality. Volkswagen, for example, is reportedly very aggressive in this regard.

To implement the legal requirements for voluntary industry standards, the *Comisión Nacional para la Calidad del Plástico (CNCP)*, National Commission for Plastics Quality, was created in early 1995. Its objectives are to develop certification, verification and technical training programs throughout the industry. It conducts workshops for participating companies and it is seeking to develop uniform standards within the North American Free Trade Agreement (NAFTA).

The new organization was initially funded by the *Asociación Nacional de las Industrias del Plástico (ANIPAC)*, National Association of the Plastics Industry, *Instituto de Tuberias Plásticas (ITP)* and *Asociación Mexicana de Industrias de Tuberias Plásticas (AMITUP)*, Mexican Association for the Plastic Tubing Industry. Further funding was to come from participating companies, but the economic crisis has made this difficult.

WASTE PRODUCTS

According to government sources, a new regulation will be established during 1995, to govern the discharge of effluents created in the manufacture of synthetic resins. The water subcommittee of the *Comité Consultivo Nacional de Normalización para la Protección Ambiental*, National Advisory Committee for Standardization of the Environment, has been working with *Petróleos Mexicanos (PEMEX)*, the national oil company, the *Secretaría de Energía (SE)*, Secretariat of Energy, and the *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP)*, Secretariat of the Environment, Natural Resources and Fisheries, on this project. The new standard will establish limits for pollutants discharged into water by the synthetic resin industry.

RECYCLING

In Mexico, recycling is supposed to be encouraged and promoted through the use of government procurement policies. Observers are skeptical, however, that these policies are actually followed to any extent. One recycling industry executive complained that instead of providing support, several government institutions actually discourage recycling by imposing regulations oriented towards hygiene and disposal.

Recycling in the private sector has been impeded by a lack of consumer awareness. And, mid- to upper-class stores have been reluctant to carry recycled products because their customers object to the variations in colour that are sometimes involved.

KILMEX, *CCH* and *EASTMAN* are providing funds to establish the *Asociación para el reciclaje de PET (APREPET)*, Association for Recycling of PET. This is a private lobbying group which will promote and influence legislation affecting the recycling of PET products.

Grupo Cifra together with the *Asociación Nacional de la Industria Química (ANIQ)*, National Association of the Chemical Industry, and by the *Asociación Nacional de las Industrias del Plástico (ANIPAC)*, National Association of the Plastics Industry, has developed a recycling program for the plastic waste that *Grupo Cifra* generates. Their objective is to reduce the cost of packaging and plastic bags.

MARKET ENTRY STRATEGIES

Establishing a local presence is essential for effective entry into the Mexican plastics market. A joint venture with a Mexican firm is one way to do this quickly.

Canadian companies that have succeeded in Mexico almost always stress the need for personal contact. Mexicans like to do business with people they know, and a long-run local presence is usually essential. Partnering is an effective way to achieve this. This may be accomplished through an agent, a distributor, a joint venture or some other form of strategic alliance.

Sales in Mexico are usually made through local agents and representatives, generally operating on a commission basis, or through the Mexican affiliates of foreign companies. A decision should be taken on whether to use an agent, a joint venture or a licensing agreement with a Mexican company.

FINANCING

High value sales are usually made through letters of credit (L/Cs). Small value sales are either made in cash or with a 50 percent advance payment when the order is placed and 50 percent on delivery. It is important to find out the sales and financing practices of individual entities, particularly in the case of government agencies, since some of them are known to delay payment to suppliers for over 90 days. Collections have been particularly difficult since the devaluation of the peso in December 1994.

DISTRIBUTION

Distribution patterns tend to follow those used by *Petróleos Mexicanos (PEMEX)*, the national oil company, which will usually deliver to the clients' plant via rail. Private producers are usually close to *PEMEX* plants and tend to use the same rail system for delivery. Trucks are rarely used. Imports from or via the United States tend to be shipped by rail through Laredo or by sea to Veracruz.

New distribution networks will soon be developed now that *PEMEX* no longer has a monopoly on the distribution of secondary petrochemicals. Many of those interviewed commented that this was a very positive development, because *PEMEX* is notorious for unreliable service.

Before the devaluation there were a large number of distributors that sold plastics-making equipment, and many of them also handled raw materials. About three-quarters of them have reportedly gone out of business since the crisis and some plastics producers are now importing directly.

TRADE SHOWS

Many Canadian companies have first approached the Mexican market by participating in trade shows to exhibit their products and make contact with potential partners. Annual trade shows of interest to Canadian plastics producers include *Mexiplast*, in the fall and *Plastimagen* in the spring. *Plastimagen* was held March 12 to 15, 1996.

MARKET RESEARCH

This market profile is based on publicly-available information, including reports of industry associations, combined with personal interviews with market participants. Companies pursuing market research for specific products will require more detailed data.

The *Instituto Mexicano de Plásticos Industriales (IMPI)*, Mexican Institute of Industrial Plastics, is a private organization geared toward gathering information related to the market dynamics, including technologies, of Mexican and Latin American industrial plastics. The *IMPI's* activities include the following:

- Conducting market studies, and producing statistical reports. A simple five-page statistical overview of the 1995 market costs about US \$1,000.
- Identifying the properties and uses of different types of plastics.
- Organizing seminars and training courses, e.g. the *Congreso Inyección*, sponsored in part by Husky, in August 1995.

The *IMPI's* statistical reports do not have a good reputation in all parts of the industry. Both the *Asociación Nacional de las Industrias del Plástico (ANIPAC)*, National Association of the Plastics Industry and the *Comisión Nacional para la Calidad del Plástico (CNCP)*, National Commission for Plastics Quality, advise against purchasing them.

An alternative source of data on the plastics industry is *PRODE* (Promotion and Development). This consulting firm, based in Mexico City, sells statistical data obtained mainly from personal interviews.

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

The Latin America and Caribbean Branch 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 Branch

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

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) 566-7400
Fax: (902) 566-7450

Nova Scotia

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

New Brunswick

International Trade Centre
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
Seventh Floor
Montreal, PQ H3B 2G2
Tel.: (514) 496-4636
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
330 Portage Avenue
Eighth Floor
Winnipeg, MB R3C 2V2
Tel.: (204) 983-4540
Fax: (204) 983-2187

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

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
300 West Georgia Street
Suite 2000
Vancouver, BC V6B 6E1
Tel.: (604) 666-0434
Fax: (604) 666-8330

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 23,000 Canadian exporters. To register on WIN Exports, call (613) 996-5701, 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.

Support is provided for certain types of government-planned activities, such as outgoing trade missions of Canadian business representatives and incoming missions to Canada of foreign business persons and officials who can influence export sales. For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance, call the International Trade Centre nearest you.

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) 995-7251
Fax: (613) 943-1100

TECHNOLOGY INFLOW PROGRAM (TIP)

Managed by DFAIT and delivered domestically by the National Research Council, TIP is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. The Department of Industry (DI) 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.

INVESTMENT DEVELOPMENT PROGRAM

The Investment and Technology Bureau (TID) promotes Canada as an attractive, competitive destination for business investment to potential foreign investors. It actively encourages investments that take the form of new plant and equipment, joint ventures or strategic partnerships. The Bureau is especially interested in attracting investment that introduces new technology into Canada, which is key to creating new jobs and economic opportunities. It also helps Canadian companies to find international investment partners and to access international sources of capital and technologies. TID provides support to the chief executive officers of Canadian subsidiaries of multinationals which are seeking to attract manufacturing and R&D mandates to Canada. It also

monitors and analyzes investment trends and perceptions of Canada as an investment site. TID works closely with the "geographic" branches of DFAIT and the investment counsellors at Canadian missions around the world, as well as with provincial and municipal authorities, and professional and business organizations. For more information, contact:

Investment and Technology Bureau (TID)

Department of Foreign Affairs and International Trade
Lester B. Pearson Building
125 Sussex Drive
Ottawa, ON K1A 0G2
Tel.: (613) 995-4128
Fax: (613) 995-9604

DEPARTMENT OF INDUSTRY (DI)

DI 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 DI 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. DI also promotes and manages a portfolio of programs and services.

The following are areas in which DI 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.

For more information, call (613) 941-0222.

Advanced Materials and Plastics Branch

Department of Industry
235 Queen Street
Ninth Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 954-3064
Fax: (613) 952-4209

Business Service Centre

Department of Industry
235 Queen Street
First Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 952-4782
Fax: (613) 957-7942

NAFTA Information Desk

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

THE BUSINESS OPPORTUNITIES SOURCING SYSTEM (BOSS)

BOSS is a computerized databank that profiles over 25,000 Canadian companies. It lists basic information on products, services and operations of use to potential customers. The system was established in 1980 by the Department of Industry (DI) in cooperation with participating provincial governments. BOSS was originally established so that trade

commissioners posted around the world by DFAIT could find Canadian companies that might be able to take advantage of foreign market opportunities. Today, more than 11,000 domestic and international subscribers use the system, not only to locate Canadian suppliers, but also to obtain market intelligence and identify market opportunities. The majority of subscribers are Canadian companies. For more information, call (613) 954-5031.

MARKET INTELLIGENCE SERVICE (MIS)

MIS provides Canadian businesses with detailed market information on a product-specific basis. The service assists Canadian companies in the exploitation of domestic, export, technology transfer and new manufacturing investment opportunities. The intelligence is used by Canadian businesses in decisions regarding manufacturing, product development, marketing and market expansion. A request for information can be custom-tailored to meet each client's particular need. Previously-published customized reports are also available on request. The database is updated quarterly and annually. MIS is offered free of charge by fax, letter or telephone. For more information, contact:

Strategic Information Branch

Department of Industry
235 Queen Street
First Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 954-5031
Fax: (613) 954-1894

REVENUE CANADA

Revenue Canada, Customs Program Branch provides a NAFTA Help Desk telephone line with service available in Spanish. Revenue Canada publications and customs notices are available by calling or faxing the NAFTA Information Desk. For more information, contact:

NAFTA Spanish Help Desk

Tel.: (613) 941-0965

NAFTA Information Desk

Revenue Canada, Customs Programs Branch
191 Laurier Avenue West
Sixth 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 (CIDA/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) 997-7905/7906
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

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 \$7,500 for one year, to a maximum of \$37,500 per graduate over the 3 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 is a customer-driven, financial services corporation dedicated to helping Canadian businesses succeed in the global marketplace. EDC provides a wide range of risk management services, including insurance, financing and guarantees to Canadian exporters and their customers around the world.

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. Exporters can call (613) 598-2860 for more information.

Smaller exporters, with annual export sales under C \$1 million, should call the Emerging Exporter Team at 1-800-850-9626.

Exporters in the information technology sector can call EDC's Information Technologies Team at (613) 598-6891.

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) 237-2690

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

**office also serves
Manitoba and
Saskatchewan*

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 supports the process of developing, accessing, acquiring, implanting and using technology throughout Canadian industry. IRAP has been in existence for 50 years and has acquired a reputation as one of the most flexible and effective federal programs. IRAP takes advantage of an extensive network of more than 190

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) 993-1770
Fax: (613) 952-1086

KEY CONTACTS IN CANADA

SPONSORING ORGANIZATIONS

BAKER & MCKENZIE

Baker & McKenzie is one of the largest international law firms with offices in 35 countries. They presently have four offices in Mexico, in the cities of Juárez, Mexico City, Monterrey and Tijuana. In addition to providing legal advice, the firm's offices in Canada and Mexico work to assist Canadian companies to find the right partner to enable them to establish or expand their activities in Mexico. For more information, contact:

Baker & McKenzie
Barristers & Solicitors
BCE Place
181 Bay Street
Suite 2100
Toronto, ON M5J 2T3
Tel.: (416) 865-6910/6903
Fax: (416) 863-6275

Canadian Chemical Producers' Association
350 Sparks Street
Suite 805
Ottawa, ON K1R 7S8
Tel.: (613) 237-6215
Fax: (905) 237-4061

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 targeted at expanding business and building networking contacts between Canada and the countries of the region.

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

BUSINESS AND PROFESSIONAL ASSOCIATIONS

Canadian Plastics Institute
5925 Airport Road
Suite 515
Mississauga, ON L4V 1W1
Tel.: (905) 612-9997
Fax: (905) 612-8664

Canadian Exporters' Association
99 Bank Street
Suite 250
Ottawa, ON K1P 6B9
Tel.: (613) 238-8888
Fax: (613) 563-9218

Canadian Manufacturers' Association
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.
Rexdale, 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
810-1139 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.

Banco de Comercio (Bancomer)

The Royal Bank Plaza
South Tower
Suite 2915
P.O. Box 96
Toronto, ON M5J 2J2
Tel.: (416) 956-4911
Fax: (416) 956-4914

MEXICAN BANKS WITH OFFICES IN CANADA

Banco Nacional de México (Banamex), *Banco de Comercio (Bancomer)*, and *Banca Serfin* 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.

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

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

CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN MEXICO

COMMERCIAL DIVISION

THE EMBASSY OF CANADA IN MEXICO

The Commercial 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.

Note: to telephone Mexico City, dial 011-52-5 before the number shown. For contacts in other cities in Mexico, consult the international code listing at the front of your local telephone directory for the appropriate regional codes.

Commercial Division

The Embassy of Canada in Mexico
Schiller No. 529
Apartado Postal 105-05
Col. Polanco
11560 México, D.F.
México
Tel.: 724-7900
Fax: 724-7982

Canadian Consulate

Edificio Kalos, Piso C-1
Local 108-A
Zaragoza y Constitución
64000 Monterrey, Nuevo León
México
Tel.: 344-3200
Fax: 344-3048

Canadian Consulate

Hotel Fiesta Americana
Local 30-A
Aurelio Aceves No. 225
Col. Vallarta Poniente
44110 Guadalajara, Jalisco
México
Tel.: 616-6215
Fax: 615-8665

KEY CONTACTS IN MEXICO

MEXICAN GOVERNMENT DEPARTMENTS

Secretariat of Commerce and Industrial Development

Secretaría de Comercio y Fomento Industrial (SECOFI)
Sub-Secretaría de Promoción de la Industria y el Comercio
Exterior

Insurgentes Sur No. 1940 — P.H.

Col. Florida
01030 México, D.F.
México

Tel.: 229-6560/6561, 229-6100

Fax: 229-6568

Secretariat of Commerce and Industrial Development Bureau of Standards

Secretaría de Comercio y Fomento Industrial (SECOFI)
Dirección General de Normas

Av. Puente de Tecamachalco No. 6

Col. Lomas de Tecamachalco
53950 Tecamachalco, Estado de México
México

Tel.: 729-9300

Fax: 729-9484

Secretariat of the Environment, Natural Resources and Fisheries

Secretaría del Medio Ambiente, Recursos Naturales y Pesca
(SEMARNAP)

Periférico Sur No. 4209

Col. Jardines en la Montaña
14210 México, D.F.

México

Tel.: 628-0602/0605

Fax: 628-0643/0644

Federal Attorney's Office for the Protection of the Environment

Procuraduría Federal para la Protección del Ambiente
(PROFEPA)

Insurgentes Sur No. 1480

Col. Barrio Actípan
03230 México, D.F.

México

Tel.: 524-2124/5477

Fax: 534-7559

National Institute of Ecology

Instituto Nacional de Ecología (INECO)

Río Elba No. 20, Piso 16

Col. Cuauhtémoc

06500 México, D.F.

México

Tel.: 553-9647, 553-9538

Fax: 286-6625

National Oil Company

Petróleos Mexicanos (PEMEX)

Av. Marina Nacional No. 329

Col. Huasteca

11311 México, D.F.

México

Tel.: 725-2200, 250-2611

Fax: 625-4385

Houston Purchasing Offices

Petróleos Mexicanos (PEMEX)

3600 South Gessner, Suite 100

Houston, TX 77065

U.S.A.

Tel.: (713) 978-6269

Fax: (713) 978-6298

National Oil Company

Petróleos Mexicanos (PEMEX), Exploración y Producción

Av. Marina Nacional No. 329

Torre Ejecutiva, Piso 41

Col. Huasteca

11311 México, D.F.

México

Tel.: 531-6200, 2507723

Fax: 254-4635

National Oil Company

Petróleos Mexicanos (PEMEX), Refinación

Av. Marina Nacional No. 329

Torre Ejecutiva, Piso 40

Col. Huasteca

11311 México, D.F.

México

Tel.: 545-1463/9022

Fax: 254-2679

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.: 254-3823/4567
Fax: 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.: 250-8919/554-0935
Fax: 254-2672

National Oil Company
Petróleos Mexicanos Internacional (PMI)
Av. Marina Nacional No. 329
Torre Ejecutiva, Piso 20
Col. Huasteca
11311 México, D.F.
México
Tel.: 227-0010
Fax: 227-0012

Under Secretariat of Energy Operations
Coordinación de la Sub-Secretaría de Operación Energética
Francisco Márquez No. 160, Piso 4
Col. Condesa
06140 México, D.F.
México
Tel.: 553-9099/9034
Fax: 553-9108/09

BUSINESS AND PROFESSIONAL ASSOCIATIONS

Mexican Petroleum Institute
Instituto Mexicano del Petróleo (IMP)
Eje Central Norte Lázaro Cárdenas No. 152
Col. San Bartolo
07730 México, D.F.
México
Tel.: 368-5911/9333
Fax: 368-4323/9112

Mexican Industrial Plastics Institute
Instituto Mexicano del Plástico Industrial, S.C. (IMPI)
Insurgentes Sur No. 954, Piso 1
Col. del Valle
03100 México, D.F.
México
Tel.: 669-3325
Fax: 687-4960

National Association of the Chemical Industry
Asociación Nacional de la Industria Química (ANIQ)
Providencia No. 1118
Col. del Valle
03100 México, D.F.
México
Tel.: 230-5100/5121
Fax: 575-8616/8691

Mexican Confederation of National Chambers of Commerce
Confederación de Cámaras Nacionales de Comercio (CONCANACO)
Balderas No. 144, Piso 3
Col. Centro
06079 México, D.F.
México
Tel.: 709-1559
Fax: 709-1152

Confederation of Industrial Chambers
Confederación de Cámaras Industriales (CONCAMIN)
Manuel María Contreras No. 133, Piso 1
Col. Cuauhtémoc
06597 México, D.F.
México
Tel.: 592-0529, 566-7822
Fax: 535-6871

National Chamber of Manufacturing Industry
Cámara Nacional de la Industria de Transformación (CANACINTRA)
Av. San Antonio No. 256
Col. Ampliación Nápoles
03849 México, D. F.
México
Tel.: 563-3400
Fax: 563-5381

National Chamber of the Construction Industry
Cámara Nacional de la Industria de la Construcción (CNIC)
Periférico Sur No. 4839
Col. Parques del Pedregal
14010 México, D.F.
México
Tel.: 665-0424, 424-7400
Fax: 606-6720

National Association of the Plastics Industry
Asociación Nacional de las Industrias del Plástico, A.C.
(ANIPAC)
Av. Parque Chapultepec No. 66-301
Col. El Parque
53390 Naucalpan, Estado de México
México
Tel.: 576-5547
Fax: 576-5548

Mexican Association for the Plastic Tubing Industry
Asociación Mexicana de Industrias de Tubertas Plásticas, A.C.
(AMITUP)
Alabama No. 35
Col. Nápoles
03810 México, D.F.
México
Tel.: 669-0510
Fax: 687-3702

National Commission for Plastics Quality
Comisión Nacional para la Calidad del Plástico
Bulevar Toluca No. 40-A
Col. San Andrés Atoto
53500 Naucalpan, Estado de México
México
Tel.: 359-0140, 358-7992
Fax: 358-7101

National Association of Tire Distributors and Retreading Plants
Asociación Nacional de Distribuidores de Llantas y Plantas Renovadoras, A.C. (ANDELLAC)
Cuauhtémoc No. 206
Col. San Pedro Iztacalco
08220 México, D.F.
México
Tel.: 696-7464/5654/1783
Fax: 579-1124

National Association of Importers and Exporters of the Mexican Republic
Asociación Nacional de Importadores y Exportadores de la República Mexicana (ANIERM)
Monterrey No. 130
Col. Roma
06700 México, D.F.
México
Tel.: 564-8618/9218
Fax: 584-5317

The Canadian Chamber of Commerce in Mexico
Cámara de Comercio de Canadá en México
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Paseo de la Reforma No. 369, Mezzanine
Col. Juárez
06500 México, D.F.
México
Tel.: 729-9903, 207-2400
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National Chamber of Commerce of Mexico City
Cámara Nacional de Comercio de la Ciudad de México
(CANACO)
Paseo de la Reforma No. 42
Col. Juárez
06030 México, D.F.
México
Tel.: 592-2677/2665
Fax: 705-7412, 592-3571

National Association of Department Stores
Asociación Nacional de Tiendas de Autoservicio y Departamentales (ANTAD)
Homero No. 109, Piso 11
Col. Polanco
11560 México, D.F.
México
Tel.: 254-6220/1714, 545-8803
Fax: 203-4495, 250-2536

National Auto Parts Industry
Industria Nacional de Autopartes, A.C. (INA)
Amatlán No. 19
Col. Condesa
06140 México, D.F.
México
Tel.: 553-2224/0921
Fax: 286-4101

Mexican Association of the Automotive Industry
Asociación Mexicana de la Industria Automotriz, A.C. (AMIA)
Ensenada No. 90
Col. Condesa
06100 México, D. F.
México
Tel.: 272-1144
Fax: 272-7139

MAJOR MEXICAN COMPANIES

Grupo Spicer
Bosques de Ciruelos No. 27
Col. Bosques de las Lomas
11700 México, D.F.
México
Tel.: 726-8101
Fax: 726-8102

CONDUMEX
Miguel de Cervantes Saavedra No. 255
Col. Ampliación Granada
11520 México, D.F.
México
Tel.: 328-5800
Fax: 202-3380

Federal Mogul
Av. 1o de Mayo No. 147
Col. San Luis Tlatilco
53630 México, D.F.
México
Tel.: 300-0666
Fax: 300-0549

BOCAR, S.A. de C.V.
Cruz Verde No. 169-1-A
Col. Los Reyes Coyoacán
04330 México, D.F.
México
Tel.: 689-7000
Fax: 549-3459

Grupo Rassini, S.A. de C.V.
Vía José López Portillo No. 10
Col. San Francisco Chilpan
54940 Estado de México
México
Tel.: 872-3211
Fax: 872-3258

Celanese Mexicana, S.A.
Av. Revolución No. 1425
Col. Tlacopac, San Angel
01040 México, D.F.
México
Tel.: 325-5000
Fax: 325-5405

México Inyectora para Plásticos (ARSA), S.A.
Av. de las Granjas No. 354
Col. San Sebastian Azcapotzalco
02050 México, D.F.
México
Tel.: 561-5439, 352-0179
Fax: 352-3425

Comtex
Av. Revolución No. 1425
Col. Tlacopac, San Angel
01040 México, D.F.
México
Tel.: 325-5000
Fax: 325-5405

UNIVEX
Carretera Panamericana Kilómetro No. 306
Apartado Postal 135
36700 Salamanca, Guanajuato
México
Tel.: 2-0416, 2-0083
Fax: 2-0296

Derivados Macroquímicos (DEMACSA)
Av. Revolución No. 1425
Col. Tlacopac, San Angel
01040 México, D.F.
México
Tel.: 325-5000
Fax: 325-5405

Novacel
Av. Revolución No. 1425
Col. Tlacopac, San Angel
01040 México, D.F.
México
Tel.: 325-5000
Fax: 325-5405

Duroplast
Esfuerzo No.4-F
Col. Lázaro Cárdenas
53560 Naucalpan, Estado de México
México
Tel.: 358-2988, 576-7722
Fax: 358-2881

Husky Injection Molding Systems México, S.A.
Sófocles No. 129
Col. Los Morales
11510 México, D.F.
México
Tel.: 580-1287
Fax: 557-0685

Reich Mexicana, S.A. de C.V.
Río Totolica No. 31
Col. Parque Industrial Naucalpan
53470 Naucalpan, Estado de México
México
Tel.: 312-2324, 300-6249
Fax: 300-6279/0379

BASF Mexicana
Av. Insurgentes Sur No. 975
Col. Ciudad de los Deportes
03710 México, D.F.
México
Tel.: 325-2671
Fax: 611-6751

Fauzer S. A. de C.V.
Mexicali No. 53-1
Col. Hipódromo Condesa
06100 México, D.F.
México
Tel.: 211-5609
Fax: 211-8067

International Professional, S.A. de C.V.
Bernardo Couto No. 74
Col. Algarín
06880 México, D.F.
México
Tel.: 538-9108
Fax: 538-9448

Avance Industrial
Andrés de la Concha No. 33
Col. San José Insurgentes
03900 México, D.F.
México
Tel.: 563-6361/5070
Fax: 563-4140

Alta Frecuencia Industrial, S.A. de C.V. (AFISA)
Cuarta Cerrada de Retoño No. 115
Col. El Retoño
09440 México, D.F.
México
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Fax: 532-9615

Grupo Industrial Bimbo
Etienne Cabot No. 1000
Col. Santa Fe
01210 México, D.F.
México
Tel.: 229-6600
Fax: 229-6710

Herdez, S.A. de C.V.
Calzada San Bartolo Naucalpan No. 360
Col. Argentina Poniente
11230 México, D.F.
México
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Fax: 576-6962

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

Triturados Basálticos y Derivados, S.A. de C.V. (TRIBASA)
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Col. Bosques de las Lomas
05120 México, D.F.
México
Tel.: 229-7485/7400
Fax: 229-7503

Ingenieros Civiles Asociados, S.A. de C.V. (ICA)
Minería No. 145
Col. Escandón
11800 México, D.F.
México
Tel.: 272-9991
Fax: 272-9991 ext. 3868

Gutsa Construcciones, S.A. de C.V.
Av. Revolución No. 1387
Col. Campestre San Angel
01040 México, D.F.
México
Tel.: 662-7346
Fax: 662-2471

Obras y Proyectos, S.A. de C.V.
Grupo Mexicano de Desarrollo
Baja California No. 255
Torre A, Piso 12
Col. Hipódromo Condesa
06170 México, D.F.
México
Tel.: 564-9403
Fax: 264-3812

Grupo Protexa, S.A. de C.V.
Carretera Monterrey — Saltillo Kilómetro No. 339
Apartado Postal 2933
66350 Santa Catarina, Nuevo León
México
Tel.: 336-3030
Fax: 336-2964

Houston Purchasing Office — IMXPORT
Tel.: (713) 820-3300

MAJOR RETAIL STORES

Gigante
Av. Ejército Nacional No. 796-A
Col. Nueva Granada
11520 México, D.F.
México
Tel.: 724-8000, 2551111
Fax: 724-8380/81

Operadora Comercial Mexicana, S. A. de C.V.
Chabacano No. 43
Col. Asturias
06850 México, D.F.
México
Tel.: 723-7111
Fax: 723-7495

Grupo Cifra
Jose María Castorena No. 470
Col. San José de los Cedros, Cuajimalpa
05200 México, D.F.
México
Tel.: 570-0352, 327-9206/9207
Fax: 327-9282

El Puerto de Liverpool
Mariano Escobedo No. 425
Col. Polanco
11570 México, D.F.
México
Tel.: 328-6500, 531-1388
Fax: 520-8800, 254-5688

TRADE SHOWS

Plastimagen
National Association of the Plastics Industry
c/o Asociación Nacional de las Industrias del Plástico, A.C.
(ANIPAC)
Av. Parque Chapultepec No. 66-301
Col. El Parque
53390 Naucalpan, Estado de México
México
Tel.: 576-5547
Fax: 576-5548

PUBLICATIONS

Expansión
Sinaloa No. 149, Piso 8
Col. Roma Sur
06700 México, D.F.
México
Tel.: 207-2176, 524-8130
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HELP US TO SERVE YOU BETTER

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- very useful
- useful
- moderately useful
- not useful

2. Please provide your assessment of each of the following aspects of this publication.

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

- excellent
- good
- fair
- poor

b) Presentation of information (mark one only):

- excellent
- good
- fair
- poor

c) Use of graphics and other visual aids (mark one only):

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- good
- fair
- poor

3. If this publication were updated, revised and re-issued in the future, would you be interested in receiving a copy?

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- clear and easy to follow
- confusing and difficult to follow

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- yes, definitely
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- no
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- provided more qualitative information
- provided less quantitative information
- made greater use of graphs, charts and tables
- contained a longer textual discussion
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yes — please specify:

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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 Branch
Department of Foreign Affairs and International Trade
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Ottawa, Ontario K1A 0G2



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Department of Foreign Affairs and International Trade Ministère des Affaires étrangères et du Commerce international
Latin America & Caribbean Branch

InfoCentre

Fax: (613) 996-9709

Toll free: 1-800-267-8376

Bulletin Board 1-800-628-1581

FaxLink: (613) 944-4500

Telephone: (613) 944-4000

(IBB): (613) 944-1581