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OPPORTUNITIES IN MEXICO: THE PLASTICS INDUSTRY



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



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



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Market Profile – Mexico Series

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MARKET PROFILE

OPPORTUNITIES IN MEXICO: THE PLASTICS INDUSTRY

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THE NAFTA

The North American Free Trade Agreement (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 12 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 \$4.2 billion in 1993 and is expected to increase to over \$5 billion by the end of the decade.

Cumulative Canadian investment in Mexico is growing rapidly, increasing from \$350 million in 1989 to over \$580 million in 1992.

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

Further assistance can be obtained by addressing requests directly to:

Industry Canada (IC)
through the provincial International Trade Centres (Key Contacts Section) or

InfoCentre
1-800-267-8376 or (613) 944-4000;
Fax: (613) 996-9709;
FaxLink: (613) 944-4500.

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FOREWORD

Plastics is one of Mexico's most dynamic industries. It has grown steadily over the past decade at a rate consistently higher than the GDP. The industry has responded to Mexico's trade liberalization policies, beginning in the late 1980s, with massive spending on new technology and equipment. With the advent of the North American Free Trade Agreement (NAFTA), the plastics sector is under even stronger pressure to increase quality and efficiency, become more competitive and to develop a wider range of products.

This combination of growing demand and increased competition is creating substantial opportunities for Canadian producers of production equipment, resins and other inputs to the plastics industry. The opportunity is all the greater because Mexico is still far behind the rest of North America in substituting plastics for traditional materials.

Between 1988 and 1993, Mexican domestic sales of plastics production machinery and equipment tripled to US \$461 million. Over the same five year period, equipment imports quadrupled from US \$89 million to US \$356 million, pushing import penetration to 77 percent. The equipment market is expected to continue growing rapidly. In current dollar terms, sales are forecast to rise by more than 12 percent per year between 1994 and 1996. Imports are expected to continue to outpace domestic production, with import penetration rising to almost 80 percent by 1996.

The growth of the Mexican plastics industry has also created a strong market for imported resins. Sales grew at an annual rate of eight percent between 1989 and 1993, to reach a total of US \$1.6 billion. Consumption of plastic resins reached 1.9 million tons in 1992, up 13.6 percent from 1.6 million tons a year earlier. The continued expansion of the industry is expected to lead to a five percent annual growth by volume over the next three years.

The most important imported resins are polypropylene and polyethylene as well as engineering resins and specialty products. Since 1988, resin imports have grown at an average annual rate of 21 percent in current dollar terms. In 1992, resin imports were 581,700 tons valued at US \$638.5 million. Import penetration by volume was more than 31 percent. Real import growth is projected at an average seven percent over the next three years.

Under the NAFTA, trade barriers will continue to fall, and increased competition will force continued modernization. The result will be long-run opportunities for Canadian suppliers of technology, equipment and materials.

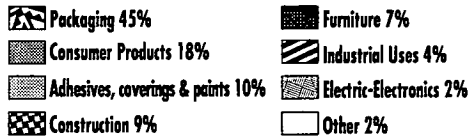
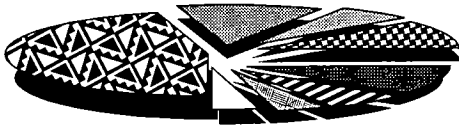
Unless otherwise specified, all currencies used are in Canadian dollars.



1. OVERVIEW OF THE MEXICAN PLASTICS INDUSTRY

PRINCIPAL MARKETS FOR PLASTICS IN MEXICO

PERCENTAGE OF MARKET SHARE



Source: Instituto Mexicano de la Propiedad Industrial (IMPI), Mexican Institute of Industrial Property.

The plastics industry accounted for 0.6 percent of Mexico's GDP in 1993, up sharply from 0.35 percent in 1985. Per capita consumption of plastics grew to an estimated 22 kilograms in 1992 from only 6 kilograms twelve years earlier. Consumption is expected to reach approximately 30 kilograms per person by the year 2000, a level still well below the 90 kilograms seen in the United States. The industry therefore has excellent growth prospects.

The Mexican plastics industry was made up of about 3,000 plastics processing companies in 1992, and employment stood at 120,000. In addition, there are an estimated 340 firms engaged in activities related to the plastics industry. This includes 125 manufacturers of raw materials, 110 mold and die manufacturers, 50 distributors of machinery and equipment, 10 producers of machinery and equipment, 30 recycling companies and 15 primary petrochemical producers.

The industry is highly diversified. Large, high-technology firms coexist with small, family-owned businesses. More than three quarters of the firms in the industry have fewer than 100 employees, and half of them have less than 20. About 400 firms are considered medium-sized, with between 100 and 200 workers. The remaining 200 are large firms, accounting for 40 percent of total industry employment. Plastics processing companies are concentrated in Mexico City and the surrounding area of the State of Mexico. Other regional centres are Jalisco, Guanajuato, and Nuevo León. Additionally, there are some 350 to 450 plastics-producing companies located in the *maquiladora* zone located along the Mexico-U.S. border.

The great majority of Mexican plastics producers use injection and extrusion processes for molding plastics, as well as blowing. Other more sophisticated processes are also becoming more popular, including laminating, rotational molding, foaming, compression, coating, metalizing and electro-chroming.

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

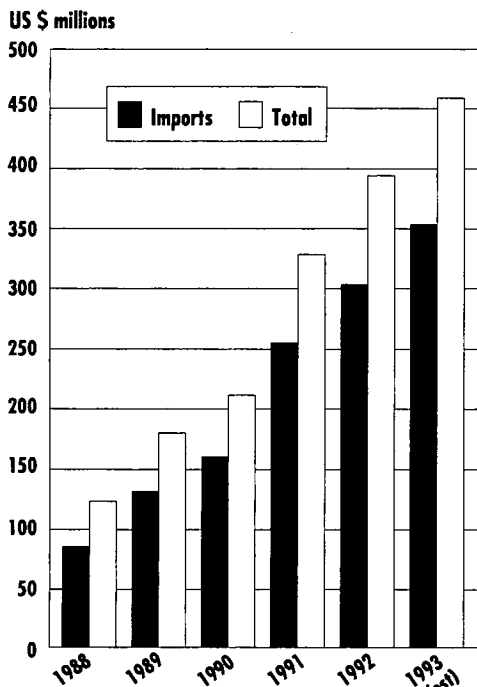
The packaging industry is by far the most important consumer of plastics. Expanding markets include the construction, automobile and household products industries. Future growth is predicted for electronics, medicine, marine and avionics applications.



2. SECTORAL OPPORTUNITIES - PLASTICS PRODUCTION MACHINERY AND EQUIPMENT

MARKET DEMAND

THE MARKET FOR PLASTICS PRODUCTION MACHINERY AND EQUIPMENT IN MEXICO, 1988 TO 1993



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

The Mexican market for plastics production machinery and equipment has recovered steadily from a downturn during the 1982 recession. In 1986 it grew by one-third to reach US \$124.6 million. Although the market contracted in 1987, it rebounded the following year, and annual nominal growth has averaged 30 percent since then.

Much of this market growth reflects a demand backlog resulting from the recession. In addition, a number of government incentives have encouraged the capital expansion. Decreasing inflation, and a stabilizing currency combined with Mexico's liberalized trade policies make importing easier and less expensive.

At the same time, economic growth has increased the demand for plastic products and therefore for plastics production machinery. Increased competition from abroad has placed the industry under a great deal of pressure to increase efficiency. This has been accomplished mainly by the introduction of new technologies.

Total demand, for plastics production machinery and equipment and related molds and parts, more than tripled between 1988 and 1993 to reach an estimated US \$461 million. Imports played a particularly strong role in this growth. Domestic production of plastics machinery and equipment jumped sharply in 1991 and 1992 but a significant amount of this increase was exported.

The equipment market is expected to continue to grow steadily, although at a slower pace than in the past few years. Annual growth is projected at 12.5 percent between 1994 and 1996 in current dollar terms.

The demand for plastics products will continue to grow, and a wider variety of products will be needed. Major plastics-producing companies are expected to continue replacing old machinery. The machinery and equipment used in Mexico is considered to have a life span of nine to ten years, but in some cases has been used for 25 years or more. Typically, it is technologically outdated and in some cases even obsolete, which accounts for its low productivity. In the new export-oriented industry, new products need to be introduced, new materials used, quality improved and, in general, efficiency increased in order to compete effectively in domestic and international markets.



IMPORTS

The Mexican plastics processing industry has traditionally relied on imported machinery and equipment. Import penetration has steadily increased, from 71 percent in 1988 to 77 percent in 1993. Total imports quadrupled from US \$88.8 million to US \$356.1 million over this five-year period. This trend is expected to continue, with imports achieving a market share of about 80 percent by 1996.

In 1991 alone, imports surged by 61 percent to US \$258.8 million, driven by a 119 percent jump in imports of molds and a 49 percent increase in machinery and equipment. Import growth was a more moderate 19 percent in 1992 and is estimated at 16 percent for 1993, based on preliminary data. Imports are projected to grow by 14 percent annually between 1994 and 1996 to reach US \$512 million.

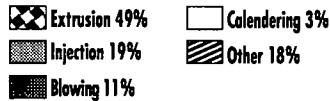
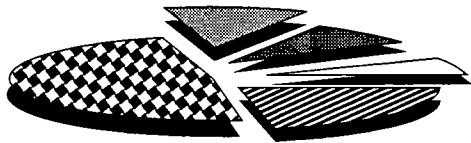
IMPORTS OF MACHINERY AND EQUIPMENT FOR PLASTICS AND RUBBER PRODUCTION TO MEXICO, 1992

	1992 US \$000s	1990-1992 Percentage Change
Machinery	196,681	69
Injection molding machines	47,539	53
Blow molding machines	36,706	49
Extruders	24,949	40
Injection machines	15,730	170
Machines for two or more operations	13,570	429
Vacuum molding machines	12,276	119
Cutting and punching machines	12,020	145
Other molding machines	3,095	-65
Granulators, mills and crushers	2,775	33
Mixers	2,266	15
Tire and tube molding and retreading	1,484	64
Other machines for plastics	24,271	143
Molds and parts	109,949	145
Parts for machinery	19,968	68
Injection/compression molds	46,414	213
Injection molds	20,155	134
Molds for tires and tubes	4,320	68
Molds for blowing containers	3,822	93
Other molds	15,270	372
Total Imports	\$ 306,630	

Source: Import statistics by Secretaría de Comercio y Fomento Industrial (SECOFI), Secretariat of Commerce and Industrial Development.



PRINCIPAL METHODS OF PLASTIC PROCESSING IN MEXICO, 1993



There has been a gradual shift in the product mix of imports. In general, specialized machinery and molds have become more prominent (see table page 8). In 1988, machinery imports accounted for 74 percent of total imports, but by 1992 this category had fallen to 64 percent. Over the same period, molds had increased from 17 percent to 29.3 percent of imports. The fastest growing mold imports have been injection-compression molds, which represented 51.6 percent of mold imports in 1992.

There are an estimated 30,000 plastics processing machines installed in Mexico, with approximately 14,000 using injection and 10,000 using extrusion processes. Nonetheless, output of extruded plastics exceeds injection by a wide margin (see chart). There are also roughly 2,000 blowing and 2,000 thermoforming machines. The machinery categories with the best sales prospects include blow-molding equipment, (especially for PET containers) and high volume injectors. Other machines in demand are those used for the manufacture of engineering parts, lamination, rotational molding, foaming, compression, thermoforming, coating, calendering, sealing, metalizing, electroplating, decorating and finishing.

In general, medium-sized automatic machines are in greater demand than large machines, due to the relatively small size of Mexican firms and to the high cost of the larger machines. Producers typically try to increase production by integrating new medium-sized machines into their existing processes, and therefore need compatible systems. Nonetheless, large machines are also in demand because of the increasing pressure to compete in international markets.

The United States is the most important exporter of plastics production machinery to Mexico, but its market share has been falling, in the face of increased competition from other countries. The U.S. is particularly well known for big machines with high productivity and quality, while European machines tend to be smaller and more versatile; this can make the smaller machines more cost-effective in the Mexican environment. The U.S. market share fell from 58 percent in 1985 to 35.3 percent in 1992. However, the U.S. position appears to be strengthening according to preliminary data for the first few months of 1993.

Another product with excellent potential is molds. Buying new machines can be extremely costly, and there is a large incentive to use existing machinery more efficiently. Effective ways to accomplish this include using new molds and screws to adapt the machine to other resins. Injection and injection-compression molds will continue to be the largest segment. Blowing molds and rubber molds are also expected to be high-growth products.

German suppliers have pursued a very aggressive marketing strategy in Mexico, and they have increased their market share to approximately 17 percent in 1992. The German suppliers have established representatives in Mexico, provided extensive Spanish technical literature, and have focused on personal visits, demonstrations and training sessions.



Japan is the third most important competitor. On the strength of aggressive marketing and financing policies, it has captured a 14 percent market share. Japanese manufacturers are particularly strong in the market for small and low-priced machines and molds.

Canada has an eight percent market share, mostly because of the strong presence of HUSKY in Mexico. Canadian exports to Mexico have been highly variable, but have increased significantly over the past few years. In 1992, Canadian sales to Mexico totaled \$9 million,* up from \$1.5 million in 1989. The most important products are injection-molding machines and injection-compression molds. There are significant opportunities for Canadian companies exporting plastic-producing machinery and equipment to Mexico. However, they would achieve better market penetration if they used more aggressive marketing strategies.

Other significant suppliers include Italy (8.0 percent), France (5.4 percent) and Great Britain (2.1 percent).

CANADIAN EXPORTS OF PLASTICS PRODUCTION MACHINERY AND EQUIPMENT TO MEXICO (\$000s)*

Category	1988	1989	1990	1991	1992
Injection/molding machines	0	4,500	220	3,659	4,807
Extruders	0	0	0	57	1,211
Tube and tire making machines	0	92	0	0	0
Plastic molding and forming	33	164	0	0	0
Other for plastic and rubber	314	107	4	472	414
Parts for machinery	152	1,916	200	563	372
Injection/compression molds	948	1,979	2,670	1,082	2,028
Other molds	41	0	103	76	227
Total	\$ 1,488	\$ 8,758	\$ 3,197	\$ 5,909	\$ 9,059

Source: Statistics Canada.

*Unless otherwise specified, currency used is Canadian dollars.



PROMINENT FOREIGN PLASTICS EQUIPMENT SUPPLIERS OPERATING IN MEXICO

UNITED STATES

American Plastics Equipment
Brown
Buss
Beloid
Cincinnati Milacrom
Conair
Davis Standard
Eegan
Filmaster
Fisher
Goodyear
H.P.M.
Hyfel
IMCO
Irwing Research
John Brown
Jomar Industries
Killion
Lyle Industries
Micromolder Machinery
New Britanic
Reed-Prentice
Sterling
Vandoor
Welex

JAPAN

Aoki
Glaco
Nissei
Toshiba

TAIWAN

Tag Ming

WEST GERMANY

Arburg
Barmag
Battenfeld
Bekum
Beutel Spacher
Berns
Boy
Demag
Illig
Kiefel
Kraus Maffei
Krupp
Mannesman
Reifenhauser

ITALY

Amut
Fluidmec
Hercole Comercio
Negri Bossi
Pantera
Sandretto
Techne

CANADA

Husky

BRAZIL

Mecanica Oriente
Pavan Zanetti

Source: C. Verut, *Market Study for the Mexican Market for Plastics Production, Machinery, Equipment and Resins*, Canadian Embassy in Mexico, 1993.

DOMESTIC PRODUCTION

Local production of plastics processing machinery and equipment is basic, and depends mainly on imported technology. The most important category of local production is thermoforming machines, where local producers account for 70 percent of the domestic market. Other important products include extrusion equipment and injection and blow-molding machinery. Peripheral equipment and accessories are also produced locally. There are 11 major producers of plastics machinery and equipment in Mexico (see box page 12), and about 110



manufacturers of molds, of which approximately 10 firms offer modern technology and good service. A myriad of small shops manufacture simple molds. Some plastics processing firms produce their own molds, but they are mostly small operations which do not produce sophisticated products.

In 1992, total domestic production of plastics processing machinery and equipment amounted to US \$158 million, up from US \$47.4 million in 1988. This significant growth in local manufacturing has mostly been the result of increased exports of molds. Total Mexican exports were valued at US \$11 million in 1988, and grew to US \$66 million in 1992. The proportion of exports accounted for by molds rose from 83 percent to 87 percent over the same period.

Domestic production for local consumption has also grown, from US \$36.3 million in 1988 to US \$91.5 million in 1992. Lower costs and better availability have been assets in this rapidly expanding market. Since the 1987 reduction in import duties, imported machinery has become much more competitive. Increasingly, local production will be mainly devoted to producing replacement equipment and making molds.

MAJOR MEXICAN PLASTICS MACHINERY AND EQUIPMENT PRODUCERS

COMPANY	PRODUCT
AFISA (Alta Frecuencia Industrial)	thermoforming
Beutel Spacher	extrusion
Nieto	extruders
FAMA (Fabricación de Máquinas)	injection and molds
Mecánica de Oriente	injection
Vulcano	manual injectors and blow molders
Maquinaria Plástica Mexicana	extrusion
ITI S.A.	extrusion
PRIPSA	peripheral equipment
Frigotherm McQuay	chillers
Friomold	molds

Source: C. Verut, *Market Study for the Mexican Market for Plastics Production, Machinery, Equipment and Resins*, Canadian Embassy in Mexico, 1993.

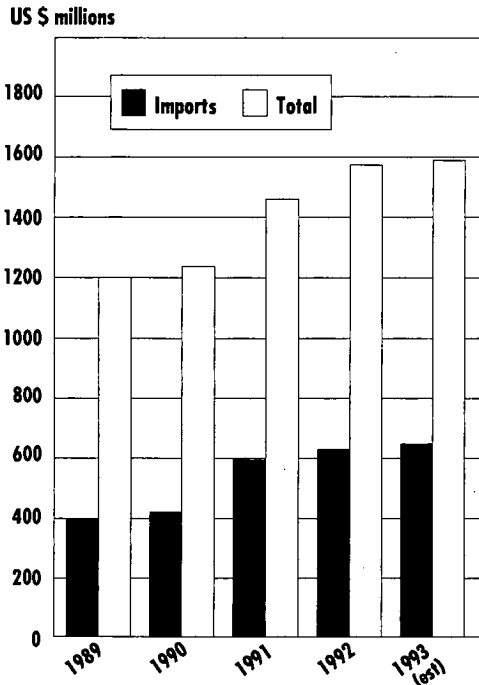
Leesona, a company operating under licence of Negri Bossi Italy, recently closed its plant in Mexico because of low productivity and declining sales. Its locally-produced equipment was perceived to be expensive and technologically outdated, and customers were switching to other brands. This trend towards development of efficient and cost-effective production will create increased opportunities for foreign suppliers.



3. SECTORAL OPPORTUNITIES - PLASTIC RESINS

MARKET DEMAND

THE MARKET FOR PLASTICS PRODUCTION MACHINERY AND EQUIPMENT IN MEXICO, 1989 TO 1993



Source: Secretaría de Comercio y Fomento Industrial (SECOFI), Secretariat of Commerce and Industrial Development, and Comisión Petroquímica Mexicana, Mexican Petrochemicals Commission.

Per capita consumption of plastic resins in Mexico is estimated at 22 kilograms, a dramatic increase from the 12 kilograms recorded in 1986, and 6 kilograms in 1976. This consumption level is still considerably lower than the 90 kilograms consumed in the U.S., but it is expected to continue to grow as the Mexican economy develops. The world trend towards substitution of plastics for traditional materials will also contribute to increased per capita consumption. It is estimated that over the next five years, consumption will grow to 25 kilograms per person, while the population will increase 2.3 percent per annum. The two effects combined will result in an overall increase in demand of about 5 percent per year. This growing market will represent increasing sales for both local and foreign suppliers of plastic resins.

THE MARKET FOR PLASTICS RESINS IN MEXICO, 1989 TO 1993

PERCENTAGE OF TOTAL USES FOR EACH RESIN

Low Density Polyethylene (LDPE)	%	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
High Density Polyethylene (HDPE)	%	Polyvinyl chloride (PVC)	%
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, National Association of the Chemical Industry.

Mexico's total apparent consumption of plastic resins dropped off by 12 percent during the 1982-1984 recession, but increased at an average annual rate of six percent between 1985 and 1989. Consumption grew at an average of eight percent up to 1993, when it reached a level of US \$1.6 billion. In volume terms, total



consumption of plastic resins reached 1.9 million tons in 1992, up from 1.4 million tons in 1990. Total consumption is projected at US \$1.9 billion in 1996.

The types of resins available in Mexico continue to be limited, partly because they are not produced locally and partly because firms exporting to Mexico do not usually offer their full product lines. Plastic processors have expressed considerable interest in exploring new materials and finding new applications. Engineering resins, usually produced in low volume and at higher cost than commodity resins, are particularly sought after in Mexico. These are mainly imported because their sales volumes in Mexico are too low to justify the technologically-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. These are areas of particular opportunity for Canadian companies interested in marketing in Mexico. Additives for plastics are also an important market opportunity. Mexico relies entirely on imports, but foreign suppliers of these products have not marketed their products aggressively.

Several companies, mostly multinational firms, are investing significant amounts in new plastic processing plants in Mexico in order to supply the local market and take advantage of export opportunities that will open as a result of the North American Free Trade Agreement.

CONSUMPTION OF PLASTIC RESINS IN MEXICO, 1992 (000 TONS)

Product	Production	Imports	Exports	Consumption	Import percentage
Low density polyethylene	354.8	70.2	7.4	417.6	16.8
High density polyethylene	220.1	143.5	66.6	297	48.3
Polyvinyl chloride	407.2	26.1	201.4	231.9	11.3
Polypropylene	111.7	111.2	30.9	192	57.9
Polystyrene	115.6	42.3	8.6	149.3	28.3
Acrylic	81.4	25.4	10.3	96.5	26.3
Urea resins	67.5	2	0.6	68.9	2.9
Alkyd resins	64	0.4	0.4	64	0.6
Polyvinyl acetate emulsions	46.1	6	2.8	49.3	12.2
Polyesters	34.8	17.3	7.4	44.7	38.7
Polyurethanes	33.6	5.9	0.2	39.3	15
ABS and SAN	44.3	13.4	19	38.7	34.6
Polyethylene terephthalate	27.2	6.7	4.7	29.2	22.9
Phenolic resins	17.5	5.6	0.4	22.7	24.7
Epoxy resins	1.8	11.3	3.6	9.5	118.9
Linear LDPE	0	8.9	0	8.9	100
Melamine resins	5	1.7	0.1	6.6	25.8
Ionic interchange	2.2	3	0.2	5	60
Polyamides	1.4	3.2	0	4.6	69.6
Maleic resins	4	0.1	1.3	2.8	3.6
Tar esters	3.5	0.2	0.9	2.8	7.1
Fumaric and furanic resins	2.4	0	0	2.4	0
Other	20.1	77.2	15	82.3	93.8
TOTALS	1666.2	581.6	381.8	1866	31.3

Source: Comisión Petroquímica Mexicana, Mexican Petrochemicals Commission.



IMPORTS

Imports have played a critical role in this growing market. Polypropylene was not produced in Mexico until 1991. Polyethylene, engineering resins and specialty products have also been key imports. Between 1981 and 1987, imports fell from 312,180 tons to 228,000 tons, decreasing import penetration from 32 percent to 20 percent by volume. Mexico's trade liberalization policies, beginning in 1988, led to sharp increases in imports of resins, and they have continued to grow. In 1992, imports increased by 19.9 percent to 581,700 tons, representing 31.3 percent of domestic consumption by volume.

IMPORTS OF PLASTIC RESINS AND MATERIALS BY MEXICO, 1992

	1992 (US \$ 000)	Percentage change 1990-1992
Low density polyethylene (LDPE)	67,747	132.6
High density polyethylene (HDPE)	104,451	-3.1
Other ethylene polymers	13,023	69.2
Polypropylene	85,304	-25.7
Polyisobutylene	4,065	-25
Other propylene polymers	22,332	75.1
Polystyrene	17,701	89.4
SAN	1,507	77.1
ABS	4,877	10
Other styrene polymers	7,829	5
Polyvinyl chloride	16,353	84
Other vinyl chloride polymers	10,812	10.9
Vinyl acetate polymers	4,505	246.8
Polyvinyl alcohol	8,336	108.4
Other vinyl polymers	20,416	95.6
Polymethyl metacrylate	5,549	34.9
Other acrylic polymers	50,883	74.1
Polyacetates	4,304	175.7
Other polyester resins	15,748	172.9
Epoxy resins	17,066	22.9
Polycarbonates	7,243	93.9
Alkyd resins	416	-37.1
Polyethylene terephthalate	9,493	1667.8
Other unsaturated polyester	2,154	289.5
Other polyester resins	19,047	86.5
Polyamides	10,709	96.6
Urea resins	1,263	374.8
Melamine resins	3,422	78
Other amine resins	507	21.6
Phenol resins	5,565	130.4
Polyurethane	8,167	15.6
Silicone	21,176	53.8
Other petroleum resins	9,290	23.5
Cellulose acetate	4,127	15.8
Cellulose nitrate	13,113	22.8
Cellulose ethers	15,002	45.8
Other cellulose	3,921	33.8
Alginic acid	2,264	27
Other natural polymers	8,270	16.8
Ionic interchangers	10,560	152.4
TOTAL	638,517	

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



By value, imports of plastic resins amounted to US \$483.7 million in 1990, representing 37.6 percent of total consumption. By 1992, total imports had grown to US \$638.5 million, which was 40.3 percent of consumption. By 1996, imports are expected to reach approximately US \$782 million, reflecting a seven percent average annual growth rate.

Shifts in the product mix of imported resins reflect both changing demand and new production capabilities installed by *Petróleos Mexicanos (PEMEX)*, the state-owned oil company. Imports of low density polyethylene for example, fell from 170,000 tons in 1981 to 70,200 tons in 1992, and polypropylene imports also decreased sharply. *PEMEX* started producing these two resins in Mexico during this period. In 1989, *PEMEX* opened a new HDPE production plant which slightly reduced the flow of imports of this resin in 1990 and 1991. In the long run, imports will continue to grow since installed capacity is not sufficient to provide for growing local demand.

MAJOR SUPPLIERS OF PLASTIC RESINS IN MEXICO

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 Resistol	Simon







Source: C. Verut, *Market Study for the Mexican Market for Plastics Production, Machinery, Equipment and Resins*, Canadian Embassy in Mexico, 1993.



The United States is by far the most important supplier of plastic resins to Mexico, enjoying an 85 percent import market share in 1992, followed by Germany with 7.6 percent. Japan accounts for 2.3 percent of imports, and Brazil and France one percent each. Canada supplied 0.6 percent of imported resins in 1992. Several countries are aggressively competing with the U.S. for market share. Germany, in particular, has actively promoted its products and some users have begun to respond.

MEXICAN PRODUCTION OF PLASTIC RESINS, 1992



 PVC 24%	 Polypropylene 7%
 Polyethylene 21%	 Polystyrene 7%
 High-density polyethylene 13%	 Other 28%

Source: C. Verut, *Market Study for the Mexican Market for Plastics Production, Machinery, Equipment and Resins*, Canadian Embassy in Mexico, 1993.

CANADIAN EXPORTS OF PLASTIC RESINS TO MEXICO (\$ 000s)

	1988	1989	1990	1991	1992
Low density polyethylene	1,068	511	197	564	120
High density polyethylene	453	274	364	209	203
Polypropylene	0	369	92	23	21
Polyisobutylene	0	9	5	17	0
Polyurethanes	0	10	0	0	0
PVC	0	0	0	4	0
Acrylic polymers	2	0	0	0	0
Polyethers	8	0	0	0	0
Silicones	0	125	75	48	0
Phenolic resins	6	0	0	0	0
Natural polymers	3	0	0	0	0
Waste and scrap	0	5	8	0	0
TOTAL	\$ 1,550	\$ 1,303	\$ 741	\$ 865	\$ 344

Source: C. Verut, *Market Study for the Mexican Market for Plastics Production, Machinery, Equipment and Resins*, Canadian Embassy in Mexico, 1993.

Canadian exports to Mexico have been a small and generally decreasing market over the past several years. Exports fell from \$1.6 million in 1988 to \$344,000 in 1992. The products involved were mostly low and high-density polyethylene, polypropylene and some silicones.

DOMESTIC PRODUCTION

Mexico's production of plastic resins and materials has grown consistently at a rate faster than the GDP. Domestic suppliers provided about 69 percent of consumption by volume in 1992. Mexico is close to self-sufficient in several resins and is a net exporter of some. In 1992, for example, Mexico exported more than 200,000 tons of polyvinyl chloride, while it imported only 26,000 tons.

In 1980, total installed capacity for producing plastic resins stood at 525,000 tons. During the 1980s, capacity tripled to 1.6 million tons and increased again to 2.1 million tons by 1992. The highest growth products were polypropylene, acrylic resins, polyesters, polystyrenes, PET and polyurethanes.

Domestic production has also increased steadily. Until 1987, PVC was the predominant resin produced in Mexico, representing 27 percent of total production. In the following years, low density polypropylene became increasingly more important.



Exports represent an increasing proportion of domestic production. About 23 percent of production was exported in 1992, up from 11 percent in 1983. Principal exports are PVC, high density polyethylene, ABS and SAN, acrylic resins and polypropylene. Polystyrene exports, which in 1989 represented 15 percent of exports, fell to 2.8 percent in 1992.

4. MARKET ENTRY STRATEGIES

Canadian companies that have entered the Mexican market have usually done so by first participating in trade shows in order to exhibit their products and make contact with potential partners. Most companies have found that a permanent local presence is essential, because Mexicans like to do business with people they know. Partnering is an effective way to achieve this, whether it is through an agent, a representative, a joint venture or some other form of strategic alliance.

It is important to find out the sales and financing practices of individual customers. High-value sales, most common in this market segment, usually are made through letters of credit. Small-value sales may be paid for in advance or on the basis of half in advance and half on delivery. Some government agencies are known to delay payment to suppliers for 90 days or more.

In order to supply government agencies or state enterprises, suppliers must generally have a local agent or representative and must be pre-registered as an accepted supplier with each entity prior to bidding on specific procurements.

In summary, the import climate in Mexico for plastics processing machinery and equipment and for plastic resins and materials has improved significantly as a result of the trade liberalization that has occurred to date. Duty rates have been reduced from a maximum 100 percent to 20 percent and prior import permits are no longer required. Plastic resins, as well as machinery and equipment, are mostly subject to duties ranging from 10 to 15 percent. In addition, a customs processing fee of 0.8 percent is assessed on the invoice value. A 10 percent value-added tax (recently reduced from 15 percent) is then assessed on the cumulative value of both taxes in addition to the invoice value. Trade will be further liberalized under the North American Free Trade Agreement (NAFTA).



5. WHERE TO GO FOR ADDITIONAL ASSISTANCE

CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN CANADA

DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE (OTTAWA)

Department of Foreign Affairs and International Trade (DFAIT) is the Canadian federal government department most directly responsible for trade development. The InfoCentre is the first contact point for advice on how to start exporting; it provides information on export-related programs and services; helps find fast answers to export problems; acts as the entry point to DFAIT's trade information network; and can provide interested companies with copies of specialized export publications.

InfoCentre

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

Fax: (613) 996-9709

FaxLink: (613) 944-4500

Latin America and Caribbean Trade Division promotes trade with Mexico. There are several trade commissioners at the Embassy of Canada in Mexico City, and there is a satellite office in Monterrey. 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 identify suitable Mexican firms to act as agents, and compiling credit and business information on potential foreign customers.

Latin America and Caribbean Trade Division (LGT)

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

125 Sussex Drive

Ottawa, ON K1A 0G2

Tel.: (613) 996-5547

Fax: (613) 943-8806

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. Co-located with the regional offices of Industry Canada (IC), 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 marketing research and market planning; provide access to government programs designed to promote exports; and arrange for assistance from the Trade Development Division in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you:

British Columbia:

Scotia Tower
900-650 West Georgia Street
P.O. Box 11610
Vancouver, BC V6B 5H8
Tel.: (604) 666-0434
Fax: (604) 666-8330

Yukon:

300 Main Street
Room 210
Whitehorse, YT Y1A 2B5
Tel.: (403) 667-3925
Fax: (403) 668-5003

Alberta and Northwest Territories

Canada Place
9700 Jasper Avenue
Suite 540
Edmonton, AB T5J 4C3
Tel.: (403) 495-2944
Fax: (403) 495-4507

510-5th Street S.W.
11th Floor
Calgary, AB T5P 3S2
Tel.: (403) 292-6660
Fax: (403) 292-4578

Saskatchewan:

119-4th Avenue South
Suite 401
Saskatoon, SK S7K 5X2
Tel.: (306) 975-5315
Fax: (306) 975-5334

1919 Saskatchewan Drive
6th Floor
Regina, SK S4P 3V7
Tel.: (306) 780-6325
Fax: (306) 780-6679



Manitoba: 330 Portage Avenue
7th Floor
P.O. Box 981
Winnipeg, MB R3C 2V2
Tel.: (204) 983-8036
Fax: (204) 983-2187

Ontario: Dominion Public Building
1 Front Street West
4th Floor
Toronto, ON M5J 1A4
Tel.: (416) 973-5053
Fax: (416) 973-8161

Quebec: Stock Exchange Tower
800 Victoria Square
Suite 3800
P.O. Box 247
Montreal, PQ H4Z 1E8
Tel.: (514) 283-8185
Fax: (514) 283-8794

New Brunswick: Assumption Place
770 Main Street
P.O. Box 1210
Moncton, NB E1C 8P9
Tel.: (506) 857-6452
Fax: (506) 851-6429

Prince Edward Island: Confederation Court Mall
134 Kent Street
Suite 400
P.O. Box 1115
Charlottetown, PE C1A 7M8
Tel.: (902) 566-7400
Fax: (902) 566-7450

Nova Scotia: Central Guaranty Trust Tower
1801 Hollis Street
5th Floor
P.O. Box 940, Stn M
Halifax, NS B3J 2V9
Tel.: (902) 426-7540
Fax: (902) 426-2624

Newfoundland: Atlantic Place
215 Water Street
Suite 504
P.O. Box 8950
St. John's, NF A1B 3R9
Tel.: (709) 772-5511
Fax: (709) 772-5093/2373

WORLD INFORMATION NETWORK FOR EXPORTS

The World Information Network for Exports (WIN Exports) is a computer-based information system designed by DFAIT to help Canada's trade development officers abroad match foreign needs to Canadian capabilities. It provides users with information on the capabilities, experience and interests of more than 30,000 Canadian exporters. To register on WIN Exports, call: (613) 996-5701.

PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)

This program seeks to increase export sales by sharing the costs of industry-initiated activities aimed at developing export markets. PEMD is administered by IC regional offices and funded by DFAIT. Activities eligible for PEMD financial support (up to 50 percent of the costs) include:

- participation in recognized foreign trade fairs outside of Canada;
- trips to identify export markets and visits by foreign buyers to Canada;
- project bidding or proposal preparation at the pre-contractual stage for projects outside Canada;
- the establishment of permanent sales offices abroad in order to undertake sustained marketing efforts;
- special activities for non-profit, non-sales food, agriculture and fish organizations, marketing boards and agencies, trade fairs, technical trials, and product demonstrations (for example); and
- new eligible costs include: product testing for market certification, legal fees for marketing agreements abroad, transportation costs for offshore company trainees, product demonstration costs and other costs necessary to execute the marketing plan.

Support is also 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 and government 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 Office nearest you.



INTERNATIONAL FINANCING

DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities financed by international financing institutions (IFI). 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 Finance Division
Department of Foreign Affairs and International Trade
Tel.: (613) 995-7251
Fax: (613) 943-1100

TECHNOLOGY INFLOW PROGRAM

Managed by DFAIT and delivered domestically by the National Research Council, this program is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. IC also helps in program promotion. The program officers respond to requests to identify technology sources and opportunities for cooperation between Canadian and foreign firms. The program will also help Canadian firms make exploratory visits abroad to identify and gain first-hand knowledge of relevant foreign technologies as well as to negotiate to acquire them. For information, call: (613) 993-3996

INVESTMENT DEVELOPMENT PROGRAM

This program helps Canadian companies find the investment they need. It actively promotes investments that take the form of new plant and equipment, joint ventures or strategic partnerships. It is especially interested in attracting investment that introduces new technology into Canada, a key to creating new jobs and economic opportunities. Investment officers make contact with foreign investors and bring them together with Canadian companies. For information, call: (613) 995-8400.

INDUSTRY CANADA

Industry Canada (IC) was created with a broad mandate to improve the competitiveness of Canadian industry. 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 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.

Chemicals, Plastics and Advanced Materials
Industry Canada
235 Queen Street, 9th Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 954-3126
Fax: (613) 954-3079

Business Service Centre
Industry Canada
235 Queen Street, 1st Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 952-4782
Fax: (613) 957-7942

NAFTA Information Desk
Industry Canada
235 Queen Street, 5th Floor, East Tower
Ottawa, ON K1A 0H5
Fax: (613) 952-0540

IC REGIONAL OFFICES

The regional offices 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, technology and industrial development, and trade and market development. They also promote and manage a portfolio of programs and services.

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

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



THE BUSINESS OPPORTUNITIES SOURCING SYSTEM (BOSS)

BOSS is a computerized databank that profiles over 26,000 Canadian companies. It lists basic information on products, services and operations that is useful to potential customers. The system was established in 1980 by IC 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 information call: (613) 954-5031.

MARKET INTELLIGENCE SERVICE

This service provides Canadian business 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 business in decisions regarding manufacturing, product development, marketing, and market expansion. The information includes values, volume and unit price of imports, characteristics of specific imports (e.g. material, grade, price range, etc.), names of importers, major countries of export, identification of foreign exporters to Canada, Canadian production, Canadian exports, and U.S. imports. Two-thirds of the clientele for this service are small businesses. For information call: (613) 954-4970.

REVENUE CANADA

NAFTA Information Desk
Revenue Canada - Customs, Excise and Taxation
191 Laurier Avenue West
6th Floor
Ottawa, ON K1A 0L5
Tel.: 1-800-661-6121
Fax: (613) 954-4494

NAFTA Spanish Help Desk

Revenue Canada Customs provides a NAFTA Help Desk telephone line with service available in Spanish
Tel.: (613) 941-0965

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

An important possible source of financing for Canadian ventures in Mexico is the special fund available through the Canadian International Development Agency (CIDA) under the Industrial Cooperation Program or CIDA/INC. CIDA's Industrial Cooperation Program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licencing arrangements. INC supports the development of linkages with the private sector in Mexico 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 which help eligible Canadian firms to conduct studies and 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.

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

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

The ACOA Action Program 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.

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



Newfoundland and Labrador: Atlantic Place
215 Water Street, Suite 801
P.O. Box 1060, Station C
St. John's, NF A1C 5M5
Tel.: (709) 772-2751
Toll free: 1-800-563-5766
Fax: (709) 772-2712

Nova Scotia: 1801 Hollis Street
Suite 600
P.O. Box 2284, Station M
Halifax, NS B3J 3M5
Tel.: (902) 426-8361
Toll free: 1-800-565-1228
Fax: (902) 426-2054

Prince Edward Island: 75 Fitzroy Street
3rd Floor
Charlottetown, PE C1A 1R6
Tel.: (902) 566-7492
Toll free: 1-800-565-0228
Fax: (902) 566-7098

New Brunswick: 570 Queen Street
P.O. Box 578
Fredericton, NB E3B 5A6
Tel.: (506) 452-3184
Toll free: 1-800-561-4030
Fax: (506) 452-3285

WESTERN ECONOMIC DIVERSIFICATION CANADA

Western Canadian companies interested in Mexico may be able to secure assistance from Western Economic Diversification Canada (WD). This agency provides financial assistance for projects which contribute to the diversification of the western economy. It acts as a pathfinder to ensure that western businesses are aware of and receive assistance from the most appropriate source of funding, federal or other, for their projects. It acts as an advocate for the west in national economic decision-making and it coordinates federal activities that have an impact on economic growth in the west. It also plays a role in promoting trade between western Canada and markets around the world. Inquiries about the Western Diversification Program and other activities of the department can be directed to any of the following regional offices:

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

Saskatchewan: S.J. Cohen Building
119-4th Avenue South
Suite 601
P.O. Box 2025
Saskatoon, SK S7K 5X2
Tel.: (306) 975-4373
Fax: (306) 975-5484

Toll free within Regina
city limits
Tel.: (306) 780-6725

Alberta: Canada Place
9700 Jasper Avenue
Suite 1500
Edmonton, AB T5J 4H7
Tel.: (403) 495-4164
Fax: (403) 495-7725
Toll free within Calgary
city limits
Tel.: (403) 292-5382

British Columbia: Bentall Tower 4
1200-1055 Dunsmuir Street
P.O. Box 49276
Vancouver, BC V7X 1L3
Tel.: (604) 666-6256
Fax: (604) 666-2353
Toll free within the Province
Tel.: 1-800-663-2008

EXPORT DEVELOPMENT CORPORATION

EDC is a unique financial institution that helps Canadian business compete internationally. EDC facilitates export trade and foreign investment by providing risk management services, including insurance and financing, to Canadian companies and their global customers.

EDC's programs fall into four major categories:

- export credit insurance, covering short and medium-sized 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 new Canadian investments abroad; and
- export financing, providing medium and long-term export financing to foreign buyers of Canadian goods and services.

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

Ottawa (Head Office): 151 O'Connor Street
Ottawa, ON K1A 1K3
Tel.: (613) 598-2500
Fax: (613) 237-2690



Vancouver: One Bentall Centre
505 Burrard Street
Suite 1030
Vancouver, BC V7X 1M5
Tel.: (604) 666-6234
Fax: (604) 666-7550

Calgary: 510-5th Street S.W.
Suite 1030
Calgary, AB T2P 3S2
Tel.: (403) 292-6898
Fax: (403) 292-6902

Winnipeg: 330 Portage Avenue
8th Floor
Winnipeg, MB R3C 0C4
Tel.: (204) 983-5114
Fax: (204) 983-2187
(serving Manitoba and
Saskatchewan)

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

Montreal: 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: 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

Canadian companies hoping to succeed in the Mexican marketplace may require additional technology to improve their competitiveness. The National Research Council (NRC) works with Canadian firms of all sizes to develop and apply technology for economic benefit. The Council supervises 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 40 years and has acquired a reputation as one of the more flexible and effective federal programs. IRAP takes advantage of an extensive network that includes more than 120 regional and local offices, 20 provincial technology centres, the Council's own laboratories and research institutes, federal government departments, and technology transfer offices in Canadian universities. The IRAP network also extends abroad through the technology counsellors attached to Canadian posts in some 18 foreign countries. For more information or the name of the IRAP officer nearest you, contact the following:

IRAP Office
National Research Council
Montreal Road
Building M-55
Ottawa, ON K1A 0R6
Tel.: (613) 993-5326
Fax: (613) 954-2524



KEY CONTACTS IN CANADA

BUSINESS ASSOCIATIONS

The Canadian Council for the Americas (CCA) is a non-profit organization formed in 1987 to promote business interests in Latin American and Caribbean countries.

The CCA promotes events and programs targeted at expanding business and building networking contacts between Canada and the countries of the region. It also publishes a bimonthly newsletter.

The Canadian Council for the Americas (CCA)

Executive Offices

145 Richmond Street West, Third Floor

Toronto, ON M5H 2L2

Tel.: (416) 367-4313

Fax: (416) 367-5460

Canadian Exporters' Association (CEA)

99 Bank Street, Suite 250

Ottawa, ON K1P 6B9

Tel.: (613) 238-8888

Fax: (613) 563-9218

Canadian Manufacturers' Association (CMA)

75 International Boulevard, Fourth Floor

Etobicoke, ON M9W 6L9

Tel.: (416) 798-8000

Fax: (416) 798-8050

The Canadian Chamber of Commerce (CCC)

55 Metcalfe Street, Suite 1160

Ottawa, ON K1P 6N4

Tel.: (613) 238-4000

Fax: (613) 238-7643

Forum for International Trade and Training (FITT)

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

Canadian Freight Forwarders Association (CFFA)

Box 929

Streetsville, ON L5M 2C5

Tel.: (905) 567-4633

Fax: (905) 542-2716

Open Bidding Service (OBS)

P.O. Box 22011

Ottawa, ON K1V 0W2

Tel.: 1-800-361-4637 or (613) 737-3374

BANK OF MONTREAL

INTERNATIONAL OFFICES IN CANADA

The Bank of Montreal is the longest-serving Canadian bank in Mexico. It offers a wide range of international banking services and trade financing through its Trade Finance offices across Canada.

Trade Finance Offices:

129 St. James Street West, 12th Floor

Montreal, PQ H2Y 1L6

Tel.: (514) 877-9465

Fax: (514) 877-6933

First Canadian Place, 23rd Floor

Toronto, ON M5X 1A1

Tel.: (416) 867-5584

Fax: (416) 867-7635

959 Burrard Street, 6th Floor

P.O. Box 49350

Vancouver, BC V7X 1L5

Tel.: (604) 665-2740

Fax: (604) 665-7283

International Operations Offices:

959 Burrard Street, 7th Floor

P.O. Box 49500

Vancouver, BC V7X 1L5

Tel.: (604) 665-3705

Fax: (604) 665-7120

340-7th Avenue South West

B1 Level, FCC

Calgary, AB T2P 0X4

Tel.: (403) 234-3775

Fax: (403) 234-3777

335 Main Street

P.O. Box 844

Winnipeg, MB R3C 2R6

Tel.: (204) 985-2202

Fax: (204) 985-2739

234 Simcoe Street, 3rd Floor

Toronto, ON M5T 1T1

Tel.: (416) 867-6567

Fax: (416) 867-7162

288 St. James St. West

Montreal, PQ H2Y 1N1

Tel.: (514) 877-7317

Fax: (514) 877-7155

BAKER & MCKENZIE OFFICES

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.

Baker & McKenzie
Barristers & Solicitors
BCE Place

181 Bay Street, Suite 2100

Toronto, ON M5J 2T3

Tel.: (416) 865-6910/6903

Fax: (416) 863-6275



MEXICAN GOVERNMENT OFFICES

The Embassy of Mexico, Mexican Trade Commissioners in Canada, and Mexican consulates can provide assistance and guidance to Canadian companies in need of information about doing business in Mexico.

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

Tel.: (613) 233-6665

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, Stn. 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 Honorary Consulate

380, Chemin St. Louis
No. 1407
Québec, PQ G1S 4M1
Tel.: (418) 681-3192
Fax: (418) 683-7843

Mexican Honorary Consulate

830-540 5th Avenue, S.W.
Calgary, AB T2P 0M2
Tel.: (403) 263-7077/7078
Fax: (403) 263-7075

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 for Mexican companies seeking to do business in Canada. *Bancomext* also sponsors trade fairs, international exhibitions and trade missions.

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 data bases throughout the world. These banks are located throughout Mexico, and maintain offices in Toronto.

Banco Nacional de México (Banamex)

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

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

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



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 measure 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
Col. Polanco
Apartado Postal 105-05
11560 México, D.F.
México
Tel.: 724-7900
Fax: 724-7982

Canadian Business Centre
Centro Canadiense de Negocios
Av. Ejército Nacional No. 926
Col. Polanco
11540 México, D.F.
México
Tel.: 580-1176
Fax: 580-4494

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

KEY CONTACTS IN MEXICO

MEXICAN GOVERNMENT AGENCIES

PEMEX
Petróleos Mexicanos
Av. Marina Nacional No. 329
Col. Huasteca
11311 México, D.F.
México
Tel.: 250-2611
Fax: 625-4385

Secretariat of Commerce and Industrial Development
Secretaría de Comercio y Fomento Industrial (SECOFI)
Sub-Secretaría de Comercio Exterior
Alfonso Reyes No. 30
Col. Hipódromo Condesa
06140 México, D.F.
México
Tel.: 729-9100
Fax: 729-9307

Mexican Petroleum Institute
Instituto Mexicano del Petróleo (IMP)
Eje Central Norte Lázaro Cárdenas No. 152
Col. San Bartolo
07730 México, D.F.
México
Tel.: 368-5911/9333/9360
Fax: 368-4323/9112

INDUSTRIAL CHAMBERS AND ASSOCIATIONS

Mexican Industrial Plastics Institute
Instituto Mexicano del Plástico Industrial S.C. (IMPI)
General Juan Cano No. 25
Col. San Miguel Chapultepec
11850 México, D.F.
México
Tel.: 515-6356/6152
Fax: 573-3980

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

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.: 559-7833/2338
Fax: 559-5589



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

National Association for Tire Distributors and Renovating 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.: 696-7464/1783
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, 584-3571
Fax: 584-5317

National Chamber of Commerce Services and Tourism of Mexico City
Cámara Nacional de Comercio (CANACO)
Servicios y Turismo de la Ciudad de México
Paseo de la Reforma No. 42
Col. Juárez
06048 México, D.F.
México
Tel.: 592-2677/2665
Fax: 592-3571

National Chamber of Industrial Transformation
Cámara Nacional de la Industria de la Transformación (CANACINTRA)
Av. San Antonio No. 256
Col. Nápoles
03849 México, D.F.
México
Tel.: 563-3400
Fax: 598-5888

Technical Secretariat of the Mexican Petrochemicals Commission
Secretariado Técnico de la Comisión Petroquímica Mexicana
Francisco Márquez No. 160, Piso 4
Col. Condesa
06140 México, D.F.
México
Tel.: 553-9099/9034
Fax: 553-9108

Canadian Chamber of Commerce in Mexico
Cámara de Comercio de Canadá en México
Paseo de la Reforma No. 369, Mezzanine
Col. Juárez
06500 México, D.F.
México
Tel.: 525-0961/0541
Fax: 525-0438



Reader Survey

HELP US TO SERVE YOU BETTER

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

1. What is your overall opinion of this publication?

- very useful
- useful
- moderately useful
- 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):

- excellent
- good
- fair
- poor

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

- yes, very interested
- probably interested
- no, not interested
- not sure

4. How did you find the structure and format of this publication?

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

5. For your purposes, did this publication provide a sufficiently complete treatment of the subject(s) reviewed?

- yes, definitely
- to some extent
- no
- can't say/don't know

6. This publication would have been more useful to me if it had (mark all that apply):

- provided more qualitative information
- provided less quantitative information
- made greater use of graphs, charts and tables
- contained a longer textual discussion
- contained a shorter textual discussion
- used more examples, case studies, company profiles

7. In your opinion, was there important information missing from this publication?

yes — please specify:

8. Are there any issues relevant to the subject of this publication that you would like to have seen covered in more detail?

9. Please offer any suggestions for improving the next version of this publication.

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

Please return the completed survey by fax to (613) 943-8806 or to the address below:

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



MARKET PROFILE
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