Canada

# OPPORTUNITIES IN MEXICO: FOOD AND BEVERAGE PROCESSING AND PACKAGING EQUIPMENT

MARKET PROFILE - MEXICO

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

BAKER & McKENZIE

## Market Profile – Mexico

**Opportunities in Mexico: Food and Beverage Processing and Packaging Equipment** was developed jointly by the Department of Foreign Affairs and International Trade (DFAIT) and Prospectus Inc. It was researched and written by Townsend Trade Stategies Inc., with collaboration from Caroline Vérut, Mexico City. 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 **Food and Beverage Processing and Packaging Equipment** 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:

## FOOD AND BEVERAGE PROCESSING AND PACKAGING EQUIPMENT



Export i MEXICO

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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 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 initiating exporter in mind, but 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:

Department of Industry (DI) through the provincial International Trade Centres (see Where to Get Help) or to the InfoCentre at:

Tel.: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
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1-800-628-1581 or (613) 944-1581

# An Industry in Transition

## Mexican Consumers

While an estimated 60 percent of Mexicans are still poor by Canadian standards, the country's small but growing middle class is estimated at about 19 million people. Some 70 percent of Mexicans now live in urban areas, and over half are under 20 years of age. With an annual growth rate of 2 percent, Mexico's population is expected to top 100 million by the year 2000.

***Processed food markets are growing rapidly — but so is foreign competition. Processors will have to modernize and restructure to maintain their market share.***

Mexico's transformation from protectionism to a free market system has not been easy on the country's food processors. The industry developed under an umbrella of protectionism, but the government intervention that provided this protection also brought about price controls and a prohibitively high cost of capital. The same trade barriers that protected the industry from competition also blocked imports of advanced processing equipment. Under these circumstances, companies had neither the incentive nor the means to modernize.

Beginning in 1986, when it entered the General Agreement on Tariffs and Trade (GATT), Mexico began a sweeping program of economic reforms. The Salinas government, which came to power in December 1988, aggressively pursued policies of trade liberalization, privatization and deregulation.

The reforms opened up the economy to foreign competition and at the same time increased the demand for convenience products. Mexican food processors were caught in a difficult situation with insufficient capital to modernize, just as highly-efficient foreign competitors gained access to their market. The result was a rapid increase in import penetration of the Mexican market.

The availability of new imported products, coupled with the demands of a well-travelled 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.

Increased competition and rising demand, coupled with a reduction in the government's role in the economy, has led to a wave of corporate mergers. The larger, better capitalized companies have been able to expand their markets and rationalize their production processes through acquisitions. Other companies are building greenfield plants, often using technology acquired from American or European joint-venture partners.

Some Mexican food and beverage companies are moving aggressively into foreign markets, particularly in Latin America. They are looking for new machinery and equipment capable of producing the volume and the quality needed to compete.

Mexico's export-oriented economy and changing demographics will have a dramatic impact on food processing trends in coming years. This creates opportunities for suppliers of all types of food processing equipment. The potential is particularly good for high-technology equipment not yet available from Mexican suppliers. The sharp devaluation of the peso that occurred in December 1994 will not diminish the need to modernize, but it will limit financing. Canadian joint-venture partners who can bring their own capital will be in particular demand.

# The Mexican Food Processing Industry

The *Cámara Nacional de la Industria de Transformación (CANACINTRA)*, Mexican Association of Manufacturers, categorizes its 8,000 food industry members as:

- ☐ large — accounting for one percent of its membership, or about 100 corporations;
- ☐ medium — 18 percent of members (1,400 companies); and,
- ☐ micro enterprises — 81 percent (6,500).

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

***A handful of corporate giants dominate an industry that continues to include more than 40,000 micro-enterprises selling small volumes in their own neighbourhoods.***

The Mexican food processing and packaging industry could not be considered mature by international standards. About 8,000 food processing companies are registered with the *Cámara Nacional de la Industria de Transformación (CANACINTRA)*, Mexican Association of Manufacturers. 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* and *Herdez*. There is 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 of the country for their processing and packaging equipment needs.

For a long time, 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. It has also injected new dynamism into the food chain, creating exciting opportunities for processors as well as for equipment manufacturers.

## Processed Food Sales

### Leading producers, 1992–93

| Rank (in top 500) | Company | Sales (US $ millions) |
|---|---|---|
| 9 | Grupo Industrial Bimba | 1,516 |
| 10 | Campañía Nestlé | 1,383 |
| 50 | Anderson Clayton | 474 |
| 34 | Grupa Industrial Maseca | 473 |
| 84 | Sigma Alimentos | 383 |
| 75 | Herdez | 292 |
| 68 | Ganaderos Productores de Leche Pura | 284 |
| 96 | Agrobios | 174 |
| 119 | Lechera Guadalajara | 130 |
| 123 | Danane de México | 124 |
| 128 | Ingenio Tres Valles | 109 |
| 154 | Productos de Leche | 96 |
| 153 | Helados Holanda | 89 |
| 159 | Molinas Azteca | 75 |
| 138 | Corparación Azucarera de Tala | 70 |
| 192 | Derivadas de Maíz Alimenticio | 58 |
| 218 | Laboratorios y Agencias Unidas | 57 |
| 204 | Ingenio Adolfo López Mateas | 43 |
| 260 | Aceite | 37 |
| | **Total** | **7,153** |

**Source:** *Expansión*. August 17, 1994.

## **Beverage Sales Leading producers, 1992-93**

| Rank (in top 500) | 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** | **1,888** |

**Source:** *Expansión*. August 17, 1994.

# **Industry Growth**

The Mexican food processing industry has remained relatively stable in the face of fluctuating economic conditions. The industry maintained growth throughout the so-called "lost decade" resulting from the 1982 debt crisis and has adapted to periodic devaluations of the peso. The main forces driving demand for processed food products are a rising population and a growing middle-class. Since 1988, the industry has enjoyed particular growth, largely as a result of an influx of foreign investment.

The beverage industry has posted even better results, mainly due to increased investments and sales by the large export-oriented companies such as Coca-Cola, PepsiCo and *Jumex*. These bottlers have captured important niches in international markets. The industry continues to introduce new product lines, including diet drinks and "designer" bottled waters. On a per capita basis, Mexicans consume more carbonated beverages than any other country in the world, except the United States.

According to statistics from the *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics, the real GDP of the food industry rose by an average 2.7 percent annually in the five years which ended in 1991. The corresponding figure for the beverage industry was 6.8 percent.

# SUBSECTORS

## IMPORTED FOOD AND BEVERAGES

Despite the influx of foreign capital and technology over the past six years, Mexico is still a net importer of food and beverage products. Imports have risen steadily since Mexico formally reduced its barriers to trade in 1987 and 1988 and reached US $3.4 billion in 1993.

The surge in imports has been driven by Mexico's inability to meet domestic demand for basic products such as meat, milk, oils, and sugar. Imports of liquors and spirits have also contributed to this trade imbalance as have specialty products and luxury food items such as cheeses and salmon.

In spite of these capacity limitations, Mexico has substantial exports of some specific processed food and beverage products.

The most important export products are:

- canned fruits, vegetables and abalone
- frozen shrimp and lobster
- processed coffees
- fruit juices
- beer and liquor

Total exports of food and beverages in 1993 were US $1.6 billion.

### IMPORTS OF PROCESSED FOOD AND BEVERAGES, 1993

| Product | US $ thousands |
|---|---|
| meat | 569,552 |
| powdered milk | 406,759 |
| other oils and fats | 276,854 |
| special food preparations | 260,691 |
| canned vegetables | 119,861 |
| pig skin | 85,658 |
| butter | 69,318 |
| animal fat | 83,213 |
| liquors and spirits | 104,990 |
| other | 1,380,264 |
| **Total** | **3,357,160** |

**Source:** Derived from the *Banco Nacional de Comercio Exterior (Bancomext)*, Mexican Trade Commission.

The Mexican food processing industry can be broken down into eight subsectors, each with its own unique needs for machinery and equipment:

- baked goods
- beverages
- canned goods
- confectionery and candy
- dairy products
- edible oils
- processed meats
- salty snacks

A characteristic of the Mexican industry is that each subsector is dominated by only a handful of major players, and most of them are poised for expansion.

## PRODUCT TRENDS

The leading Mexican food processors have adapted rapidly to the liberalized trade environment and emerging consumer demands. The better-capitalized companies quickly invested in new machinery and equipment. They automated their facilities, improved production efficiency, and increased the shelf-life of their products. New products, such as yoghurt drinks and cold cuts, required attractive packaging to entice consumers; in addition, distribution networks were expanded. On the other hand, many micro-enterprises and poorly-run firms have been either purchased or elbowed out of the market by larger food processors jostling for market dominance. Many of those who could not upgrade to meet the competition have had to close their doors after decades of serving their local communities. The *Cámara Nacional de la Industria de Transformación (CANACINTRA)*, Mexican Association of Manufacturers, estimates it lost 20 percent of its food industry members in 1993, as a result of new competition and cheaper imports.

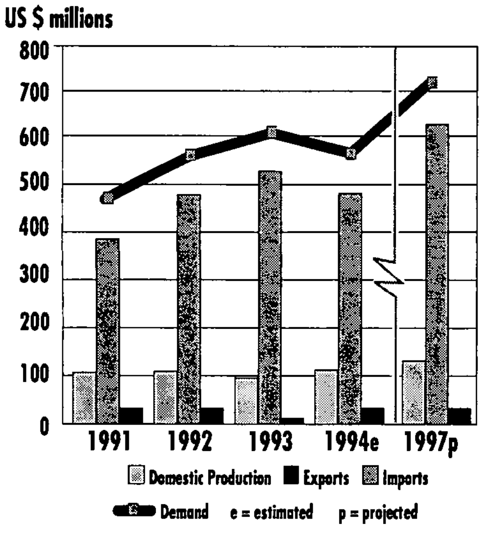
A number of other emerging trends suggest further changes over the short and medium term:

- Macro-economic policy — the signing of the General Agreement on Tariffs and Trade (GATT) and the North American Free Trade Agreement (NAFTA) have brought down tariff barriers and opened the Mexican market to imported foods, offering not only lower costs and increased variety, but also higher expectations among consumers.
- Export orientation — to counter imports, the Mexican food industry is looking for ways to be more competitive abroad. This necessitates the incorporation of new technologies to increase efficiency and accommodate new product lines that meet international tastes and standards.

- Demographic changes — with more women joining the work force, Mexico is seeing an increase in two-income families with the disposable income needed to buy processed food. About 25 percent of women between the ages of 25 and 30 work outside the home.
- Consumer demands — the well-travelled, middle-class Mexican consumer is becoming increasingly demanding and quality-conscious. With many processed foods costing between 40 percent and 80 percent more than in the U.S., Mexicans can be expected to demand lower prices in the future.
- Home appliances — few Mexican families have a freezer or microwave oven. These appliances are much more expensive than in Canada. Nonetheless, prices for these items will fall as the NAFTA tariff reductions are phased-in and as they become a commodity in the market. Greater demand for frozen and microwaveable foods will not be far behind.
- Changing distribution channels — small corner stores, or *abarrotes,* are being replaced by convenience store chains, supermarkets, hypermarkets and even discount stores offering a wide variety of domestic and imported products. The large discount clubs offer mini-wholesale packages, ideal for the typically large Mexican families.

# Food Processing and Packaging Equipment

### Trade and Production of Food Processing and Packaging Machinery and Equipment




**Source**: Import/export data by the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development. Domestic production estimates are based on interviews with food sector experts.

***Mexico meets its own needs for basic equipment, but advanced technology is almost entirely imported.***

Foreign firms tend to supply the more sophisticated technology needs of the major food processors. Meanwhile, micro-enterprises shop around for semi-automated equipment or reconditioned automated machinery from the United States.

The market for food processing and packaging equipment as well as parts has grown rapidly over the past few years. Between 1987 and 1991, the market grew by an average of 27 percent per year. Growth slowed to 9.5 percent in 1993, bringing total sales to more than US $60 million. The market is expected to grow to US $720 million in 1997.

On the other hand, the Mexican industry suffers from a number of disadvantages. There is a serious shortage of capital, especially on flexible terms. Since the devaluation, annual interest rates have approached 50 percent. There is also a shortage of skilled labour capable of operating and servicing high-technology equipment. Both problems are likely to persist over the medium term.

## Mexico: First for Tetrapak

*Tetrapak's* first international plant was located in Mexico 20 years ago. It is now recognized as the packaging standard in the dairy industry. Noting the financial constraints on producers and their inability to finance expensive equipment purchases, *Tetrapak* has been installing packaging equipment in plants on a consignment basis and deriving its revenue on volumes run through their machines.

Domestic production of food processing equipment has been limited mainly to small-scale equipment based on simple technology. Mexican-made machinery is usually designed to handle only one step of a food-processing chain. It is common for suppliers to specialize in custom-made equipment, rather than standard lines. These producers face stiff competition from imports of medium-capacity, mass-produced machines that can be very price competitive, even considering the devalued peso.

Local suppliers also specialize in reconditioning second-hand machinery purchased from American plants, as well as the maintenance of imported equipment. Growing familiarity with these more sophisticated, multi-task machines has also led to the production of higher-technology machinery in Mexico. Some manufacturers have signed technology agreements with U.S. or European firms, and have obtained certification for their products from overseas agencies, such as the American Society of Mechanical Engineers.

This has opened the door to a slow but steady export trade, amounting to about 25 percent of total domestic sales. Equipment exports are forecast to reach just over US $126 million in 1997. The principal products exported by Mexican manufacturers are heat exchangers and cooking appliances, as well as simple packaging equipment and machinery to clean and sort agricultural produce, such as fruits or grains.

## Partial List of Food Processing Equipment Manufactured in Mexico

| | | |
|---|---|---|
| kettles | coating pans | fryers |
| milking machines | pasteurizers | sterilizers |
| evaporators | fermentation vats | heating/cooling towers |
| pulpers | agitators | mixers |
| pumps | heat exchangers | dryers |
| washers | cappers and labellers | fillers |

# The Role of Imports

***The United States, Germany and Italy are the major suppliers of Mexico's imported equipment. Canada's share is roughly two percent of imports.***

Despite the strides made by domestic suppliers, the technology gap will keep Mexico dependent on imports for more sophisticated, multi-tasking machinery, at least for the next several years.

In 1993, Mexico imported a total of US $533 million worth of equipment. Import penetration has risen slowly but steadily over the past several years, from 83 percent in 1991, to 86 percent in 1993. Imports are forecast to exceed 87 percent of the market by 1997.

### Import Competition, 1993

The U.S. currently accounts for almost 44 percent of the total import market, down from its 55 percent share in 1991. It is facing stiff competition from the second and third most important suppliers, Germany and Italy — both of which have a 15 percent share. Italy in particular has been heavily promoting its high-quality equipment and service, flexible credit and financing terms, as well as technical advisory and consulting services. Other important competitors are France, with just over five percent of the imports market, Spain with five percent, and Sweden and Brazil with three percent each. Canada has a two percent share, with total exports of almost US $8 million in 1993. Its principal exports to Mexico are cooking appliances, mixers and baking apparatus.

### Imports of Food Processing and Packaging Equipment, 1993

| Category | US $ thousands |
|---|---|
| heating and cooking | 126,234 |
| dairy | 15,009 |
| agricultural produce | 10,861 |
| bakery | 42,023 |
| confectionery and sugar | 7,710 |
| beverages | 2,213 |
| meat/poultry | 14,075 |
| other processing equipment | 52,000 |
| packaging | 262,440 |
| **Total** | **532,565** |

**Source:** Derived from the *Banco Nacional de Comercio Exterior (Bancomext)*, Mexican Trade Commission.

Imported products are sold either through local representatives or directly from foreign equipment manufacturers. Mexican-based representatives can often provide more competitive prices, service and delivery than manufacturing plants abroad. The very large food processing conglomerates tend to purchase directly from foreign manufacturers with whom they have a strong relationship. This is especially true when the equipment must meet unusual specifications.

The United States has traditionally been the largest foreign supplier of food processing and packaging equipment to Mexico. The country's geographic proximity allows for fast service and the ready availability of replacement parts. The U.S. also enjoys faster and cheaper delivery than its European competition. As a result, end users tend to be quite familiar with equipment made in the U.S.

If Canadian manufacturers want to improve their two percent share of the Mexican imports market, food processors say they must be more aggressive and offer more liberal licensing arrangements. Flexible credit and financing terms are also a big consideration. Successful equipment vendors work closely with their clients, offering the range of technological sophistication that fit within existing equipment. Canadian manufacturers must also match the excellent service and pre-sales consulting services currently provided by the most successful importers.

## CUSTOMERS

### WHEAT AND CORN

Wheat, in the form of bread, cookies and pasta, now represents a significant component of the Mexican diet. Nonetheless, the more traditional corn-based products still account for 80 percent of the Mexican baked-goods market. This tradition goes back to Aztec times. Corn is a food staple in the majority of households.

***In almost every subsector, the top three or four producers claim 80 percent or more of the market. Small- and medium-sized enterprises compete for what is left.***

The level of equipment sophistication required by domestic food-packaging companies varies from basic, semi-automated machinery to high-efficiency, multi-task systems. While most plants have set up in-house maintenance departments, customers using imported products demand comprehensive training packages for technicians and operators. Normally these sessions are conducted during installation, but some major food companies like their senior engineers to become familiar with leading-edge technology overseas.

Imports are not confined to high-technology equipment. Many small- and medium-sized firms in Mexico find that refurbished machinery from plants in North America serves their needs very well. This second-hand equipment is reasonably priced and it can be easily serviced or repaired by in-house technicians.

### Customer Profile — Grupo Industrial Bimbo

*Grupo Industrial Bimbo* manufactures and distributes nationally five different brands of packaged breads that regularly occupy 95 percent of shelf-space in this subsector. It is the market leader for snack cakes, with 90 percent of shelf-space. In addition, it manufactures cookies and pastas, and is the Mexican distributor for Sara Lee. The company also has plants in Guatemala, El Salvador, Chile, and Spain. It recently purchased 50 percent of a Texan bakery that will distribute its products. More purchases of regional bakeries in the U.S. are planned. The *Grupo Bimbo* employs over 41,000 people, and has invested more than US $100 million annually over the past eight years. To ensure its international competitiveness, *Bimbo* seeks out the best technology and employee training opportunities, and is introducing total-quality programs into its operations.

### Customer Profile — Grupo Maseca

*Grupo Maseca* is the largest miller in Mexico. Currently, it has 11 plants in operation, with four more scheduled for operation this year. In addition to selling corn flour to the public and local tortilla makers, it consumes over 30 percent of Mexico's production for its own use. *Grupo Maseca* is the market leader in tortilla chips. To promote the use of its corn flour, it leases processing equipment to supermarket chains to produce tortillas at the point of sale. It also introduced pre-packaged corn tortillas for supermarkets and other retail stores in 1994.

# Baked Goods

The baked-goods industry is made up of about 38,000 enterprises which account for almost 13 percent of the output of the food and beverage sector. The majority are small enterprises supplying a few city blocks with bread and tortillas, and their packaging requirements are quite rudimentary.

Most of the production is carried out by a small number of very large manufacturers with huge product runs and sophisticated national distribution networks. *Grupo Industrial Bimbo* and *Grupo Maseca*, which is known primarily for corn and flour-based tortillas, are two of the largest firms in Mexico. *Tablix*, a relative newcomer, is expanding in the south-east through a series of acquisitions of regional bakeries. Conglomerates such as *Gamesa* (PepsiCo), Nabisco, and *Marinela (Bimbo)*, dominate the cake and cookie sector.

Baking giants, like *Bimbo* and *Tablix*, are expanding through acquisitions of smaller bakeries. Many smaller companies cannot afford to upgrade and compete for shelf-space on the scale established by these players. This restructuring of the industry is creating opportunities for greenfield plants, upgrades of old ones, and new installed capacity. The big bakers know that in this relatively saturated market, packaging and image are important sales tools. This suggests opportunities for packaging businesses.

## Major Bakers and Their Products

| | |
|---|---|
| Continental de Alimentos | bread |
| Filler | whole wheat bread |
| Gamesa | pasta, crackers, cookies, cake mixes |
| La Moderna | pasta, crackers and cookies |
| Lance | cookies and crackers, cake mixes |
| Mac Ma | pasta, cookies |
| Maseca | flour, bread |
| Nabisco Famosa | cookies and crackers, cake mixes, jello |
| Panificación Bimbo | bread, cakes |
| Productos Marinela | sweet snacks |
| Tía Rosa — Suandy | sweet snacks and cakes |

# Beverages

### John Labatt Expands into Mexico

Canada's John Labatt increased its brewing volume by about 40 percent in July 1994, with the purchase of a 22 percent share in Mexico's second-largest brewer *Fomento Económico Mexicano (FEMSA)*. With sales of US $2.4 billion in 1993, 37,000 employees, and exports to 55 countries, *FEMSA* is Mexico's second-largest brewer with 48 percent of the market. A diversified food and beverage conglomerate, it has a share of the lucrative soft-drinks market through a 51 percent holding in *Coca-Cola FEMSA*, and operates more than 600,000 convenience stores across Mexico. Typical of many food and beverage conglomerates today, Monterrey-based *FEMSA* was founded as a family business, with roots dating back to the 1890s.

Mexicans consume more carbonated beverages per capita than any country in the world except the United States. Coca-Cola is reputed to have about 55 percent of the soft drink market, and 75 percent of the cola market. Cadbury-Schweppes has recently purchased a major Mexican bottler, *Peñafiel*, and some U.S. brands are moving in with aluminum-packed products.

Competition is also increasing in the juice market. Frozen juices are not as well developed due to the relative lack of freezer space in Mexico. Two juice and nectar producers, *Jugos del Valle* and *Jumex* control about two-thirds of the market, while the top five producers together account for 96 percent of total Mexican consumption.

The bottled water market is very crowded, with more than 40 brands competing for available shelf-space in this subsector. Price competition is fierce, and a shake-out of this industry is expected. "Designer" labels such as Perrier and Evian have an edge over some lesser-advertised brands.

Milk mixes from the market leader Procter and Gamble (Chocomilk), and Nestlé (Quik) have found a loyal customer base among young consumers in Mexico. The market for beverage mixes prepared with water is dominated by Kraft, whose products Kool-Aid and Tang take up about 70 percent of shelf-space in this category.

Teas, especially the traditional herbal flavors, such as *manzanilla*, are important consumer items. The Mexican tea, *La Pastora*, shares the overall tea market with McCormick and *Laggs*. Most of the major American processed coffee brands can be found on supermarket shelves, and there is also a large market for roasted coffee beans from Mexican and Latin American packers.

Mexican beer is produced by major brewers such as *Cervecería Moctezuma*, *Grupo Modelo* and *Cervecería Cuauhtémoc*. The latter firm is part of the food, beverage and packaging conglomerate *Valores Industriales*.

# Canned Products

## Canned Fruits and Vegetables

Consumption of canned fruits and vegetables has grown with the increasing numbers of women working outside of the home. Many of them no longer have time to shop on a daily basis, or to prepare and cook fresh produce. As a result, attractively-packaged consumer-ready products that can be easily prepared are finding a ready market. House brands such as *Marca Libre* sold by *Aurrera-CIFRA*, or *Marca Propia* sold by *Comercial Mexicana* are often very competitively priced.

## Customer Profile — *Herdez*

*Herdez* has seven plants throughout Mexico producing a wide variety of products under the *Herdez*, McCormick and Chef Boyardee labels. In Mexico City, the company produces mayonnaise, mustard and jam. The two San Luis Potosí plants can two Mexican delicacies: a traditional hot sauce made with chocolate called *mole*, and prepared cactus called *nopales*, as well as spices. In the port of Veracruz, *Herdez* runs its fruit and chili canning operations, while the relatively new *Ensenada* plant, strategically located for U.S. export markets, also produces chilies and sauces. Total production under the McCormick label totals about 11 million boxes. Of the five million boxes of *Herdez* products, 817,000 went to export. Most equipment is imported, purchased through local representatives of foreign companies.

Start-up costs for canned products are relatively higher than for most other food processing subsectors. This has allowed a relatively small number of firms to dominate the market. According to the last industrial census in 1989, about 400 firms were active in this category, with employment of about 46,000.

Total production of the 118 members of the *Cámara Nacional de la Industria de Conservas Alimenticias (CANAINCA)*, National Chamber of the Preserved Food Industry, is estimated to account for 80 percent of the entire industry's production. Output has increased by more than 46 percent since 1989, with some items such as chilies, fruit juices and mayonnaise recording gains of between 55 percent and 85 percent.

The two leading Mexican companies in the industry are *Herdez* and *La Costeña*. Other major players, including *Del Monte* and *Anderson Clayton*, are subsidiaries of multinationals. Some companies have established agreements for the exclusive representation or production of foreign product lines. For example, *Herdez* produces or imports for McCormick, Heinz, Knot's Berry Farm, American Home Food, and Hormel.

### Production of Canned Foods
### US $ thousands

| Product | 1989 | 1992 |
|---|---|---|
| chilies | 115,781 | 215,042 |
| fruit juices | 116,633 | 204,029 |
| mayonnaise | 119,676 | 185,442 |
| fish products | 193,483 | 170,444 |
| other products | 71,509 | 118,185 |
| soups, creams and broths | 94,520 | 116,156 |
| specialty products | 50,625 | 103,576 |
| sauces and condiments | 53,654 | 93,241 |
| vegetables | 60,464 | 85,169 |
| jellos and desserts | 48,711 | 62,666 |
| fruits | 31,489 | 57,616 |
| tomato purée and sauce | 35,103 | 33,437 |
| marmalades and jams | 17,987 | 31,257 |
| honey and syrups | 11,093 | 17,390 |
| Total | 1,020,728 | 1,493,651 |

**Source:** *Cámara Nacional de la Industria de Conservas Alimenticias (CANAINCA)*, National Chamber of the Preserved Food Industry, *Memoria Estadística*, 1993.

## Buying Mexican

*La Costeña*, a leading chili sauce and canned-chilies packer in Mexico, produces 600 cases per day during harvesting. It maintains a "buy Mexican first" policy for equipment purchases. Imported equipment represents less than five percent of the total, and is concentrated in the more sophisticated packaging end of the business. Imports are from Holland, Germany and Canada. Domestic equipment is custom made, often being low-technology "knock-offs" of leading foreign brands. *La Costeña* is expanding its production facilities to a new plant this year, where processing equipment will be supplied by *Jersa*, a domestic manufacturer. Packaging will be handled by imported state-of-the-art technology. The original founding family is still very involved in company operations.

## Major Equipment Purchasers

| Company | Product |
|---|---|
| Anderson Clayton | Clemente Jacques canned and frozen vegetables; second largest producer of ketchup, vinegar and jams; hot sauces and chili under La Gloria label; Pronto syrups and honey; jello and desserts |
| Campbell's | leader in canned soups and frozen vegetables; beans |
| Del Monte | leader in ketchup production; major canner of vegetables |
| Del Fuerte | major vegetables and tomato sauce producer; chilies under La Cumbre label |
| Herdez | leader with 40 percent of the hot sauce market; major producer of vinegar, fruit preserves; manufactures foreign brands under licence |
| Hongos de México | major mushroom packer under the Mont Blanc label |
| Kraft | large producer of mayonnaise, jams, cheese, jello, and a wide variety of other products |
| La Costeña | leader in chili and hot sauces; also packaged beans, vinegar, olives, traditional Mexican dishes, fruit preserves, and honey |
| Nestlé | major producer of sauces, soups and broths, beans, powdered milk with 50 percent of the market, coffee, breakfast cereals, chocolate drinks and confectionery |
| Productos de Maíz | Hellman's mayonnaise and Knorr chicken broth |
| San Marcos | second largest chili producer; canned fruits |
| Ybarra | large producer of oil, olives and mayonnaise |

# Confectionery and Candy

According to the 1989 census, the Mexican chocolate and confectionery industry is comprised of approximately 475 companies employing almost 21,000 workers. Major confectioners include *Cerezo*, *Del Angel*, *Elite*, *Nacional de Dulces* and *Turin*. The latter firm also packages cake mixes and cereals.

Another 67 enterprises are involved only in chocolate products and employ 9,000 additional workers. The majority of chocolate manufacturers are regional, with only four major players — Nestlé, *Nacional de Dulces*, *Chocolatera de Jalisco* and *Ricolino*. Two specialty companies, *Ferback* and *Turin*, cater to the high-end of the market.

Those chocolate factories that have not been purchased recently by foreign subsidiaries are investing in new plant and equipment to become more competitive at home and abroad.

Those confectioners intent on exporting have expanded their production facilities and are currently working on dual packaging projects, one for Spanish-speaking markets and another for North American and European consumers.

## Major Chocolate Producers

| Company | Ownership | Percentage ownership |
|---|---|---|
| Compañia Nestlé | Swiss | 100 |
| Nacional de Dulces | American | 100 |
| Chocolatera de Jalisco | Mexican | 100 |
| Ricolino (Bimbo) | Mexican | 100 |

**Source:** Derived from interviews conducted by Townsend Trade Strategies Inc. in Mexico.

# Dairy Products

### Customer Profile — Pasteurizadora Laguna

*Pasteurizadora Laguna* is the second-largest producer of milk and the largest pasteurizer in Mexico, with 15 plants handling two million litres of milk production a day. It also produces fresh and "long-life" UHT milk, cheeses, sour cream and butter.

### Where Does All The Milk Go?

Mexicans are consuming increasing amounts of pasteurized and processed milk products. The *Cámara Nacional de Industriales de la Leche (CANILEC)*, National Chamber for the Milk Industry, breaks the industry down into seven categories:

| Category | Percentage |
|---|---|
| unpasteurized milk | 20 |
| pasteurized milk | 25 |
| evaporated milk | 12 |
| baby formula | 6 |
| yoghurt | 5 |
| cheeses | 30 |
| other dairy products | 2 |

Mexico's dairy industry experienced poor growth in the 1980s leaving a pent-up demand for new plant installation. The *Cámara Nacional de Industriales de la Leche (CANILEC)*, National Chamber for the Milk Industry, represents just 600 producers out of the total estimated 7,400 dairy farmers in Mexico. However, *CANILEC* members are responsible for 90 percent of the country's milk production and imports of milk.

Imports have played a large role in the Mexican dairy industry, as a result of government policies. State intervention in the early 1980s left farmers without subsidies and burdened with price controls. Many producers could no longer make a profit and were unable to invest in new plant or livestock. As a result, herds dwindled to the point where large quantities of powdered milk had to be imported from the United States, Germany and New Zealand. In response to more realistic pricing policies, farmers are now rebuilding their herds and domestic production is rising.

More than 30 percent of Mexico's annual milk consumption of 11 million litres is imported, mostly from the U.S. Domestic milk producers and manufacturers of processed dairy products are expecting annual market growth of between 12 percent and 14 percent over the next few years. Imports, particularly of consumer-ready goods, are also expected to increase. Meanwhile, the domestic industry is investing heavily to supply this slowly maturing market for convenience milk products.

## Customer Profile — *Nestlé*

This Swiss-based consortium operates with majority foreign ownership in Mexico. Six facilities are run under the Nestlé name. Affiliate companies Carnation, *Industrias Alimenticias Club, Parma, Chambourcy* and *Findus* operate another 10 plants. In 1993, Nestlé joined with General Mills to open a breakfast cereal plant using U.S. technology. This multinational has a firm grip on the dairy products market, as well as in the instant coffee, sauce (under the Maggi label), beans and soups categories. A team of experts evaluate major new projects and plant investments, but head office sets annual budgets for high-end processing and packaging equipment.

## Customer Profile — *Alpura*

*Ganaderos Productores de Leche Pura* was established as a national cooperative of milk producers, and currently has 225 partners, producing one million litres of milk each day.

Refrigerated trucks transport milk from ranches to the Mexico City plant where 70 percent of the product is processed as fresh or UHT milk with the balance dehydrated for later use.

Periodic shortages are covered by imports purchased from the government-owned food entity *Compañía Nacional de Subsistencias Populares (CONASUPO)*, National Council for Low Income Food Support. The company, which has about 60 percent of the UHT market in Mexico City, also produces yoghurt, cream butter, cheeses and desserts. It recently launched a line of upscale desserts under the *Delicias Europeas* label.

Decisions on major equipment purchases are made at board meetings, and executives are always interested in meeting with new suppliers. Short-term investments include:

- ☐ purchasing new milk processors from Tetrapak;
- ☐ increasing the number of water treatment plants; and
- ☐ expanding its truck fleet for milk and processed goods.

The company is also looking at additional yoghurt capacity and foresees new investments in its powdered milk, plastics-processing and storage plants.

The large multinational players, including Nestlé, Carnation, Danone and Kraft, among others, are well represented in their respective categories, capturing about 50 percent of the total market for dairy products. Several other dairy products producers will undoubtedly be attempting to build on existing market shares to catch up with the leaders.

## Major Mexican Dairy Products Companies

| Company | Product |
|---|---|
| Alimentos Chilchota | leader in fresh cheese types, such as panela, oaxaca and añejo, which are widely distributed through wholesalers; six hundred tonnes per week pass through Mexico City distributorships alone |
| Kraft General Foods | market leader in American-style yellow cheeses |
| Productos Alimenticios Lamesa | large producer of cheeses, cream and butter; it has recently opened a plant in Guadalajara |
| Operadora de Lácteos | purchased several dairy plants from the government-owned Liconsa, producing milk under the Baden, Boreal and Los Volcanes brands |
| Productos de Leche | produces Iberia butter and margarine, El Sauz cheeses, Chipilo and Holstein butter and cream, as well as Bonafina drinks |
| Consultores Teclac | with seven plants — including its new Lácteos del Norte facility — manufactures 40 product lines; specialties are fresh cheeses, butter, cream and yoghurt under the Chen label |
| Santa Clara | established in 1924 with just 17 milking cows, Santa Clara now collects milk from a herd of 2,000, from which it manufactures high quality milk, cheeses, yoghurt, and ice cream |

## Smaller Players in the Dairy Products Market

| Company | Product |
|---|---|
| Chantilly | cream |
| La Esmeralda | cheeses |
| Los Volcanes | cheeses, cream, milk |
| Lyncott | cottage cheese, cream |
| Grupo Quan | ice cream under Bing and Holanda labels |
| Productos de Leche Noche Buena | cheeses |
| Unilever | quality cheeses under Caperucita and Walter brands |

## Customer Profile — *Danone*

Part of the international BSN group, *Danone México* is the undisputed leader in yoghurt production. It has an installed capacity of 70,000 tonnes per year for its yoghurt, cheese and jello lines, and will open a plant in Irapuato, in the State of Guanajuato in 1995. Major equipment decisions for all 35 *Danone* plants around the world are made at head office. In order to sell to *Danone México*, it is necessary to contact BSN in Paris directly.

Yoghurt and cheese have been the most rapidly-growing processed dairy products. Demand has risen sharply as a result of broadened tastes of the Mexican middle-class. The rapid growth in yoghurt purchases is forecast to continue with the introduction of specialty varieties, such as low calorie and fruit as well as the Petit Suisse desserts. Liquid drinks are also popular because they resemble the traditional *licuado,* milk-shake drinks.

Most Mexican low-end cheese is "filled" cheese made from a mixture of milk and non-dairy products. Imports of stronger, more flavourful all-dairy cheeses are selling well, and domestic manufacturers have geared up to capture some of the market share. The success of all-dairy imported cheeses is symptomatic of the growing demand for higher-quality products in major urban markets.

Although there is no tradition of "health foods" in Mexico, low-calorie, low-fat dairy products are shaping new consumption habits, carving out new market niches and paving the way for locally-produced competitive products.

# Edible Oils

Mexicans fry a lot of their food, which makes edible oil an important subsector. It is estimated that there are 78 companies in this industry. They are located in 18 different states, mainly in central and northern Mexico. Because oil is considered a staple, it is given excellent shelf-space and is competitively priced.
Oil production is done in two phases:

- millers extract raw oils and pastes from oleaginous raw products including sunflower seeds, cartamus, corn, cotton seed, soya, and, to a lesser extent, canola; and
- refiners process and package the secondary product for market.

There are a few integrated millers which undertake the entire process.

Domestic production of oleaginous raw materials is insufficient, thus 80 percent of raw oils and pastes are imported. The main suppliers are Canada, the United States, Europe, Asia, and South America. About 78 percent of the finished product is sold for human consumption, 20 percent is shipped to industrial customers, and the remaining two percent is used by the food processing industry.

## Major Processors of Edible Oils

| Company | Product |
|---|---|
| Aceite Casa | cooking oil |
| Arancia | cooking oil, gelatines, jello |
| Carrancedo | margarines |
| Formex Ybarra | cooking and olive oils |
| La Corona | cooking oil |
| Productos de Maíz | cooking oil, seasonings and dressings |

# Processed Meats

### Customer Profile — *Donfer*

*Obrador de Salchichonería y Tocinería Donfer* and related firms (*El Riojano, Obrador Elvira and Frigoríficos Ixtapalapa*) market under the *Donfer, Riojano* and *Alpino* brands. The two latter names are high-end items, while *Donfer* products are distributed via wholesalers to smaller retail outlets. The company has plans to export into Central and South America. Technology in the plant is imported from Spain, Germany and the United States.

The Mexican processed meat industry is comprised of about 1,264 firms, of which only 460 are members of the *Consejo Nacional de Empacadores de Carnes Frias y Embutidos*, National Council of Cold Meat Packers. Industry-wide employment is estimated at 27,000. Production in this category is dominated by four major firms that claim 75 percent to 85 percent of the total market.

There is a rising demand for processed-meat products as a result of population growth and changing consumption patterns. Slaughterhouses tend towards basic design, little automation, and only adequate refrigeration.

Some of the pent-up consumer demand for high protein foodstuffs is met by imports of pork and poultry from Canada and the U.S. and from imports of canned fish. Imports, however, are not growing as quickly as in some other food subsectors. Similarly, domestic production has increased at a relatively slow annual rate of 2.4 percent. Those meat processors with capital to invest are developing new, consumer-ready lines which have been posting growth rates in the 12 percent to 16 percent range.

### Customer Profile — *Sigma*

*Sigma* processes meat in four plants under the *Fud, Iberomex, Chimex* and *San Rafael* brand names. Aside from processed meats, of which it has 34 percent of the market, it produces yoghurt and cheeses. *Sigma's* competitive edge is its pricing policy, particularly on mid- to lower-quality lines. Its refrigerated trucking network is the largest in the country.

### Customer Profile — *Zwanenberg de México*

*Zwan* as it is known in the industry, was established with Dutch capital, and is now part of the Unilever group which has a total of 12 plants in Mexico producing meat and dairy products, snacks and hand creams. To meet increased consumption of its processed meat products, *Zwan* is currently working at full capacity, and will need to expand if it is to hold on to its 20 percent market share. *Zwan* is always looking for alternative equipment suppliers, as well as for raw packaging materials, and is very open to new ideas. Most equipment is imported, purchased through local representatives of foreign firms.

## Major Meat Packers

| Company | Product |
|---|---|
| Alimentos KIR | large producer of cold cuts; Mexican style chorizo sausages; bacon |
| Donfer | Obrador de Salchichonería y Tocinería Donfer and related firms (El Riojano, Obrador Elvira and Frigoríficos Ixtapalapa) market under the Donfer, Riojano and Alpino brands |
| Sigma | member of the Alfa industrial conglomerate, licensed to distribute the products of U.S.-based Oscar-Meyer; it has 34 percent of the processed meat market; produces some dairy products; markets its products under the names of Fud, Iberomex, San Rafael, and Chimex |
| Parma | under the Nestlé corporate umbrella, produces high-quality processed meats, including smoked ham |
| Zwanenberg | with an estimated 20 percent of the market, produces several varieties of hams, sausages, patés, bologna, chorizo, salami, bacon and pepperoni for the middle- to high-income consumer |

Meat packers initially met resistance to pre-packed luncheon meats. Traditionally, Mexicans have purchased their cuts at the local market where they can see it being trimmed for sale. Changing lifestyles have left Mexican households with less time to shop. Increased nutritional awareness is also driving sales of lean cold cuts and processed meats made of turkey or chicken. Every supermarket now has a well-stocked deli counter with meat loafs and packaged meats. Deli cases are also appearing in the fast growing convenience store sector, and even in "mom and pop" stores around the country.

## Salty Snacks

Street vendors selling all manner of quick snacks have a long tradition in Mexico. Recently, some of their market share has been eroded by the big snack-food marketers. For example, PepsiCo sells snack foods under the *Sabritas* and Frito-Lay labels. Another major competitor is *Grupo Industrial Bimbo,* with the brand names *Barcel* and *Chips*.

The market leader is PepsiCo *Sabritas* label, which employs more than 5,000 workers in plants that run at virtually full capacity. Its superb distribution network has made the company phenomenally successful. Nonetheless, it faces stiff competition from *Barcel* which is also very effective in getting its product to market.

Both firms have plants in northern Mexico that produce for export, and have plans for expansion throughout the Americas and the Caribbean. These are the two companies to watch, and they are not difficult to follow. They invest heavily in image, with aggressive advertising and eye-catching packaging. Indeed, their marketing savvy is such that even the major foreign producers have had a difficult time breaking into the market. Pringles potato chips is the only imported product that attracts much supermarket shelf-space.

Peanut packagers have also managed to create their own market niche in mixed nuts, with little competition from outside. *Mafer* claims 60 percent of the available shelf-space, followed by *Sabritas*. *Mafer* is reportedly working at only 60 percent of installed capacity. Other leading peanut packagers, *Nipon* and *Martín Cubero* have excellent distribution systems, but do not achieve sales volumes comparable to *Mafer's*.

# Opportunities for Equipment Sales

***Processing, packaging and waste reprocessing are opportunity areas for Canadian companies that can cater to the specialized needs of Mexican food processors.***

Market opportunities exist in almost every area of the food processing industry. Prospects are particularly good in the quick-freezing and packaging sector, a niche that has largely been ignored due to the relative lack of home-freezing units so far. Food-waste reprocessing equipment is also of particular interest to Mexican importers. Large volumes of organic waste are generated every day by food processing plants and supply centres, yet there is very little equipment available to dispose of this waste at low cost.

## Opportunities for Suppliers

Equipment suppliers will benefit from the dramatic restructuring and new market demands in the food processing industry. Contributing factors include:

- the need for increased efficiency to reduce manufacturing costs and improve competitiveness at the retail level;
- consumer demand for new and attractive packaging materials as a result of imports from the U.S., Europe and, more recently, Chile;
- additional demand for new consumer-ready foods; and
- the need to compete with imports head-on, and develop products for export to overseas markets.

## Competition

Some international equipment firms have established a strong presence in Mexico. Major players are: Stuard Systems, Asser Oakes, Fenco Spa, *Ica*, Cavanna, Errebi, TMCI Padovan, Branbati, Orlandi (*Grupo Sasib*), and Pavan. Mexican purchasers are quite sophisticated, and make a point of travelling to major trade fairs in the U.S. and Germany. Those companies with foreign ownership use this association to provide engineers and technicians with on-the-job training at parent plants overseas.

Food packaging is expected to offer importers some of the most interesting opportunities. If Mexican consumer-ready products are to hold their markets against foreign competitors, they must adapt to more savvy packaging. For instance, eye-catching, brightly colored wrappers on candy imported from Chile is currently stealing market share from Mexican confectionery manufacturers. New packaging techniques which help to extend the shelf-life of products are also needed.

# Baked Goods

The large bakers generally buy most of their processing and packaging equipment abroad. Imports of new and rebuilt equipment make up about two-thirds of the total equipment market. Low-volume, neighbourhood tortilla vendors buy mostly Mexican-made equipment.

Processing and packaging equipment used by the larger distributors has traditionally been based on medium-level technology. Now, in response to rising demand for wheat-based products and the need for longer, more automated production runs, the larger firms are beginning to shop for state-of-the-art technology.

Until recently, flour was heavily subsidized by the government on the grounds that bread and tortillas were essentials. Now that subsidies have been eliminated, micro-bakeries serving their immediate communities must invest in new equipment to increase efficiency. Packing opportunities are limited, however, since bread is sold in plain paper bags, and tortillas in brown paper or directly into a purchaser's cloth napkin.

Even those distributors with large networks are not yet taking full advantage of the sophisticated packaging equipment and design opportunities common to the North American market. Packaging equipment is currently quite basic, so opportunities exist in the high end of the bakery subsector.

Larger families in Mexico demand correspondingly larger packaging than is common for baked goods in Canada. For instance, 50 percent of the cookie shelf-space in supermarkets is taken up with one-kilogram packages.

## Beverages

Beverage packaging is fairly standard, with brand name products being marketed in bottles or cans. Juices and nectars are regularly merchandised in one-litre and 250-millilitre tetrapaks, and in one-litre bottles. About 80 percent of all soft drinks are purchased in reusable containers.

## Canned Products

Mexican-made equipment for canned food processing accounts for between 40 percent to 50 percent of the market. Locally-made equipment is less expensive than imports, and quite a few manufacturers have the in-house capability to equip an entire plant. These domestic manufacturers tend to specialize in processing equipment and rarely in packaging equipment. Many of them have developed their own technologies, while others have technology transfer agreements with foreign firms.

Equipment imports accounted for US $88 million in 1993. Imports tend to fill market niches where the technical requirements cannot be met by domestic producers. Imports range from large-volume, high-efficiency machines for processing and packaging, to smaller, semi-automatic equipment. Local technicians are either trained at the plant or abroad.

There is also a healthy import market for used and rebuilt equipment from the U.S. and Canada. This less-sophisticated equipment meets the needs of many small- and medium-sized firms, where servicing can often be done by in-house technicians.

## Candy and Confectionery

### Opportunity in Sugar

The Mexican government used to own 54 of the country's 70 sugar mills. Today it is out of the sugar business altogether, but price controls and government intervention has left a legacy of inefficiency and outdated equipment. Now, the industry is scrambling to modernize and automate plants to make Mexico self-sufficient in sugar products. The soft drink industry is a major customer, as are confectioners.

There is growing recognition that the confectionery and candy subsector needs to upgrade its packaging. For example, imported Chilean chocolates are taking market share from domestic producers through the use of colorful wrappers depicting cartoon characters. Industry watchers say this subsector is 10 to 15 years behind its competition in terms of packaging, suggesting major opportunities for imported equipment.

Domestic processing and packaging equipment for this subsector is not very sophisticated. It consists mainly of sugar mixers and medium-technology packaging equipment. Some packaging is still done by hand. Most imported equipment comes from the United States, Germany and Italy. Products include cleaners, pre-dryers, roasters, presses, refiners and pulverizers. Often, large companies such as Nestlé prefer to buy directly from the manufacturer abroad, even when local representation is available.

## Dairy Products

Difficulties faced by milk producers and processors in the early 1980s set the industry back several years. The dairy sector is now ready to diversify and expand in a major way. In 1993, the market for processing and packaging equipment in this category was about US $19 million, with imports accounting for 79 percent of sales.

Few domestic equipment manufacturers are in a position to supply the large dairy companies with the highly sophisticated equipment they need. Almost all of their equipment is imported from the United States or Europe. Most purchases are made through established local representatives in Mexico. Aside from the usual financing and service considerations, prospective vendors must remember three factors:

1. the need to be extremely price competitive due to the low margins on some milk products and the high level of competition for market share;

2. the exact processing requirements for each product, and the special needs of Mexican milk suppliers, such as water treatment requirements; and

3. the need to comply with Mexico's strict sanitary standards and to efficiently dispose of waste.

Until recently, reusable and recyclable packaging materials have not been available, but the need for environmentally-sensitive packaging is expected to become a higher-profile issue in the future.

## Edible Oils

The edible-oil subsector is unusual because it uses state-of-the-art technology and has an installed capacity that exceeds demand. Milling equipment typically comes from the U.S., while the equipment used for refining and secondary production is imported from Italy, Germany and the United States. *Fábrica de Jabón la Corona* recently purchased equipment from Husky, a Canadian company.

Not all edible oils are bottled, since snack manufacturers and others in the frying business take their product in bulk. Major distributors are Anderson Clayton, *Fábrica de Jabón la Corona*, and *Arancia e Hidrogenadora Nacional.* The only firm manufacturing and packaging olive oil is *Formex Ybarra*, a multinational firm that uses imports from Spain to supplement its domestic production.

Although Mexican millers and integrated manufacturers are already well equipped, there are opportunities for packaging-equipment suppliers. Advanced packaging materials and labellers are among the more promising prospects.

## PROCESSED MEAT

Competition from imported processed meat producers is challenging domestic suppliers to import more efficient technology that can lower production costs.

The market for processing and packaging equipment in the meat and poultry subsector was estimated at about US $16 million in 1993. Imports accounted for 88 percent of the total sales of more than US $14 million. This was a decline from the almost US $23 million imported in the previous year. Imports continued to be strong in 1994, and the industry forecasts 15 percent growth in 1995, followed by increases of between 5 percent and 10 percent each year thereafter.

The equipment market is driven by strong price competition, strict sanitary requirements, and a demand for less labour-intensive processes. More sophisticated equipment and storage facilities can satisfy all three of these needs.

In order to export, meat processors must first get their plant accredited as a *Tipo Inspección Fiscal (TIF)* plant, which means it complies with high sanitary and production standards. Equipment is typically changed every five-to-ten years, fueling demand for high-technology equipment from foreign suppliers.

## SALTY FOODS

Except for the very large producers, Mexican salty food manufacturers tend to use medium-level technology. At least 70 percent is imported, and users are generally looking for increased production efficiency. Demographics alone suggest that consumption will continue to increase, and many firms will be adding capacity to meet this demand.

Since this is a very image-conscious industry, there are major opportunities in packaging. Plant managers are looking for multi-tasking equipment that can weigh, fill and pack in one production run.

# MARKET ENTRY STRATEGIES

***A local presence is essential and a Mexican agent or partner is a good way to get established. However, it takes time to understand the market and its players.***

## ESTABLISHING A LOCAL PRESENCE

Canadian firms that have been active in Mexico stress that establishing a local presence is essential for success. This can mean retaining the services of a Mexican representative, agent or subcontractor, or establishing a strategic partnership with a Mexican firm. Alternatively, a Canadian company may open its own office in Mexico. It is important to demonstrate a commitment to the market and assure clients that after-sales service will be available.

Canadian business people with experience in Mexico inevitably comment on the need to commit time to developing business there. It takes time to understand who the key players and buyers are in the industry and the requirements for food processing equipment. A firm must take a long-term approach to marketing in this highly competitive environment.

In order to overcome the transportation cost disadvantage, some firms may consider manufacturing all or part of their product in Mexico. A co-manufacturing agreement or a technology alliance with a Mexican company is a common way of doing this. Companies are advised to seek a strong local partner and to investigate Mexico's foreign investment regulations when considering this approach.

Aligning yourself with a local agent, representative or partner can be extremely beneficial and speed up your market entry. Finding the right partner can pay for itself a thousand times over.

## FINDING AN AGENT OR DISTRIBUTOR

Experienced distributors and agents for food processing equipment products are easily found in the three main commercial centres — Mexico City, Guadalajara and Monterrey. Very often local equipment manufacturers are prepared to act as distributors for foreign equipment in an effort to extend their product line. A listing of some major manufacturers and distributors is included in the section entitled Key Contacts in Mexico.

Distributors are commonly found through contacts made at food industry trade shows. Many experienced distributors are members of regional or industry associations. These associations can be important contact points for finding qualified distributors or disseminating information on new products. In the major cities, the *Cámara Nacional de Comercio (CANACO),* National Chamber of Commerce, will provide a listing of distributors in various product sectors. There is a fee charged for this service which depends on the number of names provided.

## Market Profile — *Del Monte México*

Activity at *Del Monte México's* plant in Irapuato in the State of Guanajuato varies according to the season, but its annual capacity is approximately 25 million boxes of canned or bottled fruits, vegetables and sauces. Much of the equipment is rebuilt by Del Monte U.S. and shipped down to Mexico. In fact, the Mexican company will usually try to locate machinery at other plants rather than buy new. In a recent renovation, the Irapuato plant's capacity was increased by 20 percent with a US $3 million investment, and labour costs are expected to fall by 50 percent.

Canadians wishing to sell into *Del Monte México* will need to provide equipment that is compatible with existing machinery. Packaging materials are the standard tin cans, glass jars and cardboard, but it is running tests to use PET containers supplied by the U.S. parent. The biggest obstacle to automation, says *Del Monte*, is the lack of trained labour and government incentives to help finance new, high-technology purchases.

Finally, a key-client large food-processing company may suggest particular distributors with whom they prefer dealing. When choosing a representative, consider these points:

- the extent of the region that can be covered
- the price mark-up
- the capability to adequately promote and advertise equipment
- competitive products carried by the distributor
- the ability to offer after-sales service

# Promoting the Product

Promotion is an important aspect of getting products accepted and purchased in Mexico. Though this responsibility is often relegated to a local representative, Canadian exporters should be aware of the various promotional options and costs. Few distributors have the budget to adequately promote products on their own. A promotional plan should be jointly developed by the manufacturer and distributor and an agreement made as to which partner will bear these marketing costs. Food processing equipment is typically promoted through:

- specialized trade shows
- trade magazines and publications
- seminars
- product literature

## Protocol

While Mexicans can be quite informal when conducting business, they also observe formalities that Canadians usually give little thought to. Professional titles are a case in point. Titles indicate a person's university achievements, though not necessarily his or her current job. A *Licenciado (Lic.)* in Mexico refers to a person who has completed a *Licenciatura* or undergraduate studies. *Ingeniero (Ing.)*, engineer, is another common title, and these professional titles are often used in lieu of *Señor*, *Señora*, or *Señorita*, followed by the surname, such as *Ingeniero González*.

## Trade Shows

Trade shows are a popular forum for executives to meet in Mexico, to gather information on new technologies and to assess opportunities without having to commit themselves. With the relaxation of trade rules and the lowering of tariffs, there have been an increasing number of trade shows in Mexico, and it has a well-established infrastructure for mounting these expositions. Mexicans frequently travel abroad to trade shows to keep abreast of developments in their respective fields, although they may be less able to do so since the devaluation.

Concurrent seminars and workshops are often used by exhibitors to provide greater detail and explanation to a potential client on the merits of the new technology being offered.

## Key Success Factors for Exporting

Mexican purchasers of food processing equipment suggest that Canadian companies can increase their chances for success in the market by:

- ☐ undertaking aggressive marketing and promotion efforts;
- ☐ offering more liberal licensing arrangements and credit terms;
- ☐ willingness to consider highly favourable leasing terms where the income is focused on the future purchases of consumables which accompany the equipment;
- ☐ offering all ranges of technological sophistication;
- ☐ willingness to incorporate equipment into production lines including other brands and origins;
- ☐ offering excellent service and pre-sales advice; and
- ☐ participating in trade fairs and exhibitions in order to establish a presence.

## Annual Food Industry Trade Shows

| Trade show | Products | City |
|---|---|---|
| CONFITEXPO | confectionery | Mexico City |
| EXPO ALIMENTOS | foods, raw materials, machinery | Monterrey |
| EXPO PAN | bakery | Mexico City |
| EXPO CANILEC | milk and dairy | Mexico City |
| EXPOPAK | packaging | Mexico City |

## Trade Magazines

According to industry observers, the most widely-read magazines for the food processing industry are the following:

- Industrial Equipment News — Mexican edition
- *Lácteos Mexicanos*
- *Novedades de la Industria Alimentaria*

## Sales Visits

The most commonly used and most effective means of promoting equipment among food and beverage manufacturers is establishing a direct and personal contact through individual visits by a well-trained, capable sales person.

An excellent sales support strategy is to advise a potential customer about the possibilities to redesign or restructure its present production process. The key is to show how new equipment will fit into the existing scheme to make production more efficient. The personal visit should be followed by periodical mailings of brochures, price lists and other company literature. Although most Mexican executives speak and read English, most technicians and plant managers do not. It is therefore important to have literature translated into Spanish by a capable translator, preferably who lives in Mexico and who understands the industry.

Mexicans are not comfortable doing business over the telephone. They prefer to make eye contact. Business calls to a potential client's office may involve more than the person first contacted. Therefore, business people hoping to close a Mexican deal must be prepared to deliver their sales pitch to various members of the Mexican team, each of whom may have their own questions.

## Service

Mexican buyers of food processing equipment cite quality of service as one of the most important decision factors when making a purchase. To be competitive, a Canadian company's service will have to meet and surpass the standard established by domestic and foreign competition. For food processing and packaging equipment this level of service is very high, both for training and for on-site repairs.

# The Regulatory Environment

***Few barriers stand in the way of Canadian equipment producers who want to move into Mexico.***

## Standards

At the present time there are no mandatory standards for food-processing and packaging machinery. However, industry watchers forecast the introduction of approval requirements by the *Dirección General de Normas (DGN)*, Bureau of Standards, that falls under the umbrella of the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development.

Products that meet Canadian, European or American standards are unlikely to be the subject of certification problems. Inquiries on Mexican standards can be made with the *DGN* in Mexico City (see the section on Key Contacts in Mexico). Mexican product specifications must be submitted in metric units.

## Sanitary and Safety Requirements

The *Secretaría de Salud (SS)*, Secretariat of Health, is working on new regulations for sanitary laws. Unusually stringent standards are not expected. Rather, the Secretariat prefers to place the onus for compliance on the processors themselves. Much equipment sold into Mexico is not easy to clean. This has been cited as a negative by many food processors and health inspectors. Therefore, machinery that is easy to dismantle and clean has a market advantage.

Potentially hazardous equipment such as pressure vessels must be registered and approved by the *Secretaría de Trabajo y Previsión Social (STPS)*, Secretariat of Labour and Social Welfare. The Secretariat will issue a Certificate of Inspection. Compliance with the more stringent American, Canadian and European standards is usually sufficient to ensure certification.

## MEASURES

Mexico adheres to the International System of Units. Importers will usually require metric labelling for packaged goods. Dual labelling is acceptable.

Electrical voltage is the same as in Canada. Electric power is 60 cycles, with normal voltage of 110, 200 and 440 volts with a frequency of 60 MHz. Three-phase and single-phase 230 volt current is also available. The norm is 60-cycle, 115/120 volts throughout Mexico, including industrial machinery. Power supply for industrial operations is 440 volts, three-phase, 60-cycle.

The high altitudes of many major plant locations may necessitate changes to some industrial processes, machinery and packaging. For instance, bakery products will perform quite differently when cooked at a higher altitudes and ovens must be adjusted accordingly.

## LABELLING

All consumer products must bear a label in Spanish when it enters Mexico. The labels must meet several very specific content rules. Most capital goods are exempted from this regulation. Exporters should verify the labelling requirements with their customers before the goods leave Canada.

# WHERE TO GET HELP

## CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN CANADA

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

Department of Foreign Affairs and International Trade (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, quickly resolves export problems, acts as the entry point to DFAIT's trade information network, and can provide copies of specialized export publications to interested companies.

**InfoCentre**
Tel.: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
InfoCentre Bulletin Board (IBB):
Tel.: 1-800-628-1581 or (613) 944-1581

The Latin America and Caribbean Trade Division promotes trade with Mexico. There are several trade commissioners at the Embassy of Canada in Mexico City, as well as 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 Department of Industry (DI), 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<br>900-650 West Georgia Street<br>P.O. Box 11610<br>Vancouver, BC V6B 5H8<br>Tel.: (604) 666-0434<br>Fax: (604) 666-8330 |
| **Yukon:** | 300 Main Street<br>Room 210<br>Whitehorse, YT Y1A 2B5<br>Tel.: (403) 667-3925<br>Fax: (403) 668-5003 |
| **Alberta and** Northwest Territories: | Canada Place<br>9700 Jasper Avenue<br>Suite 540<br>Edmonton, AB T5J 4C3<br>Tel.: (403) 495-2944<br>Fax: (403) 495-4507 |
| | 510-5th Street S.W.<br>Eleventh Floor<br>Calgary, AB T5P 3S2<br>Tel.: (403) 292-6660<br>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
Sixth Floor
Regina, SK S4P 3V7
Tel.: (306) 780-6325
Fax: (306) 780-6679

**Manitoba:**
330 Portage Avenue
Seventh 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
Fourth 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) 851-6452
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
Fifth 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 (WIN 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 Canadian government officials 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 DI 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 example, for non-profit, non-sales food, agriculture and fish organizations, marketing boards and agencies, trade fairs, technical trials, and product demonstrations; 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 (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 Finance Division
Department of Foreign Affairs and International Trade (DFAIT)
Tel.: (613) 995-7251
Fax: (613) 943-1100

## Technology Inflow Program

Managed by DFAIT and delivered domestically by the National Research Council (NRC), this program is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. DI 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.

## Department of Industry (DI)

Department of Industry (DI) 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.

**Advanced Manufacturing Technologies Directorate**
Department of Industry
235 Queen Street
Ottawa, ON K1A 0H5
Tel.: (613) 954-3193
Fax: (613) 941-2463

**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

## DI 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, as well as trade and market development. They also promote and manage 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
- DI 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 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 to locate Canadian suppliers. 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

Revenue Canada Customs provides a NAFTA Help Desk telephone line with service available in Spanish.

NAFTA Spanish Help Desk
Tel.: (613) 941-0965

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

## Canadian International Development Agency (CIDA)

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. 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 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 (ACOA)

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
Tel: 1-800-561-7862
Fax: (506) 851-7403

## Western Economic Diversification Canada (WD)

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 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 the regional head office:

**WD Head Office**
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 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 coverage 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<br>Ottawa, ON K1A 1K3<br>Tel.: (613) 598-2500<br>Fax: (613) 237-2690 |
| **Vancouver:** | One Bentall Centre<br>505 Burrard Street<br>Suite 1030<br>Vancouver, BC V7X 1M5<br>Tel.: (604) 666-6234<br>Fax: (604) 666-7550 |
| **Calgary:** | 510-5th Street S.W.<br>Suite 1030<br>Calgary, AB T2P 3S2<br>Tel.: (403) 292-6898<br>Fax: (403) 292-6902 |
| **Winnipeg: (serving Manitoba and Saskatchewan)** | 330 Portage Avenue<br>Eighth Floor<br>Winnipeg, MB R3C 0C4<br>Tel.: (204) 983-5114<br>Fax: (204) 983-2187 |
| **Toronto:** | National Bank Building<br>150 York Street<br>Suite 810<br>P.O. Box 810<br>Toronto, ON M5H 3S5<br>Tel.: (416) 973-6211<br>Fax: (416) 862-1267 |
| **London:** | Talbot Centre<br>148 Fullarton Street<br>Suite 1512<br>London, ON N6A 5P3<br>Tel.: (519) 645-5828<br>Fax: (519) 645-5580 |
| Montreal: | Tour de la Bourse<br>800 Victoria Square<br>Suite 4520<br>P.O. Box 124<br>Montreal, PQ H4Z 1C3<br>Tel.: (514) 283-3013<br>Fax: (514) 878-9891 |
| Halifax: | Purdy's Wharf, Tower 2<br>1969 Upper Water Street<br>Suite 1410<br>Halifax, NS B3J 3R7<br>Tel.: (902) 429-0426<br>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 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

## 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.

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

## Business and Professional Associations

**Machinery and Equipment Manufacturers' Association of Canada**
116 Albert Street
Suite 701
Ottawa, ON K1P 5G3
Tel.: (613) 232-7213
Fax: (613) 232-7381

**The Canadian Council for the Americas (CCA)**
The Canadian Council for the Americas (CCA) 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. It also publishes a bimonthly newsletter.

**The Canadian Council for the Americas**
Executive Offices
145 Richmond Street West
Third Floor
Toronto, ON M5H 2L2
Tel.: (416) 367-4313
Fax: (416) 367-5460

**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

**Canadian Freight Forwarders' Association**
Box 929
Streetsville, ON L5M 2C5
Tel.: (905) 567-4633
Fax: (905) 542-2716

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

**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, 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**
45 O'Connor Street
Suite 1500
Ottawa, ON K1P 1A4
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, 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 Honorary Consulate**
380, Chemin St. Louis
Suite 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 Honorary Consulate**
1900 Commodity Exchange Tower
360 Main Street
Winnipeg, MB R3C 3Z3
Tel.: (202) 944-2540
Fax: (202) 957-1790

## MEXICAN FOREIGN TRADE COMMISSIONS

*Banco Nacional de Comercio Exterior (Bancomext)* is the Mexican Trade Commission and has offices in Canada. It offers credits, export guarantees and counselling services for those 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
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# 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
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Canadian Business Centre
*Centro Canadiense de Negocios*
Av. Ejército Nacional No. 926
Col. Polanco
11540 México, D.F.
México
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Canadian Consulate
Edificio Kalos, Piso C-1
Local 108A
Zaragoza y Constitución
64000 Monterrey, Nuevo León
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# KEY CONTACTS IN MEXICO

**Secretariat of Commerce and Industrial Development**
*Secretaría de Comercio y Fomento Industrial (SECOFI)*
*Sub-secretaría de Comercio Exterior e Inversión Extranjera*
Alfonso Reyes No. 30, Piso 12
Col. Hipódromo Condesa
06170 México, D.F.
México
Tel.: 729-9256/9257
Fax: 729-9343

**Secretariat of Commerce and Industrial Development**
**Bureau of Standards**
*Secretaría de Comercio y Fomento Industrial (SECOFI)*
*Dirección General de Normas (DGN)*
Av. Puente de Tecamachalco No. 6
Col. Lomas de Tecamachalco
53950 Tecamachalco, Estado de México
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Fax: 729-9477

**National Institute for Statistics, Geography and Informatics**
*Instituto Nacional de Estadística, Geografía e Informática (INEGI)*
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Av. Héroe de Nacosari No. 2301 Sur
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20270 Aguascalientes, Aguascalientes
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**National Council for Low-Income Food Support**
*Compañía Nacional de Subsistencias Populares (CONASUPO)*
Av. Insurgentes No. 489, Piso 4
Col. Hipódromo Condesa
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Tel.: 272-2614/0472, 271-1131
Fax: 272-0607

**Secretariat of Labour and Social Welfare**
*Secretaría del Trabajo y Previsión Social (STPS)*
Periférico Sur No. 4271, Edificio A
Col. Fuentes del Pedregal
14140 México, D.F.
México
Tel.: 568-1720, 645-3969/5466
Fax: 645-5466

**Secretariat of Health**
*Secretaría de Salud (SS)*
Lieja No. 7, Piso 1
Col. Juárez
06600 México, D.F.
México
Tel.: 553-7670
Fax: 286-5497

## MEXICAN BUSINESS AND PROFESSIONAL ASSOCIATIONS

**National Chamber of the Preserved Foods Industry**
*Cámara Nacional de la Industria de Conservas Alimenticias (CANAINCA)*
Calderón de la Barca No. 359-200
Col. Polanco
11560 México, D.F.
México
Tel.: 531-5939, 250-8929, 203-3987
Fax: 203-6798

**National Chamber of the Oils, Greases and Soaps Industry**
*Cámara Nacional de la Industria de Aceites, Grasas y Jabones*
Melchor Ocampo No. 193, Torre A, Piso 8
Col. Verónica Anzures
11300 México, D.F.
México
Tel.: 260-6925
Fax: 260-6589

**National Chamber of the Beer Industry**
*Cámara Nacional de la Industria de la Cerveza y de la Malta*
Horacio No. 1556
Col. Chapultepec Morales
11570 México, D.F.
México
Tel.: 280-9850/9911
Fax: 280-0201

**National Chamber of the Perfume and Cosmetics Industry**
*Cámara Nacional de la Industria de Perfumería y Cosmética*
Gabriel Mancera No. 1134
Col. del Valle
03100 México, D.F.
México
Tel.: 575-1883, 559-9018
Fax: 575-2121

**National Chamber of the Tortilla Production Industry**
*Cámara Nacional de la Industria de Producción de Masa y Tortilla (CNIPMT)*
Av. Juárez No. 97-401
Col. Centro
06040 México, D.F.
México
Tel.: 510-0850, 518-3240

**National Chamber of the Restaurant and Seasoned Foods Industry**
*Cámara Nacional de la Industria de Restaurantes y Alimentos Condimentados*
Aniceto Ortega No. 1009
Col. del Valle
03100 México, D.F.
México
Tel.: 604-3546, 688-9378
Fax: 604-4086

**National Chamber of the Milk Industry**
*Cámara Nacional de Industriales de la Leche (CANILEC)*
Benjamín Franklin No. 134
Col. Escandón
11800 México, D.F.
México
Tel.: 271-2100/3848
Fax: 271-3798

**National Chamber of the Pharmaceutical Industry**
*Cámara Nacional de la Industria Farmacéutica*
Av. Cuauhtémoc No. 1481
Col. del Valle
033610 México, D.F.
México
Tel.: 688-9477/9817
Fax: 604-9808

**National Chamber of the Bakery Industry**
*Cámara Nacional de la Industria Panificadora*
Dr. Liceaga No. 96
Col. Doctores
06220 México, D.F.
México
Tel.: 578-9277
Fax: 761-8924

**National Chamber of the Fishing Industry**
*Cámara Nacional de la Industria Pesquera*
Manuel María Contreras No. 133-401
Col. Cuauhtémoc
06500 México, D.F.
México
Tel.: 566-9411, 546-5234
Fax: 705-1102

**National Chamber of the Sugar and Alcohol Industries**
*Cámara Nacional de las Industrias Azucarera y Alcoholera*
Río Niágara No. 11
Col. Cuauhtémoc
06500 México, D.F.
México
Tel.: 533-3040 through 49
Fax: 511-7803, 207-6592

**National Chamber of Processed Corn**
*Cámara Nacional del Maíz Industrializado*
Londres No. 39-101
Col. Juárez
06600 México, D.F.
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Tel.: 514-1220, 533-0704
Fax: 533-0704

**National Council of Cold-Meat Packers**
*Consejo Nacional de Empacadores de Carnes Frías y Embutidos*
Miguel Angel de Quevedo No. 350
Col. Coyoacán
04000 México, D.F.
México
Tel: 658-1120/8347
Fax: 658-3688

**Mexican Association of Manufacturers**
*Cámara Nacional de la Industria de Transformación (CANACINTRA)*
Av. San Antonio No. 256
Col. Ampliación Nápoles
03849 México, D.F.
México
Tel.: 563-3400/0510
Fax: 598-5888, 611-0633

National Chamber of Comerce of Mexico City
*Cámara Nacional de Comercio de la Ciudad de México (CANACO)*
Paseo de la Reforma No. 42
Col. Centro
06048 México, D.F.
México
Tel.: 592-2677/2665
Fax: 592-3571

## Manufacturers and Distributors of Machinery and Equipment for the Food and Beverage Industries

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

*Abamex Ingeniería, S.A. de C.V.*
Othón de Mendizábal No. 474
Col. Nueva Unidad Industrial Vallejo
07700 México, D.F.
México
Tel.: 754-1500
Fax: 752-1035

*Agencia Mexicana de Representaciones, S.A. de C.V.*
Florencia Miranda No. 20
Col. 16 de Septiembre
18000 México, D.F.
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Tel.: 273-2241/2301
Fax: 277-3229

*Alta Tecnología en Envasado, S.A. de C.V.*
Carlos Arruza No. 29
Col. San Lorenzo Tlaltenango
11210 México, D.F.
México
Tel.: 359-4911
Fax: 358-3241

*APV-Crepaco de México, S.A. de C.V.*
Av. Periférico Sur No. 4225
Col. Jardines de la Montaña
14210 México, D.F.
México
Tel.: 644-2439/2924
Fax: 644-2730

*Artículos para Empacadoras, S.A. de C.V. (ARTIPAC)*
Autopista México-Querétaro No. 5010
Kilómetro 37.5, Bodega 22
Condominio Industrial Cuamatla
54730 Estado de México
México
Tel.: 873-5024, 871-5903/1288
Fax: 871-5963

*Bezaury, S.A. de C.V.*
Prolongación Ingenieros Militares No. 82
Col. San Lorenzo Tlaltenango
11210 México, D.F.
México
Tel.: 358-2025/6581
Fax: 576-9341

*Trade Import de México, S.A. de C.V.*
Nebraska No. 210
Col. Nápoles
03810 México, D.F.
México
Tel.: 682-8700
Fax: 523-5059

*Cepepsa, S.A. de C.V.*
Recife No. 757
Col. Lindavista
07300 México, D.F.
México
Tel.: 754-1184/8149
Fax: 754-7729

*Codificaciones y Rollos, S.A. de C.V.*
Oriente 182 No. 131
Col. Moctezuma II Sección
15500 México, D.F.
México
Tel.: 785-0446, 784-5015
Fax: 784-5015

*Comtesa, S.A. de C.V.*
Tonalá No. 121-201
Col. Roma
06700 México, D.F.
México
Tel.: 584-4666
Fax: 584-0969

*Cormex Industrial, S.A. de C.V.*
Enrique Adame Macías Lote 8, Manzana 181, No. 29
Col. Ampliación Santa Marta
09510 México, D.F.
México
Tel.: 744-9525
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*De León Maquinaria Delmak, S.A. de C.V.*
Chabacanos No. 531
Col. Pasteros Azcapotzalco
02150 México, D.F.
México
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Fax: 382-4343

*De Smet México, S.A. de C.V.*
Florencia No. 37
Col. Juárez
06600 México, D.F.
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Tel.: 525-4715, 533-4024
Fax: 207-8422

*Diseños y Maquinaria Jer, S.A. de C.V. (JERSA)*
Autopista México-Querétaro No. 3069-B
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54020 Estado de México
México
Tel.: 390-3171
Fax: 390-4318

*Effix, S.A. de C.V.*
Moras No. 430
Col. del Valle
03100 México, D.F.
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Fax: 559-6564

*Empac, S.A. de C.V.*
Canarias No. 518
Col. Portales
03300 México, D.F.
México
Tel.: 672-7077, 532-1677
Fax: 539-5437

*Equipos y Componentes Hidráulicos, S.A. de C.V.*
Calzada San Bartolo Naucalpan No. 138
Col. Argentina Antigua
11270 México, D.F.
México
Tel.: 399-6359/7482
Fax: 527-5834

*Eurotécnica, S.A. de C.V.*
Paseo de las Palmas No. 755–201
Col. Lomas de Chapultepec
11000 México, D.F.
México
Tel.: 202-9502/9658
Fax: 202-8507, 282-4615

*Fabricación y Servicio de Maquinaria de Empaque*
Ing. Guillermo González Camarena No. 44
Col. Jacarandas
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México
Tel.: 691-6196
Fax: 691-6196

*Figgie Internacional de México, S.A. de C.V.*
Georgia No. 120–13-B
Col. Nápoles
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México
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Fax: 687-0646

*Grupo Industrial Ugacomex, S.A. de C.V.*
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Col. Sector Popular
09060 México, D.F.
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Fax: 582-2356

*Hobart Dayton Mexicana, S.A. de C.V.*
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06600 México, D.F.
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Fax: 207-4861, 514-5203

*Ibertécnia, S.A. de C.V.*
16 de Septiembre No. 38
Col. La Cruz
08310 México, D.F.
México
Tel.: 654-5621/5631
Fax: 657-2912

*Importaciones Industriales Furo, S.A.*
Tlaxcala No.173
Col. Hipódromo Condesa
06100 México, D.F.
México
Tel.: 286-8210/8052
Fax: 286-8094

*Impulsora Internacional de Maquinaria, S.A. de C.V.*
Av. Valle de México No. 10-B
Fraccionamiento Mirador
53050 Naucalpan, Estado de México
México
Tel.: 373-8318
Fax: 373-8308

*Industrial Deshidratadora, S.A. de C.V.*
Av. Tlahuac No. 4615
Col. El Vergel
09880 México, D.F.
México
Tel.: 656-6918/0105/9072
Fax: 656-0225

*Industrias Mime, S.A. de C.V.*
Anillo Periférico Oriente No. 176
Col. Constitución de 1917
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Tel.: 613-0046

*Jomiro de México, S.A. de C.V.*
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08400 México, D.F.
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*Krones México, S.A. de C.V.*
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04000 México, D.F.
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*Mainle, S.A. de C.V.*
Lago Hielmar No. 20
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*Mapisa Internacional, S.A. de C.V.*
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Tel.: 558-1044/0622
Fax: 558-2025

*Maquinaria Industrial Lozano, S.A.*
Guillermo Barroso No. 1-B
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*Maquinaria para Moliendas y Mezclas, S.A. de C.V.*
Plutarco Elías Calles No. 290
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*Maquinaria Veneta, S.A. de C.V.*
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11320 México, D.F.
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*Maquinaria y Accesorios, S.A. de C.V. (MYASA)*
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Tel.: 563-8188
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*Máquinas, Sellados y Envases, S.A. de C.V.*
Av. Chicago No. 34
Col. El Pocito Lomas de Becerra
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*Máquinas y Suministros, S.A. de C.V.*
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*Maquindal, S.A. de C.V.*
Henry Ford No. 341
Col. Bondojito
07850 México, D.F.
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*Mexicana de Ingeniería y Maquinaria, S.A. de C.V.*
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*Polimoldes, S.A.*
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*Polinox, S.A. de C.V.*
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*Refaccionaria de Molinos, S.A.*
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México
Tel.: 685-0614
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*Siegling México, S.A. de C.V.*
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54060 Tlalnepantla, Estado de México
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Tel.: 390-2177, 565-7877
Fax: 565-4773

*Subias y Compañía, S. de R.L. de C.V.*
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Fax: 650-0324

*Super Representaciones, S.A.*
Playa Cuyutlán No. 257
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México
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Fax: 696-0834

*Tecnología Alimenticia, S.A. de C.V.*
Av. Gustavo Baz No. 19
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Fax: 360-5436

*Grupo Tetra Laval*
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Tel.: 627-8700, 358-8799, 576-5255
Fax: 359-2022

*TetraPak, S.A. de C.V.*
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Fax: 359-2022

*Alfa Laval Agri, S.A. de C.V.*
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Fraccionamiento Industrial Alce Blanco
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Fax: 627-8729

*Tetra Laval Food, S.A. de C.V.*
Progreso No. 2
Fraccionamiento Industrial Alce Blanco
53370 Naucalpan, Estado de México
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Tel.: 627-8700/8722
Fax: 627-8787

*Tipper Tie Grapas Nacionales de México, S.A. de C.V.*
Av. Camino Real de Toluca No. 515
Col. José María Pino Suárez
01140 México, D.F.
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Tel.: 277-8255/8601/8410/8130
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*McCormick Pesa, S.A. de C.V.*
Monterrey No. 420
Col. Piedad Narvarte
03000 México, D.F.
México
Tel.: 639-1745/2745/3745
Fax: 639-2936

*Virgilio Guajardo, S.A. de C.V. (VIGUSA)*
Amsterdam No. 46
Col. Hipódromo Condesa
06170 México, D.F.
México
Tel.: 286-6600/6648/6740
Fax: 286-4926/7844

*Anderson Clayton & Co., S.A. de C.V.*
Jaime Balmes No. 11, Torre C, Piso 6
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11560 Mexico, D.F.
México
Tel.: 326-0500/0301
Fax: 395-0224

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

*Compañía Nestlé, S.A. de C.V.*
Av. Ejército Nacional No. 453
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11520 México, D.F.
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Tel.: 250-9944
Fax: 254-8264

*Herdez, S.A. de C.V.*
Calzada San Bártolo Naucalpan No. 360
Col. Argentina Poniente
11230 México, D.F.
México
Tel.: 576-3100
Fax: 576-6462

*Ganaderos Productores de Leche Pura, S.A. de C.V.*
Kilómetro 37.4, Autopista México-Querétaro
54730 Cuautitlán Izcalli, Estado de México
México
Tel.: 729-2000
Fax: 871-4152

*Productos Carnation, S.A. de C.V.*
Av. Ejército Nacional No. 453
Col. Granada
11520 México, D.F.
México
Tel.: 250-9944
Fax: 254-8264

*Danone de México, S.A. de C.V.*
Circuito Centro Cívico No. 27
Ciudad Satélite
53100 Naucalpan, Estado de México
México
Tel.: 562-5222
Fax: 562-0407

*Productos del Monte, S.A. de C.V.*
Av. Colonia del Valle No. 615, Piso 3
Col. del Valle
03100 México, D.F.
México
Tel.: 536-3040 through 49
Fax: 687-5986

*Alimentos del Fuerte, S.A. de C.V.*
Zaragoza No. 44 Norte
Esquina Callejón Rubí
Col. Centro
81200 Los Mochis, Sinaloa
México
Tel.: 8-5051
Fax: 5-0070/0575

*Campbells de México, S.A. de C.V.*
Calle del Triunfo s/n
Carretera Libre a Celaya
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México
Tel.: 25-0673
Fax: 25-0767

*Hongos de México, S.A. de C.V.*
Cerrada J. M. Castorena No. 74
Col. Cuajimalpa
05000 México, D.F.
México
Tel.: 570-1122
Fax: 812-2433

*Kraft General Foods de México, S.A. de C.V.*
Poniente No. 116 No. 553
Col. Industrial Vallejo
02300 México, D.F.
México
Tel.: 325-0999
Fax: 587-7979

*Productos de Maíz, S.A. de C.V.*
Av. Río Consulado No. 721
Col. Santa María Insurgentes
06430 México, D.F.
México
Tel.: 325-0920
Fax: 541-0787

*Pasteurizadora Laguna, S.A. de C.V.*
Av. Ceylán No. 1016
Col. Industrial Vallejo
02300 México, D.F.
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Tel.: 567-8022
Fax: 368-8636

*Helados Santa Clara*
Guillermo Prieto No. 106
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38050 Celaya, Guanajuato
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Tel.: 3-2810
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*Obrador de Tocinería y Salchichonería Donfer, S.A. de C.V.*
Javier Rojo Gómez No. 1341-B
Col. Guadalupe del Moral
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México
Tel.: 686-9927
Fax: 686-8350

*Lala Derivados Lácteos, S.A. de C.V.*
Durango No. 501 Oriente
Col. Las Rosas
35090 Gómez Palacio, Durango
México
Tel.: 14-0980/0521
Fax: 15-5259

*Sigma Alimentos Centro, S.A. de C.V.*
Ernesto Pugibet No. 2
Fraccionamiento Industrial Xalostoc
55340 Xalostoc, Estado de México
México
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Fax: 714-7072

*Zwanenberg de México*
Estacas No. 34, Esquina Primavera
Col. López Mateos
53070 Naucalpan, Estado de México
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## TRADE SHOWS

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Fax: 564-0329

*EXPO ALIMENTOS*
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Primer Nivel, Local 22
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64010 Monterrey, Nuevo León
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Tel.: 369-6660/6969
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*EXPO PAN*
*Congresos, Exposiciones y Promociones, S.A.*
José María Bustillos No. 49
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06880 México, D.F.
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# 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**

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

**Name:** ______________________________

**Company:** ______________________________

**Address:** ______________________________

**Tel.:** ______________ **Fax.:** ______________

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

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