

Increase in Mexico's Import of Technical Textiles
Delivery primarily from industrial countries and Asian emerging markets / Domestic market shares in decline

México D.F. (bfai) – Mexico represents a growing market for technical textiles and strongly remains dependent on imports. In 2007 imports were up to 984,8 Mio US\$ (+4,9% compared to the previous year). Amongst other purposes technical textiles are used for further processing in contract finishing plants (Maquiladora). There products for all NAFTA-States' markets are produced with low wage costs.

The most important import positions are fabrics soaked in, coated or covered by synthetic material, followed by soaked in, coated, covered or furnished with plies nonwovens. From Germany mainly with synthetics finished fabrics are procured (2007: 12,6 Mio. US\$), followed by rubber coated fabrics (10,7 Mio. US\$) and impregnated nonwoven fabrics (4,7 Mio. US\$).

Since 2000 Mexico has rapidly lost market shares in the textile and clothing sector to Asian competitors in its domestic market as well as in the US. Higher tax benefits and lower labour costs, even in comparison to Mexico, are noticeable in sewing and processing technical textiles.

Textile industry's product range (shares in %)

Draperies and Fabrics	27,7
Nonwoven Fabric	21,1
Finished Textiles	20,3
Technical Textiles	18,4
Spinning Materials	10,4
Knitted and Crocheted Goods	2,1
Total	100,0

Source INEGI/CANAINTEX, Mexico-City, 2007

The Mexican textile processing industry enumerates 10,700 factories with 382,000 employees. The textile industry's chamber (Camara Nacional de la Industria Textil) announced a loss of 288,000 jobs due to the bankruptcy of 500 textile factories from 2002 to 2007.

The export of all processed textiles, clothing included, amounted to 7.6 Billion US\$ in 2006. However, exports trend to drop due to the competitive environment in Mexico's most important market, the US. Furthermore, many technical textiles derive from the neighbouring country, manufactured there or finding their way into Mexico by imports from Asia via the USA.

According to a Mexican Senate's study the importance of import and export of technical textiles in comparison to the non-technical textiles is increasing (for example technical textiles of Spandex, Polyester, artificial silk and divers blends). According to that survey the most important producers are the Western industrial and some Asian countries, but not Mexico. If at all, primary and basic materials like technical yarns and ropes and a few finished products are produced.

A study of the Spanish agency for export promotion ICEX about interior textiles shows that Mexican producers serve primarily the low price segment. Mexico's major supplier of especially mid price and high quality interior textiles are the US, followed by Spain.

One of the most important Mexican manufacturers of technical textiles is Textiles Técnicos, S.A. de C.V., based in Echegaray (Estado de México). The company offers Chrysotil fibres, glass fibres (Type E), carbon fibres, artificial silk, Acryl and its blends and aromatic polyamides (Aramid-Kevlar, Nomex). These materials are used to produce – among others - clutch facings, thermal and electric isolations, industrial wrappings and fireproof security clothing. Another Mexican manufacturer is Esensa, producer of special clothing for high level cleanliness areas (for example medical institutions). Textiles Agrícolas offers close- and open-meshed nets for agricultural use.

In an international comparison the Mexican technical textiles producers' position is weak. This is evident by the absence of Mexican manufactures at the major international trade fairs, such as the "Techtextil" in the USA or the "Techtextil" in Frankfurt/Main. Mostly foreign suppliers exhibited at the 2004 "México Textil" in Mexico City, however in parts possessing local factories. Among others American Textile, KoSa, Assatex S.A. de C.V./E-Flex, Bayer de México, Sinatex, Kaltex and Nylstar de México exhibited at the fair.

To strengthen this industrial sector as a whole some Mexican representatives tried to enact a law concerning taxes and duties to promote the production and processing of technical textiles. Early in 2008 textile industry employers and the four trade unions of that branch agreed on more flexible working hours to avoid interruption of production on weekends and holidays. The working hours are accumulated and added to the annual leave.

Should all these different measures to save costs in the textile industry be effective, it would pay off to invest, so it is said. In this case the newest technologies should be the field to invest in. The more so because in comparison to its Asian or European competitors Mexico has the advantage of lower transportation costs to the USA.

The future situation of the Mexican manufacturers of industrial textiles depends on the course of reforming the energy sector, controversially discussed in the parliament and in public. Only by modernizing and enlarging the capacity of the refineries the current tight supply of basic materials (among others carbon hydride derivates, man-made fibres, synthetic materials) will be relieved. Due to the meagre domestic supply of basic materials extension projects to expand the production of technical textiles usually have to resort to imports. This issue makes the production site Mexico less attractive for textiles.

Import of selected technical textiles (in Mio. US\$)

HS-Code	Goods	2006	2007	Germany (2007)
	Total	939,1	984,8	30,2
5602	Felt, impregnated, coated, covered or furnished with ply	36,2	37,6	2,0
5603	Nonwoven fabrics, impregnated, coated, covered or furnished with ply	369,2	355,7	4,7
5901	Fabrics covered with glue or materials containing starch	3,1	3,9	-
5903	Fabrics plastic material impregnated, coated or covered or furnished with ply of synthetic material	436,8	490,2	212,6
5905	Spinning material wall covering	0,4	0,3	-
5906	Rubber coated fabrics	75,2	77,0	10,7
5907	Other fabrics, impregnated, coated or covered, painted as theatre decorations, studio settings	18,2	20,1	0,1

Source: Banco Nacional de Comercio Exterior (Bancomext)

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