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Mexico's Grupo Interacciones Acquires Texas Bank

by LADB Staff

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During March, a handful of US and European companies entered into new investments in Mexico, while a Mexican bank acquired full ownership of a Texas bank. On March 23, Mexico's Grupo Interacciones completed the full purchase of the Laredo National Bank, based in Laredo, Texas. According to Interacciones president Carlos Hank Rhon, the acquisition places Interacciones in a better position to take advantage of opportunities created by the North American Free Trade Agreement (NAFTA).

Interacciones was one of five new banks to receive an operating permit from the Finance Secretariat (Secretaria de Hacienda y Credito Publico, SHCP) in September of 1993. Since then, the bank has opened, or announced plans to open, branches in Mexico City, Monterrey, Guadalajara, and Tijuana.

US, European interests invest in Mexico

Also in March, two US engineering companies reached agreements with Mexican partners to jointly provide services in the Mexican market. In one case, Jacobs Engineering of California, which provides both engineering and construction services, formalized a partnership with Mexico's Grupo Sacmag. The joint venture will compete for engineering, procurement, and management contracts in the food and pharmaceutical sectors.

Separately, Morrison Knudsen of Idaho reached an accord with Finsa-Grupo Arguelles to provide industrial engineering services to the automotive, agriculture, and food industries in Mexico. The joint company, MK Finsa, has already been hired for an engineering project at General Motors plants in Ramos Arizpe, in Coahuila state, and Matamoros, in Tamaulipas state, and is negotiating a similar contract with Ford for one of its Mexican plants.

Also during March, Aetna Inc. a subsidiary of Aetna Life & Casualty increased its share in the Mexican insurance and brokerage Group Valores Monterrey (Vamsa) to 44.5%, from the 30% acquired in 1992. Aetna paid US\$60 million for the additional 14.5% share in Vamsa. The Monterrey-based business conglomerate Grupo Proa owns the other 55.5% share in Vamsa. Several European companies also gained a foothold in Mexico during March.

In mid-March, French retailer Carrefour reached an agreement with Mexico's retail chain Gigante to construct and operate a chain of large supermarkets and department stores. Mexican analysts said the alliance will allow Gigante to keep pace with Grupo Cifra and Comercial Mexicana, which have formed partnerships in the retail sector with US companies. Cifra and its US partner operate Wal-Mart and Sam's Club stores throughout Mexico, while Comercial Mexicana has forged a partnership with Price Club to operate retail centers in several Mexican cities.

Separately, in a transaction that has far-reaching implications for the Mexican market, Britain's giant food and beverage company Allied Lyons acquired 100% of the prominent Spanish company Pedro Domecq, known worldwide for its brandy and sherry. The purchase includes Pedro Domecq Mexico, which produces the Presidente, Don Pedro, and Azteca trademarks of brandy, and also Tequila Sauza. In fact, in a full-page advertisement in La Jornada, Allied Lyons said new resources will be available to expand marketing of the Mexican-produced spirits in Europe and Asia. By the same token, the purchase of Domecq's Mexican operations gives Allied Lyons a chance to market its brand names Ballantine's, Beefeater, Courvossier, and Canadian Club in Mexico.

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