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LADB Staff

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by LADB Staff
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Grupo Maseca to construct tortilla plant in Britain

In early October, Grupo Industrial Maseca (GRUMA) announced plans to construct a US$20 million tortilla plant in Birmingham, England, to serve a growing European market. GRUMA executive Roberto Gonzalez Barrera said the plant's location in England will help reduce freight costs while allowing the company to take advantage of tax breaks offered by the European Union. GRUMA Mexico's largest cornmeal and tortilla manufacturer currently services the European market through subsidiaries in the US.

"This plant will supply tortillas for the entire European continent," said Gonzalez, adding that construction of the plant will be completed by the end of this year. Financial analyst Marco Vera of Deutsche Morgan Grenfell said the European market currently accounts for only 1% of GRUMA's global demand. However, Vera said a physical presence in Europe could help GRUMA expand its sales throughout the continent. "They are jumping into a new market, and there is a lot of potential," said Vera.

Cementos de Mexico acquires company in Philippines

In late October, Cementos de Mexico (CEMEX) gained a foothold in Asian markets by purchasing a 30% share in Rizal Cement Inc. of the Philippines. CEMEX, the world's fourth largest cement company, conducted the transaction via its Spanish subsidiary Cementos Valencianos. The deal cost CEMEX an estimated US$100 million. As part of the transaction, CEMEX will offer technical assistance and assume partial control of two plants, which together have the capacity to produce about 2 million metric tons of cement.

According to CEMEX executives, the Philippines accounts for 12% of Southeast Asia's total cement production, surpassed only by Thailand and Indonesia. The Philippine cement industry has grown by 10% in the past 10 years. The executives said the move is consistent with the company's strategy to expand its presence in the region, particularly in markets in Indonesia, Vietnam, and China.

Mexican firms have invested US$3.5 billion in Latin America

According to statistics compiled by the Secretaria de Relaciones Exteriores (SRE), Mexican companies have direct investments totaling US$3.5 billion in Latin American countries. In an interview with the Spanish news service EFE, SRE official Carlos Rico Ferrat said Mexican investments in Latin America have increased steadily over the past five years and are now twice as high as in 1992.

Rico Ferrat predicted investments will continue to grow, particularly in the construction sector. He said the construction and engineering sectors have access to the type of financial resources and

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expertise needed for large-scale projects. According to Rico Ferrat, roughly two-thirds of Mexico's total direct investment has been channeled into projects in four countries: Chile, Argentina, Venezuela, and Colombia. The Argentine market is especially attractive for companies such as Mexico's Grupo Dina. In early October, that company inaugurated a huge assembly plant in Mercedes, Argentina. The plant, which cost an estimated US$50 million, will produce 4,100 commercial vehicles annually by the year 2000. (Sources: El Financiero International, Spanish news service EFE, 10/06/97; El Universal, 10/07/97, 10/14/97; Reuter, 10/14/97; The News, 10/15/97; El Economista, 10/20/97)

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