

Mexican Textile and Apparel Market

Sylvia Montaña
Commercial Specialist
U.S. Commercial Service
December 6, 2016
Mexico City



Who we are

- The U.S. Commercial Service is an Agency of the U.S. Department of Commerce.
- Our mission is to help export-ready companies enter Mexico and to protect U.S. Business interests abroad.
- In Mexico we have three offices. Globally, we have a network of 100+ offices in the U.S. and 75 world-wide.



Mexico a Quick Snap Shot

- Population: 119.5 million
 - 78 % urban - 22% rural (2010)
 - Age under 24: 46%
 - Age 25-54: 40.4%
 - GDP per capita: \$9,009 (WB)
 - GNP growth 2.5% (2015) to 2.3% (2016 e)
 - Mexico States GNP Contribution
 - Aguascalientes: 11.1%
 - Queretaro: 8%
 - Guanajuato: 6.8%

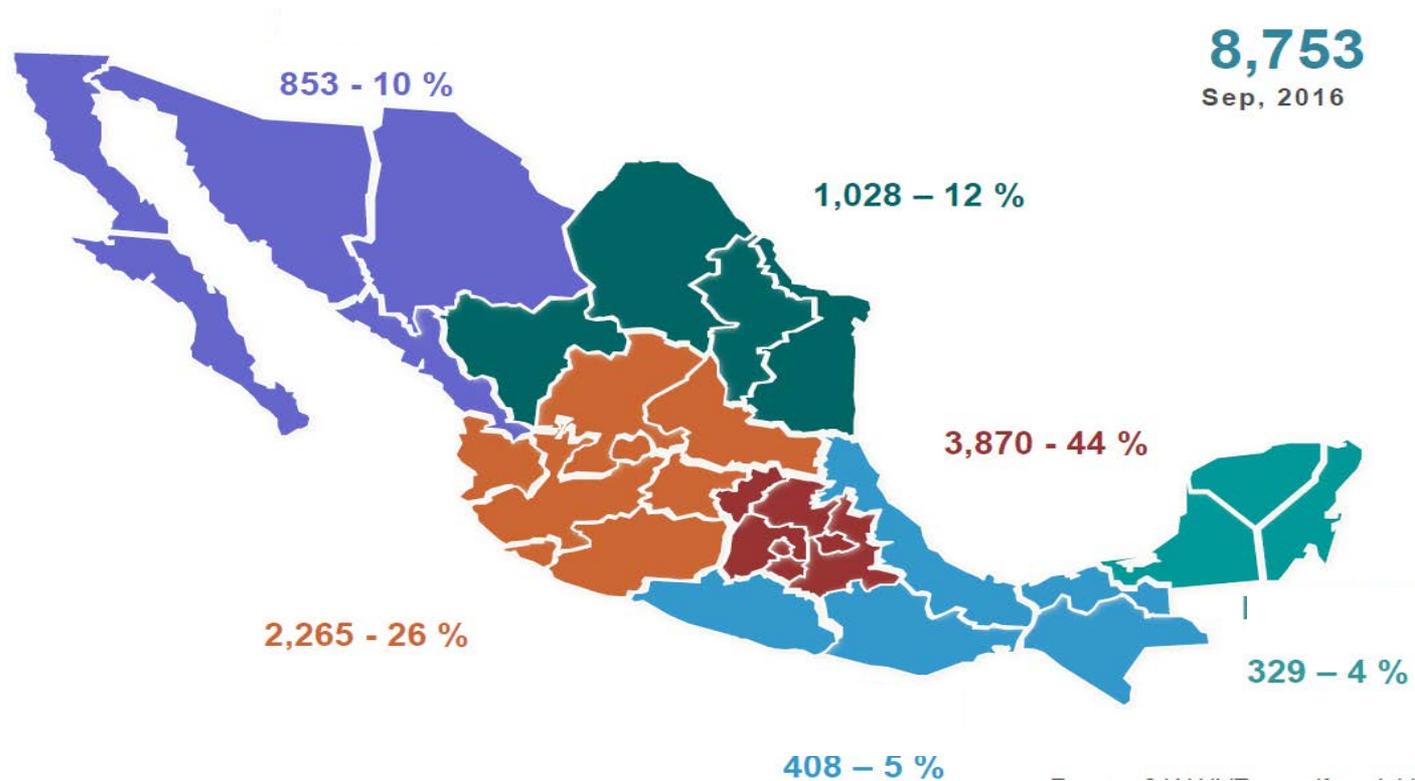


Key facts Textile / Apparel Industry

- The textile and apparel industries account for 3.7% of Mexico's manufacturing GDP. (textiles 1.3%, apparel 2.4%). These sectors account for nearly 20% of all manufacturing employment in Mexico.
- In 2015, Mexico was the fifth largest supplier of textile and apparel products to the U.S. market.
- Mexico's population is very young, as nearly half of its citizens are under the age of 30. The largest segment of the Mexican market is centered in Guadalajara, Monterrey, and above all Mexico City.
- The apparel and textile industries are concentrated in the central and north eastern parts of the country. Mostly in Mexico City, the State of Mexico, Hidalgo, Jalisco, San Luis Potosi, Puebla and Tlaxcala.



Apparel companies in Mexico



**U.S.
COMMERCIAL
SERVICE**

United States of America
Department of Commerce

Best Prospects in the Apparel Industry

H.S. Code	Product Description
6204.6201	Cotton pants for women
6109.1001	Cotton T-shirts and underwear
6205.2099	Cotton shirts for men
6203.4299	Cotton pants for men
6110.3099	Sweaters and others
6110.2001	Cotton sweaters and vests
6206.3001	Cotton blouses, shirts and shirt blouses for women
6106.1099	Other cotton blouses and shirts for women



**U.S.
COMMERCIAL
SERVICE**

United States of America
Department of Commerce

Key facts – Textile Industry

- According to the Association of Textile Entrepreneurs from Puebla (APET), some textile firms who have modernized their equipment and facilities are now looking for new opportunities in other industries as the automotive sector or industrial fabrics.
- Around 30 companies in the textile sector have found a niche market in the automotive industry in the last five years.
- Filters, air bags, covers for seats, doors, bands and cables with Premium quality are now produced in Puebla for clients including Volkswagen, Mercedes Benz, BMW, among others.



**U.S.
COMMERCIAL
SERVICE**

United States of America
Department of Commerce

Market Entry Strategies

- **Mexican Presence:** The best strategy to enter the Mexican market is to find a local representative or distributor; with this, buyers feel secure that initial training, spare parts and service will be provided
- **Local or Regional Representative:** Due to regional concentration throughout Mexico, representation locally will yield better results than a single, nationwide distributor
- **Price:** Price is important, but not necessarily the deciding factor
- **Spanish:** Be prepared to provide brochures, catalogs, and printed materials in Spanish; keep websites international-user-friendly



Market Entry Strategies

- Research the market carefully, as various market segments may behave differently from the overall industry data.
- The market for apparel products is highly price-sensitive.
- The best way to establish distribution channels in the local market is by visiting potential clients or distributors. Mexican business culture is based on relationships.
- Retailers represent another distribution channel.



Crucial Advice for your Consideration

- Familiarizing oneself with:

NAFTA Certificate of Origin



**Textile Decree-Importer
Registration**

**Industry Standards & Labeling
Requirements:
NOM-004-SCFI-2006**





Industry Standards & Labeling Requirements

- U.S. exporters should be aware of Mexican industry standards and labeling requirements: Specially,
- **NOMs** - Mexican Official Standards - these are technical regulations, including labeling requirements, issued by government agencies and ministries. Compliance is mandatory. NOM 004-SCFI-2006.
- **NMX** - Mexican “Voluntary” Standards - these are voluntary standards issued by recognized national standards-making bodies. Compliance is mandatory only when a claim is made that a product meets the NMX, when a NOM specifies compliance, and whenever applicable in government procurement.



**U.S.
COMMERCIAL
SERVICE**

United States of America
Department of Commerce

Mexican Business Culture



- **Indirectness:** Difficulty in saying “no”
- **Financing:** Expect to negotiate on payment terms Consider full spectrum of options; financing options important
- **Follow-up:** Follow up quickly with your Mexican partner - there is abundant international competition
- **Language:** Use a qualified interpreter if needed
- **Patience:** Good things come to those that wait-patience pays off
- **Build Relationships:** Personal relationships valued



**U.S.
COMMERCIAL
SERVICE**

United States of America
Department of Commerce

Contact us today
to connect with a world of opportunity.

Sylvia Montaña
Commercial Specialist, Textile & Apparel
sylvia.montano@trade.gov
U.S. Commercial Service
Mexico City

[export.gov](https://www.export.gov)

Connecting You to Global Markets



**U.S.
COMMERCIAL
SERVICE**

United States of America
Department of Commerce