



A Wedding in Paradise!



Rotomolding may be a small part of the economy but it shows good signs of growth and with positive reports coming from almost every molder, it is an interesting segment to review.

A Day to Celebrate - Mexican Style

Valentine's Day. Riviera Maya. On the beach. A copper colored full moon rising. Friends and family all around. How much more perfect could it be? José Antonio Gómez Chacon of Polimeros Mexicanos and his new bride Tamara certainly knew how to create the atmosphere and spectacle of a Hollywood-class wedding! Orla and I were delighted to be able to join them for both ceremonies on the beach and in the chapel followed by a weekend of celebration which included a picture perfect church ceremony, fantastic food, fireworks, and fire-dancers. They make a great couple and we wish them all the very best for the future.

Market Dynamics – Mexican Style

Mexico represents more than just a low-cost place to do business – it is a significant US market too. While they exported \$280 billion of products into the US last year, they also imported \$226 billion from the US. That's a lot of trade.

And although 2013 did not live up to growth expectations, in large part due to the change in the political landscape, the forecast for the coming year is healthy. Mexico is predicted to enter the top 10 largest economies in the world by 2020 with a GDP of \$1.8 trillion+.

There are many good signs for this trend: industries such as the auto sector operate there at a global level; they have a massive population of 120 million of which a large proportion are young workers; the government has implemented new programs investing in industry; reshoring or 'near-shoring' is growing as many companies assess the complexities and high costs of managing long-distance supply chains across the pacific - suppliers looking at bringing work back to North America view Mexico as a strong candidate for high mix, lower volume production.

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from almost every molder, it is an interesting segment to review. Five to ten years ago, water tanks (tinacos) represented 90-95% of the market according to Horacio Lobo of custom molder, Versaplas. Nowadays the figure is closer to 85% with an increasing share of other products and markets opening for rotomolders. Overall they reportedly consume somewhere around 100,000 tons of material annually (although reports of 45,000 tons are also quoted). The largest sector for water tanks is dominated by three major players but there are a lot of smaller molders jostling for market share across the country, perhaps 40 to 50 of them. Almost all of them use open flame equipment for single or multiple wall tanks of the familiar rooftop design. Beyond this sector another 20-30 molders are developing the traditional secondary product lines for rotomolding: toys, road barriers, etc. At the highest level, around 10 companies offer custom molding services using closed ovens rather than open flame. This progression in technology is exemplified by Conchita Miranda of Miraplastek in Aguascalientes who has just recently installed a new Ferry machine with the very latest in process controls as her company expands and tackles more demanding projects.

Material supply is dominated by Pemex, the Mexican petrochemical giant, but a number of molders also import material from the US and an increasing number use compounded material. The joint polyethylene reactor development known as Project XXI between Pemex and Braskem, Brazil's petrochemical powerhouse, is set to bring a major new supply of polyethylene to market in Mexico in the next couple of years and it will be interesting to see how that affects pricing and grades available for molders.

The most important supplier for compounds, Polimeros Mexicanos, has grown from humble beginnings to become a major international supplier of compounded materials with a state-of-the-art facility in Mexico City. Their proactive support for the rotomolding industry is aimed at expanding the scope of molders capabilities beyond the typical water tank. Their regular conferences encourage molders to look to other product lines and materials by bringing news of the latest technology and happenings from the world of rotomolding to Mexico. This push to develop the market is also mirrored in the activities of the rotational molding group within Anipac (the plastics association for Mexico covering all sectors). The two-year-old group has recently affiliated with the global rotational molding group, ARMO, bringing together a number of molders and suppliers to help promote the process and technology. As part of their efforts, they have held some well-attended seminars on process control and other aspects of rotomolding.

New government, new material supplies, new investment, new equipment – all potential good signs for the future of rotomolding in Mexico. Watch this space. ☐