

5.2 Details

(ix) CHEMICALS AND ALLIED PRODUCTS EXPORT PROMOTION COUNCIL (CAPEXIL)

- Organisation** : Chemicals and Allied Products Export Promotion Council (CAPEXIL)
- Objective** : Buyer-Seller-Meet to promote and to ascertain the level of technological achieved in CAPEXIL's products.
- Date** : 5-21 March 2001
- Countries** : Argentina, Brazil, Mexico, and Panama

Summary Report

The four Latin American countries, viz. Argentina, Brazil, Mexico, and Panama constitute a export market of \$ 17.35 billion, equivalent to around 7.6 per cent of total world exports. India has an overall 0.18 per cent share for products under CAPEXIL's baskets. Among four markets, Brazil is the largest market, followed by Mexico, Argentina, and Panama. This total market for CAPEXIL's products is of around Rs. 90 crore.

Major products to these countries are as follows:

Brazil: Rubber condoms, belting, auto rubber parts, synthetic resins, belting & moulded rubber goods, surgical and examination gloves, porcelain insulator, explosives, paper and stationery items, cycle tubes, graphite electrodes, bus & truck tyres tubes and flaps, motor car tubes, float glass, vaccum flasks & refills, marble polished slaps/tiles, refractory materials including mortas and refractory bricks.

Mexico: Bentonite, barite lumps, insulators, refractory materials, including mortars, graphite electrodes, cycle tyres and tubes, moulded rubber goods, rubber cots & aprons, slate stone and other stones, polished marble slabs/tiles, polished granite slabs/tiles, misc. paper products, lead slip for pencils, ultramarine blue, clinical thermometer, motor car tubes, bus & truck tyres.

Argentina: Cycle tyres, V-belts, belting, hoses, moulded rubber goods, cycle tubes, clinical thermometer, float glass ophthalmic blanks & lances, table/kitchenware glass including opal glass ware, polished marble slabs/tiles, polished granite slabs/tiles, refractory materials including motor, graphite electrodes, motor car tubes, and safety matches.

Panama: Bus and truck tyres, miscellaneous printing and colouring material.

Mexico is quite receptive of the Indian products. It largely thrives on the supplies from USA because its own manufacturing base is poor. Products are costly to the extent of 25 to 30 per cent because of unfavourable taxes. It is advisable to the Indian exporters to offer goods of US standards at competitive prices. Besides USA, China, Taiwan, UK and Germany are major suppliers. The major centres of trade are Mexico City, Guadaajara, Leon, Monterrey and Vera Cruz. Imports are routed through Los Angeles and to some extent through Miami.

A good market also exists for automobile parts, V-belts and hoses, stones articles, inner tubes for auto tyres in Mexico. Surgical gloves are subject to examination and requires registration from the Ministry of Health.

Brazil is the second largest economy in the Latin American region. Brazilian importers are sophisticated and tend to compare themselves with the USA and Europe. The overall customs duty is 14 per cent and the maximum duty is 40 per cent. Multiple taxes are applicable on imports including industrialisation tax, state sales tax, foreign exchange tax, freight tax, etc.

Argentina, China, Taiwan, USA, EU are the major exporters to Brazil. Brazil has good marketing prospect for auto parts, V-belts and hoses provided Indian prices are competitive. Marbles are not available in sizable quantities in Brazil and they are imported from Italy.

There is a huge tax on inner tubes for tyres of around 120 per cent. There is a preference for Chinese and Taiwanese bicycle tyres and tubes.

Panama lies in its strategic location at the centre of South and North America, providing an excellent market access to other countries in the region. Imports into Panama are heavily tilted towards consumer and intermediate goods. This country

is under the influence of USA owing to geographically proximity as well as free trade agreement with the USA. This market is good though small, and takes times for order realisation.

The stone companies in Panama showed keen interest in Indian stones. There is a spurt of construction activities therefore the scope of developing business in stone products may be good.

The Argentine economy is passing through a crisis currently which has depressed the overall market situation. The major supplying countries are Brazil, USA, and the EU. Argentine importers have shown interest in Indian products like bicycle tyres and tubes, surgical gloves and stones. For stones, Argentina market is dominated by Italy, Spain and Brazil. Most buyers ask for liberal credit terms on supply. Thus one should be cautious about realisation of payment against supply.

Members of Delegation

1. Mr. G.C. Mehta, Ashapura Minechem, 3rd Floor, Jeevan Udyog Building, D.N. Road, Fort, Mumbai-400 001.
Bentonite and allied clays
2. Mr. Kiron Chopra, Chopra Retec Rubber Products Ltd., 35-G, Gokhle Marg, Lucknow, Uttar Pradesh .
Rubber and rubber to metal bonded components, for almost of all makes of vehicles
3. Mr. Abraham C. Jacob, Kananm Latex Industries Pvt. Ltd., Ooppoottil Buildings, K.K. Road, P.B. No. 28, Kottayam-686001 (Kerala).
Surgical gloves and sterile examination gloves
4. Mr. Harish Kandhari, Kandhari Rubber Ltd., N.H. 8, Industrial Area, Sukher, Udaipur-313 001 (Rajasthan).
Inner tubes for tyres
5. Mr. S.K. Mehta, Mehta Export House, Flat No. 1, Basrukar Market, Moti Bagh-1, New Delhi-110 021.
Blocks, slabs, tiles and statues made of granite and other stone.
6. Mr. Vishal Makar, Oriental Rubber Industries Ltd., Shravani Gardens, 20 Viman Nagar, Pune-411014.
Conveyor belts, rubber lining, and pulley lagging ideally suited for critical & rigorous material handling and wear resistant applications, 'V' belts
7. Mr. Sanjeev Mangat, Poddar International, C-83, Phase V, Focal Point, Ludhiana-141 010, Punjab.

Bicycle tyre tubes, belting, surgical gloves

8. Mr. Ritest K. Sharaf, Ratnam Granite & Marbles Pvt. Ltd., E-4, Manalia Road Industrial Area, Pali Marwar-306 401.
Granite slabs, tiles bricks, marble, slate, sandstone and limestone.
9. Mr. Sanjeev Agrawal, Stone Age Pvt. Ltd., 117, Jaipur Towers M I Road, Jaipur, Rajasthan.
All kinds of building stones viz. granite, marble, sandstone, slate, quartzite, limestone, and various landscaping stones.
10. Mr. Anay Gupta, Vinko Auto Industries Ltd., F-26/3, Okhla Industrial Area, Phase II, New Delhi-110 020.
V. belts
11. Mr. Ganesh Ghangurde, Gujarat Reclaim Rubber Products, 2302, Lal Bahadur Shastri Marg, Ashok Silk Mills Compound, Ghatkopar (W), Mumbai-400 086.
Reclaimed rubber
12. Mr. J. K. Bagchi, and Mr. Amitava Mukherjee CAPEXI Secretariat.

Conclusion

Interregional trade in Latin America is very high. This factor makes Latin America a tough market for the products from India. However, for the products, in which India have a competitive advantage, like stone, rubber manufactured products, and paper stationery, the market is responsive. Market entry in one country can, therefore, offer access to other countries. In this regard joint ventures between Indian entities and the Mexican counterparts need to be explored. It is advisable to develop strategic alliances with major distributors and agents in Panama for the supply to other Central American countries.