

MEXICO'S RESTAURANT BUSINESS - GOOD MARKET FOR FOREIGN IMPORTERS



Mexico poses a good business opportunity for U.S. restaurant industry equipment exporters because the local restaurants lack the proper technical equipment. The Mexican restaurant industry grew 3.5 percent in 2006. According to the National Chamber of the restaurant industry's data, it represents 2 percent of Mexican GDP. Nowadays, there are 36,000 restaurants in Mexico City and 243,000 nationwide. Ninety six percent of these restaurants are micro and small

businesses. The remaining four percent go to large restaurants. The industry is very important for Mexico's employment as it provides some 837,000 jobs throughout the country. It is similar with the hotel industry which has also grown significantly.

All these businesses need proper equipment. The Mexican consumer demands quality services and the businesses have to react to this call. This development is important for exporters from the US, Brazil, China and from Europe. The popularity upscale dining is on the rise in Mexico and more Mexicans are willing to spend their money dining out. Local restaurants therefore innovate in all ways. Not only they buy better equipment, they also offer different cuisines.

US imports to Mexico has been rising. During 2005 the imports increased eight percent compared to 2004. The US companies need to take the advantage of closeness between the two countries and Free Trade Agreements such as NAFTA to get the benefits on reduced duties.

Mexican tourism did have some problems in past caused by the Hurricane Wilma that damaged some tourism facilities. This can be seen in Mexico's Tourism Secretariat statistics that shows Mexico received 21.35 million international visitors in 2006, which was a 2.6 percent dip in comparison with 2005. Nevertheless, more affluent international tourists visited the country and they helped to generate tourism industry revenue of US\$12.18 billion, which was 3.2 percent higher than 2005's revenue of US\$11.80 billion.

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