

Mexican firm develops its own product technology (Logica Digital), the rest depend entirely on Asian sources, mostly Japanese. Foreign firms have their own technology, so sourcing trends follow capital.

There are approximately ten manufacturers of office equipment. Of these firms, 50% manufactured typewriters, 30% calculators, 30% cash registers and 20% photocopiers (obviously firms manufacture more than one type of product). This sector is dominated by foreign firms. In 1988, 25% of the number of firms were 100% national, 15% joint ventures and 60% foreign. The majority of foreign firms and of joint ventures manufacturing in the domestic market have American capital. Other sources of capital have been Germany, Italy, Sweden and Japan.

Among the most important companies operating in Mexico in the production of photocopying machines, microfilming equipment, calculators, accounting machines and electric typewriters are Hugin, IBM, Kodak, Logica Digital, Nashua, Olivetti, Olimpia, Printa Bowmar, Printaform, Sweda and Xerox.

5. MARKET ACCESS

As a result of Mexico's accession to GATT, the Mexican government has gradually opened the economy to international markets. Tariffs have been lowered from a maximum 100% in 1983, to 20% since December, 1988. The official price system has been totally eliminated and import permits are required on only 198 of the total 11,812 items in the Mexican Harmonized Tariff System.

The import climate for electronic components has improved significantly as a result of this commercial liberalization. Therefore, imports in this industry are subject to an ad valorem duty of maximum 20% assessed on the invoice value. Most electronic components, after having been exempted from the duty payment during 1988, have now been assessed a 5% tariff rate. In addition, a customs processing fee of 0.8% is assessed on the invoice value. A 10% value added tax (recently reduced from 15%) is then assessed on the cumulative value of both taxes in addition to the invoice value. Some manufacturers who use imported inputs for their products under a Mexican Government approved manufacturing plan may have the duty and/or VAT waived or rebated. Raw materials, intermediates and machinery for use in manufacturing or assembling products for export are generally eligible to be imported either duty free or under bond.

Formerly, in order to bid on tenders and sell to a government agency or decentralized company, foreign manufacturers required having a local resident agent and to have the foreign supplier registered and accepted by the Secretariat of Planning and Budgeting (Secretaría de Programación y Presupuesto - SPP). As of July 1991, the above requirement for prior registration with SPP has been eliminated.