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A R K E T S U M M A R Y - M E X I C O

Furniture



THE OPPORTUNITY

The Mexican furniture sector offers interesting opportunities for Canadian manufacturers of residential, office and institutional furniture.

- Canada and Mexico are each other's second-largest trading partners in furniture products.
- Mexico's furniture industry consists mainly of small firms, using low-technology methods.
- There is an expanding market for exported Mexican furniture, especially traditional designs.
- Mexican producers need to modernize in order to stay competitive in the newly-liberalized trade environment.
- Mexico imports substantial quantities of metal furniture and office furniture.

A FLAIR FOR TRADITIONAL DESIGNS

Furniture is a heavily traded commodity. In general, countries that are large importers of furniture are also large exporters. For example, in 1995, Canada was the world's fourth-largest furniture importer

and the fifth-largest exporter, with a trade surplus of almost US \$700 million. This multilateral trade gives Canadian consumers access to a very wide range of styles and prices.

Canada is Mexico's second-largest furniture trading partner after the United States. But the trade is mostly in one direction. Based on both country's import estimates, as reported to the United Nations, Canada imported US \$205 million worth of furniture from Mexico in 1994, while exports were valued at only US \$12 million. Canada claims roughly 2 percent of Mexico's imported furniture market, while Mexico accounts for about 9 percent of Canada's furniture imports.

Notwithstanding the disproportionate nature of this relationship, the fact that Canada and Mexico trade similar products with each other makes this industry different from most others. It suggests interesting opportunities for co-manufacturing or co-marketing agreements as well as other types of joint ventures.

Mexican furniture is known for its handmade qualities and distinctive traditional styles. But these designs are much more prevalent in exported furniture than they are in the domestic market.

SUMMARY REPORT

This market information on Mexican furniture has been produced and published by Prospectus Inc. under contract with DFAIT, along with other market profiles and summaries on business opportunities in Mexico. It is available from:

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