

for kitchen furniture. Metal furniture is basically for office and commercial establishments.

**Table 6: PRODUCTION LEVELS OF WOOD FURNITURE IN 1987**

	Number of items or sets
Living room.....	15,641
Bedroom.....	8,564
Dining room.....	11,892
Kitchen .....	2,679
Chairs.....	19,609
Bookcases.....	9,174
Desks .....	7,322
Filing cabinets .....	4,409
Components.....	31,683
Loose pieces.....	414,286

Source : INFOTEC - Industria de Muebles de Madera, 1988

Prompted by increased competition from abroad, over the past three years, most Mexican manufacturers have been investing in improvements, mostly machinery and equipment plant expansion and refurbishing and technology. Manufacturers are expected to continue doing so. Imports will, however, continue to play an important role because:

- Fragmentation of the industry does not allow large-scale operations;
- Automation levels in the local industry are still relatively low, therefore increasing costs;
- Production is usually made on a relatively small scale;
- There is a lack of qualified labour;
- Quality control is generally only visual and therefore superficial;
- No set standards are used;
- Innovation is scarce and design is limited to adapting or copying existing designs; and
- Availability and quality of raw materials are usually insufficient and prices high.

Mexico's domestic furniture industry has also been consolidating its exports, which in 1990 reached \$51.6 million or almost 10 percent of production (see Table 7).

**Table 7: MEXICO'S EXPORTS OF FURNITURE (U.S. \$000)**

	1988	1989	1990
Seats	7,098.4	6,061.7	6,677.8
Metal furniture	10,818.8	13,502.4	11,867.6
Wood furniture	14,531.8	17,099.4	14,995.8
Furniture, other materials	1,624.9	1,519.8	1,300.9
Parts for furniture	3,847.9	4,475.9	5,054.3
Bedding	701.7	689.5	593.4
Lamps & lighting fittings	13,709.0	11,104.1	11,114.8
	<b>52,332.5</b>	<b>54,452.8</b>	<b>51,604.6</b>

Source : SECOFI

#### 4. DISTRIBUTION PRACTICES

Distribution channels are similar to those found in other parts of the world: producers sell to wholesalers and distributors, and directly to the retailers, normally in the case of supermarkets, department stores and chain stores. Wholesalers and distributors then sell to the retailers, including supermarkets. The most common distribution channels for furniture are wholesalers, chain stores specializing in furniture, department stores and very large supermarkets. A small proportion is distributed directly from the manufacturer to retail outlets.

**Table 8: FURNITURE SALES IN 1987 (\$000)**

	Wholesale			Retail		
	S	E	\$	S	E	\$
Mexico City	38	38	2,402	170	27	900
Guadalajara	6	17	629	24	63	2,260
Monterrey	16	33	1,081	33	31	1,255

Notes : S = number of stores for furniture distribution;  
E = number of employees

Source : A survey carried out by INEGI in Mexico's largest cities.