

manufacturers supplying the domestic market. Of the total consumption, 36% is composed of electronic components.

Canadian products with best sales prospects in Mexico include: power supplies, bare boards, cable harnesses, integrated circuits, multilayer circuit boards, electronic tubes, cable and connectors, multiple connectors, relays, switches, resistors, capacitors, semiconductors, transistors, inductors and diodes

3.2 DOMESTIC PRODUCTION

Manufacturers of electronic parts and components grew under the import substitution policies, almost totally oriented to supplying the consumer electronics industry. Therefore, the displacement of production by imports and the reduction of the domestic content requirements on locally manufactured products in all segments of the electronics industry have had a negative effect on them.

Since 1981, 19 manufacturers of electronic components for consumer electronics have stopped production. The total number of manufacturers has not changed significantly, because new plants have appeared thanks to the growth of other sectors. Of the 32 firms identified in 1988, 21 are of recent formation and 12 fabricate printed circuit boards, mainly for computers and telecommunications equipment. Employment in local component manufacturing has decreased substantially, since the new plants are small

Domestic production of electronic components presently represents 16% of total demand, down from 23% in 1987 because of the increased competition from foreign products. In 1990, local manufacture of components was estimated at \$71.2 million, of which \$39.1 million were exported. Among the products manufactured in Mexico are cables, power supplies, external metal and plastic parts, packaging material, electronic sub-assemblies, printed circuits, integrated circuits, screws, capacitors, condensers, resistors, potentiometers, diodes, switches, transistors. Many of these are produced by foreign companies with manufacturing plants in Mexico, such as Motorola, Texas Instruments and Toshiba. Parts and raw materials used in the local production are mostly imported.

4. END USERS

The most important end user sectors for electronic components, are the local computer, telecommunications, consumer electronics and office machine industries. Each one of these four sectors will be analyzed separately below.