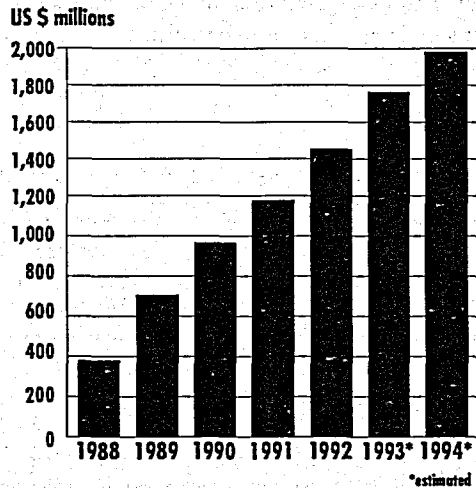


FOREIGN TRADE

TEXTILE IMPORTS TO MEXICO, 1988 - 1994



Source: Statistics Canada World Trade Database.

STATISTICAL NOTE

Reported Mexican imports differ significantly depending on the source of the data and the definition of the industry employed. Canadian exports to Mexico are frequently under-reported because, prior to 1994, Mexico collected import data on the basis of country of shipment rather than country of origin. Most of the data presented here are from the Statistics Canada World Trade Database. This database is corrected by Statistics Canada for a number of inaccuracies, and is considered the best available up to 1992. The textile industry is defined to include all of the commodities which are produced in significant quantities in Canada by manufacturers classified as SIC 18 or 19.

Import numbers for 1993, included in this report, are from the *Cámara Nacional de la Industria Textil (CANAINTEX)*, National Chamber of the Textile Industry and from the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development.

In 1993, Mexico's textile imports totalled more than US \$1.1 billion. About US \$456 million of this was fabric. Mexico produces most of the basic fabric that it needs, and the imports are mainly finer fabrics for upper-income households and corporate customers.

Imports of textile products have increased steadily since Mexico liberalized its import regulations starting in 1988. The U.S. Department of Commerce projects an average of 8 percent growth for the years 1994 to 1996. The data presented here excludes shipments to the *maquiladora* zones.

Much concern has been expressed by Mexican textile industry representatives regarding the current influx of imported products and the future of the industry within the context of the North America Free Trade Agreement (NAFTA). Imported goods are estimated to account for 40 to 50 percent of the Mexican textile market and several textile mills have closed as a result of increased import penetration.

In April 1994, President Enrique Aranzabal of the *Cámara Nacional de la Industria Textil (CANAINTEX)*, National Chamber of the Textile Industry, called for quotas against Asian imports to counteract dumping. Aranzabal said the Mexican textile industry is facing an extremely difficult situation, having lost 35 percent of the domestic market and 25,000 jobs over the past five years. In fact, he warned that Mexico is about to become a net importer of textiles after being a net exporter for many years.

According to Aranzabal, Mexico's textile industry incurred a trade deficit of US \$1.06 billion during 1993, which was about 8.3 percent larger than the deficit incurred in 1992. These statistics do not include exports by *maquiladora* plants.

A provisional duty ranging from 54 percent to 331 percent had already been imposed in October 1993, on Chinese imports of yarn and fabrics manufactured with synthetic fibres. Immediately after the duties were imposed, business organizations led by the *Confederación de Cámaras Nacionales de Comercio (CONCANACO)*, Mexican Confederation of National Chambers of Commerce, launched a campaign to have the duties reduced. They claimed that the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development, action had caused hardships for Mexican retailers. According to the Journal of Commerce, a number of prominent Mexican importers were adversely affected, including *Woolworth México*, *Price Club de México*, and *Nike de México*.