

include transistors, thyristors and diodes and are the second largest segment with imports of \$76.5 million in 1990, reflecting a 33% increase over 1989 levels. This sector has been the highest growing import segment, since it increased 34.3% in 1989 and 18.9% in 1988. Finally, valves and hybrid circuits together only represent 3% of total imports, or \$5.5 million. Not included in this table (nor in Table 1) are subassemblies for the electronics industry whose imports represented \$84.9 million in 1989 and \$124.5 million in 1990.

TABLE 2

TOTAL IMPORTS BY CATEGORY
(million US\$)

	1986	1987	1988	1989	1990
Passive components	66.8	52.5	81.8	80.4	84.0
Semiconductors	40.2	36.0	42.8	57.5	76.5
Valves	8.0	7.5	6.7	3.7	4.0
Hybrid circuits	1.1	1.9	0.9	0.2	1.5
TOTAL	116.1	97.9	132.2	141.8	166.0

Source: Secretaría de Comercio y Fomento Industrial (SECOFI)

The U.S. has traditionally been the most important supplier to the Mexican electronics industry, enjoying an overall import market share of 52%, followed by Japan (13.4%) and West Germany (11.8%). Other suppliers include Canada, France, Sweden, Great Britain, Italy, Brazil, Corea, Taiwan and Hong Kong.

Several factors have determined the predominance of the U.S., including the strong presence of major U.S. companies in the electronics industry, particularly in the area of computers; the familiarity of Mexican users with U.S. made components; the geographical proximity, with the resulting reduced freight costs, timely delivery and prompt availability of parts and service. Asian country competitors, in particular Japan, Taiwan and Corea, are marketing their products very effectively in Mexico, based on their relatively lower prices. Their products are predominantly used in the consumer electronics industry and in the manufacture of office equipment, microcomputers and peripherals. European products are relatively expensive, but their quality is perceived as the best. Canadian suppliers could take advantage of their proximity to the Mexican market and of the quality and reliability of their products to increase their share in this market. It is important for Canadian companies to continue reinforcing their marketing efforts in Mexico to maintain and increase their share of the market.