

cars reached 274,500 in 1989 and that of trucks 167,409. The largest car manufacturers are Volkswagen (28%), Nissan (25%), Chrysler (21%), Ford (17%) and General Motors (8%). These companies also manufacture trucks, in addition to Dina, Famsa, and Kenmex.

- Teléfonos de México (TELMEX) is Mexico's sole telephone company. It was recently privatized and the voting shares are held by Grupo Carso, a Mexican company, Southwestern Bell and Northern Telecom. Another 14% of total capital was placed in open stock houses. The state still holds 8.4% of shares. Sales of TELMEX in 1990 amounted to \$4 billion with investments of \$1.4 billion. TELMEX presently has 5.2 million lines and it plans to install another 2.3 million by 1993. During 1990 it processed 951 million local long distance calls and 160 million international long distance calls.
- Private schools and universities are also stressing the need for modern laboratories for experimentation and research in order to train students who will be prepared to face the technological and scientific challenges of the future. At the same time, many of the local universities have research departments and a large staff of highly qualified personnel, including the Instituto Tecnológico de Monterrey, the Universidad Iberoamericana and the Universidad Anáhuac.

## 5. MARKET ACCESS

As a result of Mexico's accession to GATT, the Mexican government has gradually opened the economy to international markets. Tariffs have been lowered from a maximum 100% in 1983, to 20% since December, 1988. The official price system has been totally eliminated and import permits are required on only 198 of the total 11,812 items in the Mexican Harmonized Tariff System.

The import climate for instruments and equipment has improved significantly as a result of this commercial liberalization. Maximum duty rates have been reduced to 20% and prior import permits are not required on imports of items in this study. As a result of NAFTA negotiations, import tariffs will be subject to a duty reduction schedule, whereby duties on non-duty-free items will be either totally eliminated or gradually reduced starting in 1994. This process is to end in 2008 with the total elimination of duties by then. At present, imports of instruments and equipment are subject to an ad valorem duty of maximum 20% assessed on the invoice value. In addition, a customs processing fee of 0.8% is assessed on the invoice value. A 10% value added tax (recently reduced from 15%) is then assessed on the cumulative value of both taxes in addition to the invoice value. Some manufacturers who use imported inputs for their products under a Mexican Government approved manufacturing plan may have the duty and/or VAT waived or rebated.