

CHILDREN'S CLOTHING

Children's clothing accounts for approximately 40 percent of the total apparel market. Consumption grew by almost 13 percent to reach US \$2.4 billion in 1993. Market growth is expected to remain strong until at least 2000, when birthrates are projected to decline. It is estimated that the average Mexican child acquires an average of 14 to 16 garments per year. Imports of children's clothing grew from US \$163 million in 1991 to US \$290 million in 1993.

Mexicans who can afford it want durable clothing with a strong design element. American clothing made by companies such as Osh Kosh B'Gosh, which is of high quality and good design, is popular but too expensive for most Mexicans. The Mexican industry is very competitive in high-quality, labour-intensive children's clothing such as party dresses and embroidered appliqué tops. These garments are well-designed and are well-regarded by consumers. But domestic producers face stiff competition from low-cost Asian imports for everyday clothing.

In spite of Mexico's competitive strengths in children's wear, the industry has not traditionally been an exporter. According to the *Cámara Nacional de la Industria del Vestido (CNIV)*, National Chamber of the Apparel Industry, less than ten companies have exported children's wear as of March 1994. They blame this situation on a lack of information and on *el miedo*, a reluctance to accept risks.

These factors have led to an increased interest in strategic alliances. For example, *Baby Duy* joined forces with a small, New York-based children's clothing company called Nouvelle Image Kids. The American partner distributes *Baby Duy* products in the north-eastern United States.

OPPORTUNITIES FOR CANADIAN SUPPLIERS

There are opportunities for partnerships between Mexican firms and Canadian apparel producers. The Mexicans are particularly interested in high-quality, well-designed fashion-oriented children's clothing. They also need technical expertise and marketing assistance. In return, they can offer high-quality and competitively-priced handmade products.