

The Tequila region is the principal production centre, but Los Altos has been increasing its production in recent years. Domestic consumption has been declining as a proportion of production, but in 1993 it still accounted for about 20 percent of all alcoholic beverages. The United States is the most important export destination, where tequila accounts for 3 percent of the alcoholic beverage market. Germany is close behind with a 2.6 percent market share. In 1993, Canada imported 735,000 litres of tequila, making it the fifth largest market. More than 90 percent of tequila is exported in bulk and bottled in the importing country.

The government has acted to correct what it sees as confusion in the market regarding varying quality levels of tequila. A new official norm has been issued to regulate the ingredients and production methods involved. This, combined with recent constitutional amendments affecting land ownership in the rural sector, is expected to improve the industry's international position.

Beer is also produced in Jalisco, although it has no particular local character. About 3,500 people are employed in four breweries producing the national brands *Modelo* and *Cuauhtémoc-Moctezuma*. Total production in Jalisco is estimated at 7 million hectolitres annually. This production is almost entirely for local consumption and exports are minimal. Beer consumption in Guadalajara is 44 litres per person per year, slightly lower than the national average, and much lower than the northern states where it reaches 130 litres.

Tequila and beer are made almost entirely from local ingredients but there is a demand for machinery and other materials used in the production process. Packaging, handling and labelling equipment are particularly promising markets.

THE ELECTRONICS INDUSTRY

Jalisco is a major centre for the manufacture of electronic equipment, and Aguascalientes is also an important producer. The regional industry is focused mainly on information technologies such as computers, peripherals and communications equipment. The industry is located mainly in the state's *maquiladora*, in-bond manufacturing, regions. *Maquiladoras* were responsible for 94 percent of Mexico's exports of electronics products in 1994, and 70 percent of imports. The industry employs about 15,000 people in Jalisco.

Prior to 1990, imports of computers were severely restricted as part of Mexico's effort to build a domestic industry. An executive decree was issued in 1981, specifying that all computer suppliers had to set up local manufacturing facilities. A second decree in 1987 increased the local content required and imposed import permits for computer equipment. This policy succeeded in developing a domestic computer manufacturing capability, mainly by IBM. But it had the negative effect of restricting access to advanced technology by other Mexican industries. These regulations were rescinded in 1990, and foreign computer manufacturers are now