

There are also good prospects for increased Canadian exports of apparel, even though these have traditionally been very small. Even though Canadian exports doubled between 1991 and 1993, they totalled only about US \$2.5 million in the latter year, a tiny percentage of Mexico's US \$1.3 billion in apparel imports. Nonetheless, recent developments point to new opportunities for Canadian producers, especially in niche markets such as private labels. While the devaluation of the peso has cut consumer spending power, it has also opened up opportunities for companies that can provide a lower-cost alternative for high-priced European fashion goods.

INDUSTRY STRUCTURE

At the end of 1992, the Mexican apparel industry consisted of just over 13,000 firms which employed about 260,000 people. Most of these firms are very small, with only about 3,000 being registered with the industry association, the *Cámara Nacional de la Industria del Vestido (CNIV)*, National Chamber of the Apparel Industry. The smallest 10,000 firms employ an average of four workers. These are classified as micro-enterprises by the *Instituto Mexicano del Seguro Social (IMSS)*, Mexican Institute for Social Security.

Roughly 3,000 firms are classified as small or medium in size and they employ about half of the workers in the industry. The 200 largest firms employ an average of about 500 workers each. These data exclude approximately 300 plants operating in the *maquiladora* zones, half of which are located along the northern border. As many as 400,000 additional people are believed to be involved in the production of apparel in the informal economy.

Mexican textile firms are mostly family-owned. *Avante Textil* is the only publicly-traded enterprise in the sector and, except for the *maquiladoras*, foreign ownership has been limited until recently. Traditionally, there has been very little vertical integration in the industry.

Both the number of firms and their number of employees has fallen slightly over the past few years, due to increased foreign competition. The *CNIV* believes that the industry has stabilized and projects a one percent rise in employment for 1994.