

In the next four years, this market is expected to continue increasing at an average annual rate of five percent, in close relationship to the general increase in the number of cars sold in the country. The trend of most shops and service agencies of modernizing their equipment in order to service recent car models will also continue driving demand. Total apparent consumption is expected to reach \$39.2 million in 1994, of which \$32 million, or 82%, will be of imported origin.

TABLE 6
TOTAL APPARENT CONSUMPTION OF MAINTENANCE EQUIPMENT
(000 of dollars)

	1987	1988	1989	1994
Production	4,907	5,215	8,504	9,500
+ Imports	5,214	12,494	23,664	32,000
- Exports	858	1,078	1,323	2,300
TOTAL	9,263	16,631	30,845	39,200

Mexico is highly dependent on imports in this branch, since local production is limited to a small number of relatively simple tools. and, in general, repair shops prefer imported equipment and tools due to their quality and reliability. This is shown in the fact that, in 1988, imports of equipment amounted to \$12.5 million, representing a 75% share of the total market, as opposed to a local production of only \$5.2 million. In 1989, imports increased to \$23.7 million, or 77% of total demand. By 1992, they are expected to grow to \$32 million.

TABLE 7
IMPORTS OF MAINTENANCE EQUIPMENT
(000 of dollars)

	1987	1988	1989
Car washing machines	942	2,944	5,192
Wheel alignment systems	684	1,229	2,044
Jacks and hoists	156	1,090	977
Tyre removing equipment	181	383	516
Compressors	40	90	168
*General purpose equipment	1,427	2,670	4,900
Gas analyzers	267	1,592	6,905
Ignition analyzers	392	582	303
Motor checking apparatus	43	312	1,036
*General purpose instruments	1,082	1,602	1,623
TOTAL	5,214	12,494	23,664

* **Note:** General purpose equipment includes wrenches, pneumatic and hydraulic tools. General purpose instruments include oscilloscopes and multimeters.