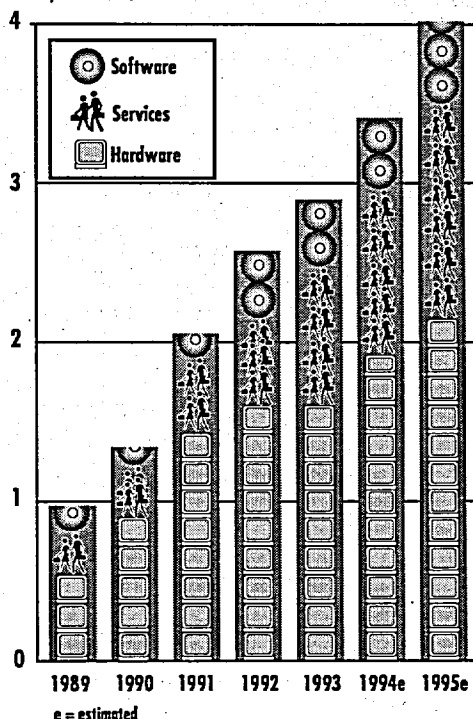


THE MEXICAN COMPUTER MARKET

US \$ Billions



Source: Instituto Nacional de Estadística, Geografía e Informática (INEGI), National Institute for Statistics, Geography and Informatics.

According to the *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics, the number of personal computers in use grew by 37 percent in 1994, to reach 2.2 million units. Computer literacy has grown as a result of computer-related courses in the universities, schools and private training providers. Several major computer magazines are now available in Mexico.

Foreign software companies account for close to three-quarters of the market. Most of the leading software packages are available in Mexico, including those for personal computers, workstations and larger computers. Aggressive competition has led to falling prices. Expressed in American dollars, many prices have fallen even further since the devaluation of the peso. American companies dominate the import market, partly because the U.S. provides about two-thirds of the computer equipment used in Mexico.

There are almost 500 software developers in Mexico, of which 130 are members of the *Asociación Nacional de la Industria de Programas para Computadoras (ANIPCO)*, National Association of the Computer Programming Industry.

Privatization has been an important force driving the increased use of computers. Relative to private industry, government agencies are large users of computer technology. In absolute terms, however, they are very unsophisticated. Newly privatized government enterprises therefore have a strong need to upgrade to international standards. A good example is *Teléfonos de México (TELMEX)*, the national telephone company. It has made massive investments in new electronic technology since its privatization.

The North American Free Trade Agreement (NAFTA) further liberalized the trade environment and made industrial modernization even more imperative. Import duties on software were removed and intellectual property laws were strengthened. The Mexican government also launched an anti-piracy campaign.

According to estimates published by *INEGI*, the overall Mexican computer market in 1994 was worth US \$3.4 billion. Of this, about 54 percent was hardware, 32 percent was services and 14 percent was software. Prior to the devaluation of the peso, *INEGI* was projecting 20 percent growth in the computer market for 1995.

More than two-thirds of sales of computer products to final users take place in Mexico City. Monterrey accounts for more than 10 percent of the market followed by Guadalajara with more than 6 percent.