

Observers believe that the product mix resembles the national situation, where three-quarters of furniture sales are for residential use. The raw materials used by the industry consist mainly of pine wood, composite materials, adhesives, paintings and glazes, metal components, and textiles.

The level of technology in the furniture manufacturing industry of the Guadalajara region is relatively low. One of the trends in this industry is the growth of "galleries" that show model furniture, which is then manufactured to order. Another trend is consumer-assembled furniture, especially in the area of home entertainment centres, as well as computer and office furniture.

Catering to these emerging markets requires flexible manufacturing technologies and fast-response capabilities that are beyond the resources of most local manufacturers. This creates opportunities for joint ventures with Canadian companies. There is also a market for mass-produced, unfinished-wood components destined for use as raw materials. Synthetic fabrics for furniture manufacturing are also largely imported.

METALWORKING

Mexico's metalworking industry is very important to the overall economy and is concentrated in a few states, including Jalisco, which is the fourth-largest region in this sector. The industry in Jalisco is very typical of the conditions found in the industry nationally.

During the 1970s, the primary focus was on bicycles, motorcycles and animal-drawn vehicles. For the most part, the industry did not develop the advanced technologies needed to serve the more sophisticated national customers, much less multinational clients. In particular, high rates of scrap and waste have been typical of the industry. For these reasons, the metalworking industry has not been in a position to fully respond to demands of advanced technology producers in the region.

There are almost 2,500 metal products companies in Jalisco, but only 12 of them are categorized as large, followed by about 40 medium-sized companies. The largest firms include *Urrea*, with 1,300 employees, and the Siderurgical Company of Guadalajara, with 1,200 workers.

As in many other sectors in the region, the metalworking industry suffers from obsolete technology. The main constraints are a lack of knowledge of state-of-the-art methods and a serious shortage of financing. This industry is expected to face new challenges, as the *maquiladora* program is phased-out and the large multinational producers start to look for local suppliers.