

including the accession to the General Agreement on Tariffs and Trade (GATT) on August 24, 1986 leading to an extensive trade liberalization process: import permits were eliminated on all but 325 of the total 11,950 tariff items based on the Harmonized System adopted in 1989. Official import prices are no longer applicable, nor the 5% export development tax, and import duties were lowered from a maximum of 100% in 1982 to 20% in January 1988. The weighted average tariff rate is now 10.4%. The automotive and computer industries have also been liberalized, through the elimination of prior import permits, to allow free entry of products in these industries. The approval of the North American Free Trade Agreement will further strengthen trade between Canada, the United States and Mexico.

According to official data from the Mexican Secretariat of Commerce and Industrial Development (SECOFI), Mexico's trade balance dropped once again in 1992 to a \$19.8 billion deficit from -\$11.1 billion in 1991, when it had already increased by 145.6%. Exports increased by 3.8% in 1992, from \$27.1 billion to \$28.1 billion, while imports grew 25.6%, from \$38.2 billion to \$48 billion in 1992, having already increased 22.8% in 1991. January-March data for 1993, place total exports at \$7.4 billion and imports at \$12.9 for the first quarter, reflecting a 10.3% and 18.3% growth rate respectively as compared to the same period the previous year.

3. PULP AND SECONDARY FIBRES

3.1 MARKET ASSESSMENT

3.1.1 APPARENT CONSUMPTION

The total Mexican market for pulp, amounted to \$735.2 million in 1988 and fell by 5.5% in 1989 with the overall decrease in domestic demand for pulp for the manufacture of paper, in favor of secondary fibres, coupled with an overall contraction both in domestic and world demand. The market slightly increased in 1990 by 1.2% but decreased by 10.4% in 1991. Preliminary figures for 1992 point towards a slight recovery of the market to \$647.3 million and, by 1995, the total market is expected to reach \$760 million after an average annual growth of 5.5%.

The following table reflects total apparent consumption of pulp in Mexico for the 1988-1992 period in terms of dollar value.