

3. MARKET ASSESSMENT

3.1 THE TOTAL MARKET FOR COMPUTERS

The total Mexican market for computers, peripherals, software and services was estimated at \$806.2 million in 1989, up 15% from \$703.4 million in 1987 and \$573.3 million in 1986 (see Table 1). The total computer market is estimated to grow at an annual average rate of 20% in the next three years and reach approximately \$1.42 billion by 1991. As a result of the liberalization of computer imports through the elimination of the import permit requirement on hardware, imports are expected to increase significantly while local production continues to grow, mostly for the export market. However, it is presently still difficult to assess the changes in the market size and composition as a result of these measures. Imported hardware and equipment is expected to gain a larger share of the market with respect to domestic production. No major changes are expected in the software market as a result of these measures in the short run, since software has never been subject to a prior import permit, however, a broader installed capacity of hardware will necessarily translate into increased software sales.

TABLE 1
THE MEXICAN MARKET FOR THE COMPUTER INDUSTRY
(millions of U.S. dollars)

	1985	1986	1987	1988	1989e	1992p
Computers	152.3	183.4	238.1	263.9	292.2	516.5
Peripherals	96.6	85.1	111.5	134.7	156.1	258.2
Software	71.6	89.5	98.4	127.3	159.1	296.7
Maint & Serv	103.3	120.4	125.3	177.5	198.8	344.1
TOTAL	423.8	478.4	573.3	703.4	806.2	1,415.5

Note: e=estimated; p=projected

Source: Dr. Ricardo Zermeño and Caroline Vérut

3.2 THE MEXICAN HARDWARE MARKET

In 1989, the total computer hardware market, including mainframes, mini and microcomputers and their peripherals, amounted to \$448.3 million, up 12% from the \$398.6 million of 1988. Of this amount, \$234.4 million, or 52.3%, corresponds to sales of microcomputers and their peripherals, \$94.8 million (21.1%) to minicomputers and \$119.1 (26.6%) million to mainframes (see Table 2).