

exports were to Canada. This makes Canada Mexico's fifth largest exporter and sixth largest importer.

Such figures support the possibility expressed by Mexican and United States authorities of creating a North American free market. The negotiations of a free market agreement between the United States and Mexico are underway. With its coming into effect, and with the existing Canada-United States agreement, the feasibility of an open market across North America is probable.

### 3. MARKET ASSESSMENT

For the purposes of this market study, the product areas considered to fall under the heading of training systems and equipment are audiovisual equipment, including all image projectors, video equipment, closed circuit television and microphones; specialized classroom furniture and blackboards; computers and software; scale models; flight simulators; and educational and therapeutic material. Separately, we will analyze the area of technical and educational books, maps and charts.

#### 3.1 TRAINING AND EDUCATIONAL SYSTEMS AND EQUIPMENT

Total apparent consumption of training systems and equipment has steadily increased in the last three years, from \$32.6 million in 1987 to \$47.8 million in 1989. Companies are investing increased amounts in training in an effort to reduce employees but increase productivity. As a result, total demand for training and educational systems and equipment is expected to grow at an average annual rate of 6% in the next few years and reach an estimated \$64 million by 1994. Imports have played an increasingly important role in this market, as their participation grew from 53% to 63% during the same 1987-1989 period. By 1994, imports are expected to total \$41.6 million.

**TABLE 1**  
**APPARENT CONSUMPTION OF TRAINING AND EDUCATIONAL**  
**SYSTEMS AND EQUIPMENT**  
(\$000 of dollars)

	1987	1988	1989	1994p
Production	24,731	33,606	32,254	39,312
+ Imports	17,321	22,495	30,139	41,571
- Exports	9,405	16,595	14,601	16,927
<b>TOTAL</b>	<b>32,647</b>	<b>39,506</b>	<b>47,792</b>	<b>63,956</b>

The total market can be subdivided into the following large categories in 1989: Computers (47%), audiovisual equipment (27%), software (17%), specialized classroom furniture (6%) and other (3%). This market is, however, very difficult to assess accurately because it is hard to determine what items are to be included and, additionally, what proportion of total imports and local production within each category is actually used for