

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 1991 to a \$10.4 billion deficit from a decrease of \$3 billion in 1990. Exports increased by 2.6 percent in 1991, from \$26.8 billion to \$27.6 billion, while imports grew 22.2 percent, from \$29.8 billion to \$38 billion in 1991. Imports to Mexico had already increased 27.2 percent in 1990 from \$23.4 billion in 1989.

3. MARKET ASSESSMENT

The total Mexican market for office and household furniture and lighting fixtures amounted to \$435.4 million in 1988. This amount increased by 24 percent in 1989 in response to the economic recovery and the increase in disposable income as inflation fell. In 1990, the market grew again by 12 percent to \$605 million, prompted by a 36.8 percent increase in imports and a 6 percent increase in local production (see Table 1). During 1991, demand increased by an estimated 6 percent to \$642.2 million.

This market is expected to grow at an average annual rate of 5 percent and total \$741.7 million in 1994. Imports are expected to grow at a faster pace than domestic production, and increase their market participation from 8.6 percent in 1988 to 22.3 percent in 1994.

Table 1: APPARENT CONSUMPTION OF FURNITURE AND LIGHTING FIXTURES (U.S. \$, Millions)

	1988	1989	1990	1991 ^e	1992 ^p
Production	450.2	508.7	539.2	560.8	630.8
+ Imports	37.5	85.8	117.4	131.5	165.6
- Exports	52.3	54.5	51.6	50.1	54.7
	435.4	540.0	605.0	642.2	741.7

Source : Secretaría de Comercio y Fomento Industrial (SECOFI) and Instituto Nacional de Geografía, Estadística e Informática (INEGI).

Note : e = estimated, p = predicted

Table 2: APPARENT CONSUMPTION IN 1990

Category	Value	% of total	Import Share (%)
Metal Furniture	179.2	29.6	17.8
Wood Furniture	152.2	25.2	33.2
Bedding	109.2	18.0	4.0
Lamps & lighting fittings	102.2	16.9	20.8
Furniture and other materials	62.2	10.3	10.1
	605.0	100.0	19.4

The largest segment of the market for office and household furniture and lighting fixtures is metal furniture, dominated by the demand for such items as filing cabinets, desks and chairs, which accounted for \$179.2 million. Wood furniture, mostly home furniture including tables, chairs, cabinets, bookcases and sofas, amounted to \$152.2 million. Mattresses, box springs and other bedding totalled \$109.2 million, lighting fixtures \$102.2 million, and plastic and other furniture \$62.2 million.

3.1 Imports

While imports represented only 8.6 percent, or \$37.5 million, of total apparent consumption in 1988, by 1990, they accounted for 19.4 percent of total consumption and were valued at \$117.4 million, having increased by 129 percent in 1989 and another 36.8 percent in 1990 (see Table 1). For 1991, imports reached \$131.5 million, reflecting a decreasing growth rate estimated at 12 percent for that year. Imports are expected to continue growing at a faster pace than local production, estimated at 8 percent per annum, and total \$165.6 million by 1994. Table 3 illustrates the total imports by category between 1988 and 1990.