strong tendency to decrease. On the other hand there is an increased use of 286, 286sx, 386 and 486, as well as laptops and notebooks. There is also a high demand for PC networks and workstations, particularly among the more sophisticated end users, including industry and financial institutions. An important trend in the computer market seems to be toward multiuser equipments instead of strictly personal units. The latter will increasingly be used as intelligent workstations connected to mainframes. In general, it can be said that the Mexican market is moing towards a more mature market demanding more and better products and state of the art technology and services.

The Mexican computer industry generated a total production of computers and related peripherals for a value of $358.3 million in 1990, down from $617.2 million in 1989 as a result of decreased exports and the growth in imports, which has turned some manufacturers into distributors of imported products (see Table 3). The domestic computer industry had grown at an average annual rate of 47% between 1983 and 1989 to cover both internal demand and exports. The level of employment in the domestic computer industry has grown from 2,750 to 10,500 between 1983 and 1989, including both blue and white collar workers. Eighty percent of the manufacturers registered with SECOFI were oriented to the production of peripherals and microcomputers. Of the remaining twenty percent, eleven firms were large corporations manufacturing minicomputers as well as other types of equipment.

The Mexican computer industry is increasingly oriented towards foreign markets. Exports increased from $24.7 million in 1983, at an annual rate of 55%, to $325.6 million in 1989, and then experienced a 38% decrease in 1990 as a result of the changes in the regulations for the industry. Exports represented 56% of total local production. Local production satisfied 27% of total apparent consumption of hardware in 1990, down from 61% in 1989 due to a significant increase in the import market share. By 1993, the participation of domestic production in total apparent consumption is expected to increase slightly, to 30% as the market stabilizes again. Many companies will not be able to compete with imported products and will probably have to close their production lines. The large multinational companies and the strongly established local ones will continue to manufacture in Mexico both to satisfy local production and to export competitively. The decree for tax incentives and manufacturing criteria published in April 1990, favors products with a high national value added, low production costs and competitive advantages over plants in other countries.