



games for younger family members. Inexpensive gifts are appropriate for more casual occasions. Older and relatively affluent Mexicans are fond of household ornaments of bronze, marble or glass. Among young adults, clothing, perfumes, CDs, pens, kitchenware and specialty foods are appreciated gifts.

Only the relatively affluent can afford to buy most gifts imported from the developed countries. But for those who can afford them, imported items imply prestige. In general, families in the top 20 percent of the income distribution are considered the best potential customers. Inexpensive Mexican crafts are widely available and some are imported from Asia and Africa.

Opportunities for sales of Canadian giftware are concentrated in specialized niches which can be difficult to access. Affluent Mexicans shop for gifts in malls, department stores and specialty boutiques. For the most part, distributors mix giftware with other items, and do not specialize. Serious art and collectibles are the principal exception, but those are limited to a very small segment of the market.

THE GIFTWARE MARKET IN MEXICO

Giftware is not specific to any particular industry. Gift products are distinguished by the fact that they are purchased for someone other than the buyer. Indeed, many buyers feel that ideal gifts are things that recipients would not buy themselves. Frequently, a product becomes giftware because of the way it is wrapped or packaged. For example, presentation bottles of maple syrup are considered a good gift in Mexico, but regular grocery-store packages would be more likely to be purchased for consumption by the buyer.

JEWELLERY

Jewellery manufacturing is the largest industry which concentrates heavily in products intended to be purchased as gifts. Mexico's jewellery industry has a long history and a tradition of handmade quality. This industry is made up of very small companies. According to the 1994 industrial census, published by *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics, there were 1,585 establishments in 1993 which manufactured gold or silver jewellery. They employed about 8,000 persons, for an average of about 5 employees per enterprise. Another 258 companies — 92 with about 3,000 employees — were engaged in the manufacture of costume jewellery.

Some industry experts believe that these census numbers are much too low. There is a large "informal" sector manufacturing handmade jewellery and crafts. This sector consists of small unregistered companies and self-employed individuals. They typically sell their wares at street markets.

Mexican manufacturers of costume jewellery tend to be larger and more capital-intensive than those working in precious metals and stones. Some of them export their products to Canada and the United States, but most of them are threatened in their own market by low-cost imports from Asia. Leading manufacturers include *Argollas Matrimoniales, Casa Guijarro, Karatí, Vari, Lior, Industrias Link, Joyería Baque, Joskes de México* and *Nina Reguértis*. These companies market their products mainly through large retail chains.

TOYS

According to the 1994 industrial census published by *Instituto Nacional de Estadística, Geografía e Informática (INEGI)*, National Institute for Statistics, Geography and Informatics,

in 1993 Mexico had 164 toy manufacturing enterprises. This probably underestimates the total because it excludes small operations in the informal sector. It also excludes foreign-owned *maquiladora*, or in-bond manufacturing operations, such as Fisher Price, which tend to be relatively large.

Local production is concentrated in low-technology products, including balls, balloons and marbles. Plastic and inflatable toys and rideable toys are also manufactured. Most of Mexico's consumption of more sophisticated toys is imported. Large multinationals such as Mattel dominate the local market, selling mostly products imported from Asia. But because they manufacture part of their product lines in Mexico, so far these companies have been exempted from Mexico's countervailing duties on imports of toys from Asian countries. Duties on some Chinese toys, for example, exceed 350 percent.

CRAFT PRODUCTS

Mexican companies that identify themselves as giftware producers are found in many other industries in addition to jewellery and toy manufacture. Many of them can be described as crafts, in the sense that their manufacture generally requires some kind of manual skill.

The *Asociación Mexicana de Fabricantes de Artículos para Regalo, Decoración y Artesanías (Amfar)*, Mexican Association of Gift, Decoration and Craft Products, published a directory of exhibitors at their 1996 giftware show. This show's slogan was "Christmas begins in July," and the directory provides an indication of the popularity of various gift products. About 40 percent of the 400 exhibitors who participated in the show included themselves in the *artesanías*, crafts category. Their products included a wide variety of decorative items, including glass,