

TEXTILES AND APPAREL

The textile industry was among the first to develop when industrial development began in the western region a century ago. In particular, the textiles and apparel industry in Aguascalientes is one of the most important and traditional in the country, particularly for children's clothes.

In 1993 the textile and apparel industry in Jalisco consisted of almost 1,700 establishments; 80 percent of which were classified as micro in size. Fabric production is the most concentrated subsector with about 19,000 workers in 9 establishments, in addition to less than 300 small- and micro-enterprises. The local industry does not produce a wide range of fibres, and synthetic fibres and cotton are imported from the US and Canada. Canada's principal exports in this category are man-made filaments and fibres.

The industry has declined in recent decades and is operating at less than capacity. Between 1980 and 1993, textiles and clothing declined from 6.5 percent of Jalisco's manufacturing output to about 4 percent. Nonetheless, there may be opportunities for niche products in some subsectors. Denim is an important local fabric, and one-third of Mexico's blue jeans are made in Jalisco. Sixty percent of *bonetería*, or clothing, production is exported and consists of a wide variety of small enterprises.

The industry is characterized by obsolete technology and low productivity. Production costs are high because of low rates of capacity utilization. There is a demand for machinery to modernize this industry, provided that this can be done cost-effectively.

Industry analysts blame a history of protectionism as well as financial factors for the technological gap. The industry developed in an environment where it had an almost captive local market. Also, credit is expensive and very difficult to obtain. This may create opportunities for joint ventures with Canadian textile and apparel companies, including potential sales of used equipment.

FURNITURE

Two-thirds of the establishments in Jalisco's wood products industry and 70 percent of its associated employment are classified as part of the furniture industry.

There are about 1,000 furniture manufacturing establishments in this state, of which only two are large and 13 are classified as medium. This structure provides the advantages of handmade craftsmanship and a solid understanding of traditional designs. But it suffers from a lack of original design capabilities and advanced technologies for large-scale production. The industry is also desperately short of capital.