

As a result of new export-oriented policies implemented by Mexico in the late 1980s, the total apparent consumption of auto parts surged by more than 60 percent over the following three years.

The automotive parts sector includes two distinct markets: purchases by original equipment manufacturers (OEMs), and the aftermarket for replacement parts, materials and accessories.

The Mexican content rules for OEM purchases have been substantially relaxed, and will be phased out altogether under the North American Free Trade Agreement (NAFTA). For the most part, OEM parts will continue to be sourced within the broader global strategies of the five companies involved in passenger vehicle and light truck manufacture. Therefore, the NAFTA changes do not necessarily imply major new OEM market opportunities for independent producers. Moreover, the major automobile manufacturers are reportedly working to develop Mexican suppliers to reduce their imports of plastic parts. On the other hand, the Mexican bus and truck industry may present some opportunities.

The aftermarket segment is more dynamic than the OEM segment because a large number of companies are involved. According to the *INA*, about 30 percent of local parts production goes to the aftermarket. With imports included, the aftermarket makes up 40 percent of total parts sales.

### MANUFACTURERS OF CARS AND GASOLINE TRUCKS IN MEXICO, 1992 PERCENTAGE OF MARKET SHARE

	Passenger Cars	Gasoline Trucks	Exports
Nissan	22.5	15.3	10.5
Chrysler	18.8	20.0	26.7
Ford	15.3	23.6	34.5
Volkswagen	32.0	5.3	8.7
General Motors	11.4	27.9	19.6
<b>Total</b>	<b>100</b>	<b>92.1</b>	<b>100</b>

Source: Asociación Mexicana de la Industria Automotriz (AMIA), National Association of the Automotive Industry.