

MEXICO

OVERVIEW

Market Size:

The total market for office furniture and equipment is estimated at C\$ 936 million for 1992, of which imports accounted for C\$ 222 million. Sales opportunities for office furniture and equipment in the Mexican market are increasing, as the average annual growth for the next few years is estimated at anywhere between 15 and 20%. The import market is enjoying an annual average growth rate of 42.5%. It is expected that this market will continue to grow, albeit at a slightly lower rate of around 20 to 30% in the following years.

Free standing furniture has good sales potential as it is more adaptable to different office settings and thus easier to sell. Similarly, office-systems furniture, with its space-saving features and ergonomic designs will have a better sales outlook than furniture that is not as well suited to today's modern workplace.

SOURCES OF SUPPLY

Mexico's office furniture market has been strongly domestic; only an estimated 25% (C\$ 222 million) of the market has been supplied through imports.

BUSINESS ENVIRONMENT

It is anticipated that the North American Free Trade Agreement (NAFTA) will increase trade between Mexico and Canada including office furniture and equipment. Under the NAFTA a series of tariffs on institutional furniture such as wood drawing tables and filing furniture are scheduled to be reduced from their current 20% to zero effective January 1, 1994. Other import duties on office furniture will be phased out over the next few years.

A niche which is starting to grow is the home-office market for furniture and office equipment. Although this market is still small, dealers see a future in this trend that eventually will become a promising segment.

Post's Overall Opinion: *Opportunities abound for interested Canadian office furniture manufacturers.*