

	1988	1989	1990	1991p
<b>MANUFACTURING</b>				
Consumer goods	1,854.9	3,323.3	4,668.5	5,530.5
Intermediate goods	11,087.0	12,875.2	15,688.9	20,191.6
Capital goods	3,802.0	4,604.3	6,668.7	9,229.5
<b>OTHER</b>				
Consumer goods	2.3	4.2	14.2	50.6
Intermediate goods	29.7	141.3	228.8	183.0
Capital goods	25.3	71.0	46.0	18.1
<b>TOTAL</b>				
Consumer goods	1,921.6	3,498.6	5,052.2	5,779.7
Intermediate goods	12,949.8	15,142.5	17,921.7	22,607.5
Capital goods	4,026.8	4,768.7	6,801.4	9,374.6

**Note:** p = preliminary, based on January-August data

**Source:** Comercio Exterior, Banco Nacional de Comercio Exterior.

As can be seen in the above table, the importation of consumer products has increased significantly in the past few years, in response to Mexico's trade liberalization policies, which in 1988 reduced all import duties and allowed the importation of many items previously protected by prior import permit requirements. These measures had a particularly strong effect on consumer products because these were protected by the highest duties and by more import permit requirements. Total imports of consumer goods increased 82.1% in 1989, 44.4% in 1990 and another 14.4% in 1991. Consumer products, which in 1988 represented 10.2% of total imports, increased their participation to 14.9% in 1989, 17% in 1990 and then fell to an estimated 13.6% in 1991 (2).

As can be seen, the upward trend is decreasing, as the first boom passed and is giving way to a more stable growth pattern. The Mexican consumer is very much influenced by the U.S. market, and many Mexicans have at least been to the Mexico-U.S. border and are familiar with U.S. consumer products. This created an attraction towards imported products, which was further reinforced by the fact that these items were not available in Mexico, since their importation was either prohibited or non competitive. Therefore, when the importation was liberalized, this created a short term boom. All supermarkets and department stores carried imported products and used them as "hooks" to attract customers to the stores. These items often were one time imports to test the market. Slowly this indiscriminate sale of imports has given way to more reasonable purchasing programs, mostly based on a close relationship between local chains and major foreign distributors or representatives. The consumer is no

2. This figure does not accurately reflect the situation for 1991, since it is based on January-August data, which exclude much of the Christmas season imports. It is therefore more probable that the participation of consumer products in total imports will be nearer to 15%-16% in 1991.