

Table 13: MEXICAN MARKET FOR PAPER
(U.S.\$ millions)

	1988	1989	1990	1991	1992e	1995p
Production	2,334.4	2,462.7	2,583.4	2,586.0	2,610.8	2,811.5
+ Imports	149.1	195.9	247.1	369.8	502.9	706.9
- Exports	164.6	137.7	95.3	65.4	63.6	48.4
	2,318.9	2,520.9	2,735.2	2,890.4	3,050.1	3,470.0

e = estimate based on January-June data, p = projected

Source : *Secretaría de Comercio y Fomento Industrial and the Statistical Memoir of the National Chamber for the Pulp and Paper Industries.*

Note : This table includes only definitive imports.

Total temporary imports of paper were valued at 32,386 tons in 1988. They increased to 64,981 tons in 1989 and 66,528 tons in 1990, but fell to 43,857 tons in 1991. During 1986, 1987 and 1988, paper for packaging accounted for an average 85 percent of total temporary imports. In 1991, this participation fell to 8.6 percent when printing and writing paper contributed 80 percent of total temporary imports (See Table 14).

Table 14: TOTAL APPARENT CONSUMPTION OF PAPER
(000 tons)

	1986	1987	1988	1989	1990	1991e
Production	2,470.2	2,574.6	2,593.6	2,736.8	2,870.9	2,895.9
+ Imports	70.7	66.3	143.7	173.7	255.7	464.0
- Exports	135.7	243.1	252.6	200.9	167.8	120.3
	2,405.2	2,397.8	2,484.7	2,709.6	2,958.8	3,239.6

e = estimate

Source : *Memoria Estadística 1992, CNICP*

Note : This table includes only definitive imports.

Total apparent consumption in terms of volume practically remained constant in 1987, despite a fall in imports. It then increased in 1988 by 3.6 percent. Between 1988 and 1991, the market followed a fairly constant and high growth pattern of 9.1 percent to 9.5 percent per annum to reach a total production volume of 3.2 million tons (see Table 15).

Table 15: TOTAL APPARENT CONSUMPTION OF PAPER IN 1991

Category	(000 tons)	Percentage
Newsprint & textbook paper	443.3	13.7
Writing & printing paper	596.9	18.4
Packaging paper	1,670.5	51.6
Sanitary & tissue paper	370.8	11.4
Special papers	158.2	4.9

4.2 Imports

Imports have come to play an increasingly significant role in the Mexican market for paper, mostly because local production has been unable to meet demand due, in part, to the structural problems that have limited the supply of inputs for the industry. Also, the overall decrease in world paper price have made imports cheaper and more attractive.

In terms of volume, the import market share decreased during the 1982-1986 period from 12.4 percent to 2.8 percent in response to the import restrictions imposed after the 1982 economic crisis. Import duties in the paper industry were lowered from 45 percent to 5 percent 10 percent in 1986. This brought about a steady increase in the imported market share of apparent consumption. This market share reached 5.8 percent of total demand in 1988 increasing to 6.4 percent in 1989, 8.6 percent in 1990 and 14.3 percent in 1991. Total imports increased in volume by 20.9 percent in 1989, 47.2 percent in 1990 and 81.5 percent in 1991. January-June figures for 1992 show a 124.5 percent increase in paper imports over the same period in 1991.

Imports also have shown strong growth, in terms of value, but this was more erratic than volume. Imports grew 32 percent in 1989, fell by 7.4 percent in 1990, but increased by 49.7 percent in 1991. The imported component of the market has increased from 8.9 percent in 1988 to 13.4 percent in 1991. Preliminary data for 1992 show a 36 percent growth in value imports. This increased import market share to 17.4 percent for that year. By 1995, imports are expected to reach \$706.9 million, 21.5 percent of the total market (see Table 16).