

TABLE 2
MEXICAN IMPORTS OF FORESTRY AND
WOODWORKING EQUIPMENT
('000 U.S. dollars)

	1988	1987	1986
TOTAL	28,058	14,901	34,780
Harvesting and cranes	2,430	2,980	6,387
Boilers and drives	2,748	1,202	2,882
Saws and blades	14,282	4,824	10,992
Hand cutting tools	1,914	448	1,070
Particle board manuf. eqpt.	121	80	84
TOTAL WOODWORKING	14,801	8,457	13,388
Other	2,530	1,822	2,872
Combined machines	737	244	765
Splitting, slicing or piling	126	117	582
Drilling or mortising	1,261	370	938
Banding or assembling	1,182	218	1,138
Grinding, sanding or polishing	1,312	703	1,019
Planing, milling or moulding	8,687	1,252	3,381
Sawing machines	2,438	1,328	2,881

Source: Data by Secretaría de Comercio y Fomento Industrial.

Imports accounted for 70% of the total market in 1987 but increased their participation to 82% in 1988 and 84% in 1989. Imports will continue to dominate the market, mostly because existing demand does not justify the local production of these items at such a small scale and therefore the prices of imported equipment are more competitive than those of locally manufactured products. Used machinery and equipment is also in high demand in Mexico, since state-of-the-art technology is still not frequently used and is limited to the very large firms.

The most important supplier of forestry harvesting and woodworking equipment to Mexico is the U.S., with a 58% market share. Geographical proximity plays a major role in this leadership, since transportation costs can be high. At the same time, spare parts and accessories are therefore more readily available. Also, many U.S. firms have established a presence in Mexico through local distributors, representatives or agents or through joint ventures. Italy and West Germany also have a major presence in Mexico with a 2.3% and 8.1% market share respectively. Brazil, Sweden and Japan have a smaller share of the market, while Canadian products account for one percent of total imports.