

and consumption expanded 13.6% and 5.2% respectively in 1990 and 1991 and public investment was up 12.8%. During the 1992-1994 period, the GDP is expected to maintain an average annual growth rate of 4%-5%, although preliminary figures place GDP growth at 2.7% for 1992 pointing towards a reduction in GDP growth in response to reduced economic activity worldwide and the need for inflation control.

In an effort to revitalize and open the Mexican economy, the Mexican Government undertook a series of structural changes, including the accession to the General Agreement on Tariffs and Trade (GATT) on August 24, 1986 leading to an extensive trade liberalization process: import permits were eliminated on all but 325 of the total 11,950 tariff items based on the Harmonized System adopted in 1989. Official import prices are no longer applicable, nor the 5% export development tax, and import duties were lowered from a maximum of 100% in 1982 to 20% in January 1988. The weighted average tariff rate is now 10.4%. The automotive and computer industries have also been liberalized, through the elimination of prior import permits, to allow free entry of products in these industries. The approval of the North American Free Trade Agreement will further strengthen trade between Canada, the United States and Mexico.

According to official data from the Mexican Secretariat of Commerce and Industrial Development (SECOFI), Mexico's trade balance dropped once again in 1992 to a \$19.8 billion deficit from -\$11.1 billion in 1991, when it had already increased by 145.6%. Exports increased by 3.8% in 1992, from \$27.1 billion to \$28.1 billion, while imports grew 25.6%, from \$38.2 billion to \$48 billion in 1992, having already increased 22.8% in 1991. January-March data for 1993, place total exports at \$7.4 billion and imports at \$12.9 for the first quarter, reflecting a 10.3% and 18.3% growth rate respectively as compared to the same period the previous year.

### **3. MARKET ASSESSMENT**

#### **3.1 APPARENT CONSUMPTION**

The Mexican market for wood, wood products and wood prefabricated buildings as analyzed in this report includes:

- Fuel wood, wood in chips or particles, sawdust and wood waste;
- Wood charcoal;
- Wood in the rough;
- Hoopwood, poles, piles, pickets and stakes, sticks for the manufacture of handles and the like;
- Wood wool and flour;
- Railway or tramway sleepers;
- Wood sawn or chipped, sliced or peeled, sanded or finger-jointed;
- Veneer and plywood sheets;
- Wood continuously shaped;
- Particle board;