CATEGORY	1989	1990	1991	1992 JAN-OCT
GRAND TOTAL	188,132	229,902	368,566	396,091
GROWTH		22.2%	60.3%	7.5%
PARTS/TOTAL	14.6%	16.4%	11.4%	9.4%

Source: Import data published by SECOFI

As can be seen in this table, total imports of instruments and equipment have increased at a very fast pace in the past few years, averaging 37.1% between 1989 and 1992 on an annual basis. While total imports were valued at $188.1 million in 1989, by 1992 they are estimated at $475.3 million. During 1991 alone, imports grew by 60.3% to $368.6 million, from $229.9 million the previous year. Instrument and equipment imports have grown more rapidly than imports of parts, which were formerly imported in large volumes in order to keep existing equipment going. At present, they no longer represent such a high percentage of sales (this dropped from 16.4% in 1990 to 9.4% in 1992), since end users are replacing rather than overhauling their instruments and equipment as the economy keeps growing and investment funds are more available.

In the years to come, imports are expected to grow at a faster pace than local production, because end users are increasingly buying high technology, sophisticated and state-of-the-art instruments and equipment, which will enable them to maximize and optimize their production capacity. Domestic production has been concentrated in manual, low technology, commodity instruments and equipment, while the more sophisticated, electronic and automated equipment has been sourced abroad. The latter is now in higher demand because it is more accurate, includes leading edge technology and is of a higher quality. Its benefits are presently also better known and sought after, particularly in response to an increased emphasis on quality control. At the same time, the sale of imported non-specific instruments is decreasing in favor of more integrated, readily identifiable and job-specific items, which are not made in Mexico because the low volumes sold locally by product do not justify the major investments needed to manufacture them, in particular in the face of international competition.

The United States has traditionally been the number one supplier of laboratory instruments and equipment to Mexico with a 59% market share in 1992, followed by Japan, Germany and the United Kingdom. The United States is percieved to be a technological leader in the industry. Also, the quality of U.S. products and the close proximity to Mexico, which has allowed easy availability of parts and service, have payed an influential role in this relationship. Last but not least has been the association of Mexican and U.S. companies through licensing and joint venture agreements. Japanese manufacturers can be considered the most