CUSTOMER PROFILE

Grupo Protexa, with its head office in Monterrey, is one of the most successful subcontractors to *PEMEX* for construction projects. The company imports 90 percent of the equipment and materials used in these projects. To facilitate imports, *Protexa* has established a purchasing office in Houston, Texas.

Both *PEMEX* and *CFE* are increasingly handling major construction projects on a turnkey basis. This means that materials specification and purchasing are handled by the construction or engineering firms that are awarded the project. Nonetheless, the *PEMEX* and *CFE* purchasing departments remain closely involved in many procurement decisions, and they often recommend products or suppliers. Potential suppliers should direct their marketing efforts to the contracting agencies as well as their key contractors. Two of the most important Mexican companies involved in construction projects for *PEMEX* and *CFE* are *Grupo Bufete Industrial* and *Grupo Protexa*.

HOUSING

Housing construction in Mexico averages 650,000 units per year. Roughly half of these units are constructed by the informal housing sector, usually by the owner, and often without title to the land. The other half is built by the formal construction sector either through government-assisted programs for low-income housing or private development for middle and upper-class dwellings.

Mexico has a serious shortage of housing and this has led to a tremendous demand for housing construction materials and services. The best prospects for sales in this sector include:

- prefabricated structures;
- decoration and finishing products;
- hardware;
- aluminum and wood doors and windows;
- kitchen and bathroom fixtures;
- domestic plumbing products;
- locks and security systems;
- coating materials for weather proofing;
- roofing materials; and
- carpets, flooring and curtains.

Under Mexico's new housing initiative, government agencies provide financing for residential construction but they are no longer responsible for building homes. Even though they are not direct purchasers of building materials, they play a key role in promoting new technologies and setting prices. These entities are therefore important contacts for learning about future housing development plans and introducing new building concepts. The major entitities are the following:

- *Fondo de Operación y Financiamiento Bancario a la Vivienda (FOVI)*, the Housing Fund for Commercial Banks;
- *Instituto del Fondo Nacional de la Vivienda para los Trabajadores (INFONAVIT)*, the Housing Pension Fund for Private Sector Employees;
- *Fondo de la Vivienda del Sistema de Seguridad Social de los Trabajadores del Estado (FOVISSTE)*, the Housing Pension Fund for Public Sector Employees; and
- *Fondo Nacional de Habitaciones Populares (FONHAPO)*, the Federal government's low-income housing agency.