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Wood and Cellulose Products

THE OPPORTUNITY

The Mexican wood and cellulose sector offers many opportunities to Canadian suppliers.

- Although Mexico has substantial forest resources, the wood industry is inefficient and wastes a large proportion of every tree.
- Wood quality is low, with high-moisture, air-dried products dominating the market.
- The cellulose industry has declined substantially in recent years, due to outdated facilities that are too small to capture economies of scale.
- Although Mexicans are generally prejudiced against the use of wood for structural purposes, the construction industry is increasingly demanding wood for finishing applications, such as wall panelling, flooring and cabinetry.

MEXICO'S FOREST RESOURCES

Mexico's forest resources are the tenth largest in the world. From its earliest beginnings, the nation has grappled with the problem of effectively managing this natural heritage. In early 1995, President Zedillo's administration began yet another reorganization of the sector when it created the *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP)*, Secretariat of the Environment, Natural Resources and Fisheries. The new secretariat has a mandate to create the conditions for sustainable forestry development.

Mexico's national territory totals 196.7 million hectares of which 56.8 million hectares consist of forests and jungles. According to estimates by the *Cámara Nacional de la Industria Forestal (CNIF)*, National Chamber of the Forest Industry, in 1993 almost 50 million hectares were regarded as forest resources. Less than half of these are presently commercially available. About 80 percent of the timber harvested in Mexico is pine, 8 percent is oak and the rest is mostly tropical hardwood.

About 80 percent of Mexico's forest resources are part of *ejidos* or community properties, which have been officially assigned by the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (SAGAR)*, Secretariat of Agriculture, Livestock and Rural Development. There were about 7,000 *ejidos* in 1993. Another 15 percent of forest resources are distributed among roughly 100,000 small private owners. The remaining 5 percent comprise the 123 national parks. Deforestation is an ongoing problem. An average of 270,000 hectares of forest were lost annually between 1989 and 1993.

Amendments to the Mexican Constitution in 1992 changed the



SUMMARY REPORT

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