

practically no quality control. This has brought about an increase in the use of imported wood and other inputs by the local furniture manufacturers.

6. REGULATIONS

The Mexican forestry sector is regulated by three major frameworks:

The Mexican Constitution (Article 27)

The Forestry Law (April 1986) and

The Regulations to the Forestry Law (July 1988).

Additionally, the Rural District Development Law and the General Law of Ecological Balance and Environmental Protection influence decisions in this sector.

The Secretariat of Agriculture and Hydraulic Resources (SARH) is the administrative body for the enforcement of the law and the signature of multilateral agreements. It is also responsible for the preparation of an inventory of existing resources (the most recent one was done in 1975) and of statistical data on the sector, as well as of policy guidelines and development programs for the sector. Basically, the SARH is in charge of regulating, developing and overseeing all aspects related with the exploitation, preservation and reforestation of forestry resources, as well as their distribution and industrial transformation.

The exploitation of forestry resources is reserved exclusively to Mexican citizen and is subject to a permit granted by SARH based on "studies for integral management". This includes permanent, temporary, eventual (building a road) exploitation, and that for scientific, construction or plantation purposes. Integral management should consider the use and exploitation of forestry resources with the highest possible productivity and without damage to the environment. No permit is granted without such approved study. Additionally, SARH grants technical services to the forestry sector, mostly through concessions granted to land owners or professionals, which are in charge of overseeing the "integral management" as stipulated in the study and of conducting the exploitation of forestry resources. These services are payable by the exploitation permit holders.

In general terms, it can be said that the regulations are very limiting. Every aspect of forestry exploitation is subject to permits, studies and a myriad of requirements. This has made exploitation difficult and also costly, reason for which imported products are very competitive in Mexico.