

Several factors underlie this major change in the composition of the market. Mexico's trade liberalization policies and the stability of the peso-dollar exchange rate have made importation easier and less costly. Also, the domestic industry has been unable to meet the rapidly growing demand for building products and materials. Domestic production tends to be limited to a relatively small number of items per category, and the quality and availability of products are often insufficient and variable. Imported products provide a wide spectrum of alternatives and models, especially for decoration, and a more constant supply. It is expected that this trend will continue in the future, opening many opportunities to foreign suppliers.

As can be seen from Table 1, the largest category of imports of building products and materials corresponds to wood and cork products (17.7 percent), followed by electric lighting fixtures and supplies (17.0 percent), stone and mineral products (13.6 percent), floor, wall and roof coverings (11.5 percent), plumbing and pipe products (9.8 percent), builders' hardware (9.7 percent), metal products (6.9 percent), chemical and petrochemical products (6.2 percent), construction articles (5.5 percent), glass products (1.1 percent) and prefabricated buildings (1 percent).

The areas that could offer the best sales opportunities to foreign suppliers are those related to decoration and finishings, such as hardware, locks and padlocks, wall, roof and floor coverings, construction articles, sanitary articles and lighting fixtures.

Another area with good potential is where domestic production tends to be insufficient. This includes structural iron and steel products, bricks, asbestos, wood and wood products, electric fixtures and pipes.

Glass, cement, most petrochemical products, basic steel articles and stone products are not expected to provide much opportunity to foreign suppliers.

Most construction materials and products are imported from the United States, which enjoys an import market share fluctuating between 65 percent and 75 percent. This predominance is mostly due to its proximity and the familiarity of Mexican users with U.S. products. Germany, Italy, France and Japan are successfully competing with the United States in certain areas.

Table 2: Canadian Exports of Building Products and Materials To Mexico (Cdn\$ thousands)

	1988	1989	1990	1991
Granite				15
Portland cement white		224		
Plasters			25	
Asbestos	8,209	10,525	13,448	15,989
Paints & varnishes		335	245	19
Mastics		35	13	
Glues & adhesives	47			
Solvents & thinners				15
Plastic tubing & piping	17	98	3,751	
Plastic floor/roof/wall covering	2	5		
Plastic doors & windows	15			90
Plastic shutters & blinds	13			
Plastic builders' hardware		9	4	
Lumber	145	54	117	
Veneer		61		8
Continuously shaped wood	3	3		
Fibreboard		34	14	
Plywood	5	5		
Wood doors & windows	32	6		
Wood shuttering		157	33	3,927
Wood shingles	6	18		
Wood builders' hardware	60	4	15	47
Wallpaper			27	2
Carpets	115	217	173	
Insulating mineral material			3	
Refractory bricks			26	
Asphalt	26	2		
Plaster boards	1			
Tiles	78			35
Float glass in sheets			8	
Ceramic sanitary articles	24			
Glass fibres	3		10	
Iron & steel bars & rods		185		53
Iron angles & shapes	1,311	24	185	201
Iron & steel doors and windows	44	24		
Iron & steel structures	105	32	56	36
Iron & steel wire & cable	291	132	3	9
Iron & steel fencing	2	8	32	2
Iron & steel sanitary articles	25		1	
Copper pipes	13		124	
Copper sanitary hardware		2	3	
Aluminium bars & profiles		8		
Aluminium doors & windows	3			
Aluminium structures	14	34		11
Zinc articles	20			
Locks & keys	9	58	60	49
Hinges	302	140	175	
Castors	10		1	
Mountings & fittings	7	73		
Central heating boilers	117			
Electrical fuses		28		6
Automatic circuit breakers	528	944	689	517
Protective electric appliances	63	1	12	
Electrical relays	27	1	57	6
Electric switches	43	114	209	121
Plugs & sockets		135	5	5
Other electric appliances	19	739	211	66
Electric boards & panels	3	24	342	78
Insulated wire	158	28		59
Electric conductors	137	12		51
Wall & roof lighting fixtures	10		5	8
Prefabricated buildings		18	63	144
Total	12,062	14,556	20,145	21,569

Source: Statistics Canada, International Trade Division