

# Forest Industries

## THE OPPORTUNITY

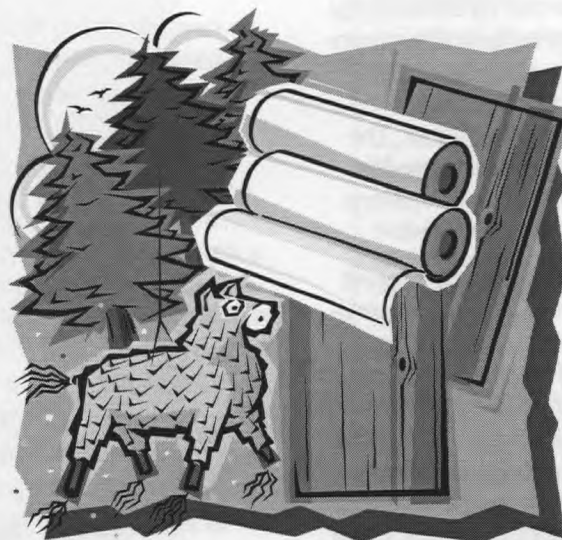
The Mexican forest sector provides important opportunities for Canadian suppliers.

- Production capacity is well-short of demand for both wood and paper products.
- Mexican producers lack the capital and the expertise to meet international productivity and quality standards.
- Only 17 percent of the fibre used in papermaking is virgin fibre from the Mexican forest sector.
- Although the devaluation of the peso has given the industry a temporary boost, it lacks the long-term capability to compete against more efficient foreign producers.

Opportunities exist in both the paper and wood subsectors. Wood products are the subject of a separate market summary and are discussed only briefly in this publication.

## MEXICO'S FOREST RESOURCES

Mexico's forest resource is the tenth largest in the world. From its earliest beginnings, the nation has grappled with the problem of effectively managing this natural heritage. Soon after independence, the Mexican government moved to protect forest resources against over-exploitation through a cutting permit system. Attempts to rationalize the management of forest resources on a national scale began in 1926, when the first



forestry law was passed. This law has been amended or replaced several times since then, most recently in 1993. In early 1995, the administration of President Zedillo 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 mission 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 regarded as commercially available. The total standing inventory of commercial forests was estimated at 2 billion cubic metres in 1993. About 80 percent of the timber harvested in Mexico is pine, 8 percent is oak and the rest consists mostly of tropical hardwoods.

## SUMMARY REPORT

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