

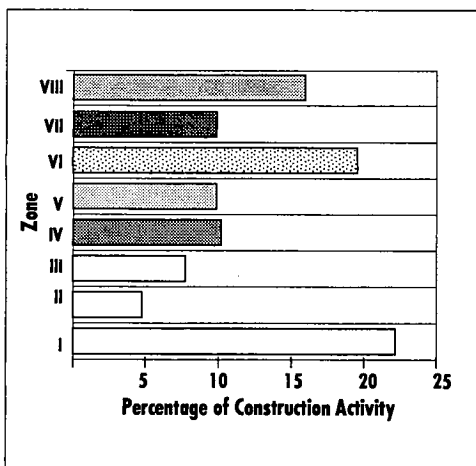
5. REGIONAL MARKETS

The size and nature of the market for construction products varies throughout Mexico. In a given region, the demand for construction products depends on the level of construction activity, the demographics of the region and the proximity to distribution sources. The three most important regions in Mexico are:

- the Federal District or Mexico City;
- Guadalajara;
- the state of Jalisco;
- Monterrey; and
- the state of Nuevo León.

These three areas account for over 30 percent of the country's construction activity. The state of Veracruz is also a leader in both industrial and construction activity. The state of Campeche, although not as well developed, has become important because of the petroleum projects underway.

REGIONAL CONSTRUCTION ACTIVITY, 1992



Source: Townsend Trade Strategies Inc.

