

The overall import market share for paper fell from 12.4 percent in 1982 to a minimal level of 2.8 percent in 1987 (see Table 18). Since then, it has recovered to the 14.3 percent of 1991. The category with the highest import market share is special papers, many of which are not manufactured in Mexico due to the relatively small volume demanded by a very wide range of products, which does not allow the domestic industry to be competitive worldwide. Printing and writing paper also showed a major increase in import market share in 1991. Packaging paper, sanitary and tissue paper also have increased their market share, although at a somewhat slower pace.

Newsprint and textbook paper increasingly are being manufactured locally. The United States, with a 78 percent market share in 1991, is the most important supplier of paper to Mexico.

**Table 19: CANADIAN EXPORTS OF PAPER TO MEXICO (Cdn\$ thousands)**

	1988	1989	1990	1991	Jan-Nov 1993
Newsprint	6,635	6,618	15,923	34,489	26,543
Writing & printing paper	1,324	3,321	4,195	7,274	1,965
Kraft paper/paperboard	320	243	18	0	27
Other uncoated	314	166	39	0	0
Copying/transfer paper	14	32	34	0	0
Coated paper/paperboard	73	5	48	109	1,558
Cigarette paper	40	17	0	0	0
Tissue paper products	66	2,707	6,026	9,804	122
Cartons/boxes/bags	102	48	208	98	453
Albums	130	214	265	276	244
Labels	38	31	21	95	495
Other	23	130	114	17	51
	<b>9,079</b>	<b>13,532</b>	<b>26,891</b>	<b>52,162</b>	<b>31,458</b>

Source : Statistics Canada, International Trade Division

Canadian exports to Mexico have increased year after year since 1988, from Cdn\$9.1 million to Cdn\$52.2 million in 1991 (see Table 19). Three categories account for most imports: newsprint, sanitary paper, and writing and printing paper. Canadian imports from Mexico were valued at Cdn\$1 million in 1991, down from Cdn\$4.1 million in 1988 as a result of the reduction of tissue paper imports from Cdn\$3.7 million to only Cdn\$55,000.

### 4.3 Local Production

There are eight pulp- and paper-producing firms and another 58 paper producers. Mexico's paper production capacity reached 38 million metric tonnes in 1991, up from 2.8 million tonnes in 1982. Paper production capacity steadily increased during this period, at an average annual rate of 3.5 percent (see Table 20).

**Table 20: INSTALLED CAPACITY FOR PAPER PRODUCTION**

	1982	1988	1991	Use (%)
		(000 tons)		
Newsprint & textbook	241	420	430	90.4
Writing & printing	616	605	656	76.7
Packaging	1,548	1,845	2,210	71.5
Sanitary & tissue	314	433	467	83.1
Special	85	72	52	67.1
	<b>2,804</b>	<b>3,375</b>	<b>3,815</b>	<b>75.9</b>

Source : Memoria Estadística 1992, CNICP

Packaging papers and paperboard account for 58 percent of total installed capacity, followed by writing and printing papers (17.2 percent), sanitary and tissue paper (12.2 percent), and newsprint and textbook paper (11.3 percent). The only category with a reduction in installed capacity during this period was special papers. Imports predominate in this sector because domestic capacity is small and falling.