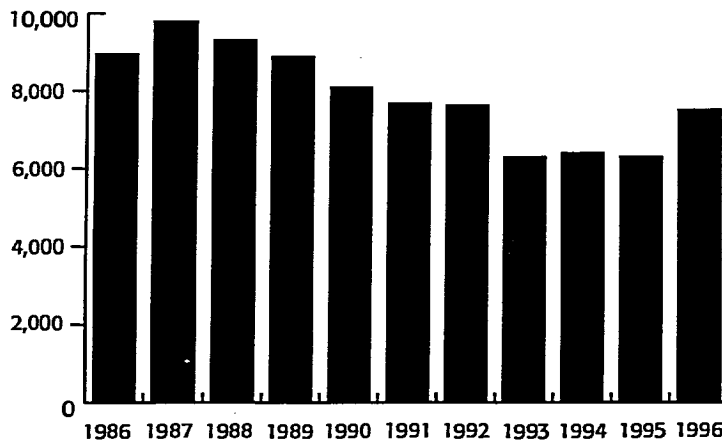


## COMPOSITION OF THE MEXICAN PRODUCTION OF TIMBER



Sources: *Memoria Económica 1991-1992* — Cámara Nacional de la Industria Forestal (CNIF), National Forest Industry Chamber, 1986 to 1993, and *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (Semarnap)*, Secretariat of Environment, Natural Resources and Fisheries, *Dirección General Forestal*, 1984.

A new *Ley Forestal*, Forestry Law, enacted in December 1992 is expected to encourage long-term investments in forestry. The government has recognized that a 20-year tenure is a minimum for the development of commercial plantations. In early 1995, the administration of President Zedillo began another re-organization of the sector when it created *Semarnap*. One of the new secretariat's missions is to create the conditions for sustainable forestry development.

### TIMBER PRODUCTION

Timber production has declined in recent years both in absolute terms and relative to the economy. Production fell by one-third between 1987 and 1993, and by 10 percent in 1993 alone. There was a slight increase to about 6.4 million cubic metres round in 1994, followed by a decline to about 6.3 million cubic metres round in 1995. Production for 1996 increased as a result of increased exports, mainly to the United States. Production for the year was forecast at 7.5 million cubic metres based on first-quarter data, but the US Department of Agriculture has estimated

that 1996 production could increase by as much as 30 percent.

About three-quarters of Mexico's roundwood production is sold as sawnwood or peeler logs. Another 19 percent takes the form of cellulose for paper production. Other significant products include posts and piles, sleepers and charcoal. More than two-thirds of forestry production comes from three states. Durango is the largest forestry state, accounting

for 31 percent of 1995 production, followed by Chihuahua and Michoacán with 21 percent and 17 percent respectively.

The devaluation of the peso in December 1994, gave the industry a boost. But Mexican producers will have difficulty competing with imported wood products in the long run. 1994 production was only about 43 percent of domestic consumption, which is estimated at 15 million cubic metres. This suggests opportunities for joint ventures with Canadian forestry companies that could help their Mexican counterparts to modernize and adopt modern forest management practices.

### PULP PRODUCTION

In Mexico, wood pulp is known as *celulosa*, cellulose. The cellulose industry has been severely affected by trade liberalization. Domestic production fell from 551,000 tonnes in 1988 to only 276,300 tonnes in 1993. The industry suffered from a world oversupply of pulp between 1991 and 1993, and at least four Mexican pulp plants were shut down. The recovery of prices in 1994 and the devalued peso have allowed two

## TIMBER PRODUCTION IN MEXICO, 1995

Cubic metres round

State	All Timber		Pine	
	Total Production	Percent by State	Total Production	Percent by State
Durango	1,942,737	30.8	1,838,714	34.4
Chihuahua	1,293,053	20.5	1,188,588	22.2
Michoacán	1,084,172	17.2	857,497	16.0
Oaxaca	408,855	6.5	393,148	7.3
Jalisco	368,253	5.8	326,828	6.1
Puebla	297,478	4.7	228,833	4.3
Guerrero	167,181	2.7	156,031	2.9
México	96,202	1.5	47,254	0.9
Others	644,486	10.2	314,830	5.9
<b>Total</b>	<b>6,302,417</b>	<b>100.0</b>	<b>5,351,723</b>	<b>100.0</b>

Source: *Secretaría de Agricultura y Recursos Hidráulicos (SARH)*, Secretariat of Agriculture and Water Resources, the former agriculture secretariat, 1995.