

housing complexes and selling them directly to Infonavit credit holders. They will therefore have to act as planners, builders and vendors.

Another alternative for more lucrative, middle class housing is given by financial backing from the Official Fund for Housing (FOVI), which offers slightly lower interest rates than private financial groups, under the auspices of the Mexican central bank. Also, banks have begun to promote mortgages in recent years with much success. This will be a very important factor in fostering construction in general, but also prefabricated housing as this becomes more known in Mexico.

5. END USERS

Wood consumption in Mexico can be divided first into two distinct sectors: Firewood and other uses. It is estimated that two thirds of wood consumption is used by fire: natural fires, man-induced fires, mostly to prepare lands for other uses, and firewood for rural homes, since wood continues to be the number one fuel used in rural Mexico. The remaining 35%, which in 1991 corresponded to the 7.7 million m³ noted in Table 7, is for industrial uses. Scantling, which accounted for 5.4 million m³ of this total, is basically used in two industries: construction (60%-70%) and furniture manufacturing (25%-35%), including mouldings. The rest is used for the manufacture of doors, other building products and other wood items, such as pencils, frames, handles, kitchenware, tableware, etc. The 1.6 million m³ of pulp are used in the paper industry, mostly for packaging and fine papers that cannot be made from recycled fibres. Posts and piles (0.1 million m³) are used in the mining industry and in the construction of transportation infrastructure. Fuel wood is used to manufacture coal and sleepers are consumed in 80% by the national railroad company, Ferrocarriles Nacionales de México and the rest by private contractors.

Below is a short overview of the construction and furniture industries, which are the largest users of wood in Mexico.

5.1 CONSTRUCTION

The Mexican construction industry is a very important economic activity, as measured by a 5% participation in the country's total GDP. Additionally, it is one of the most important employment generating activities, since it accounts for 10% of total employment. In the area of construction, there are close to one million workers registered. According to the input-production matrix for the construction industry, wood represents 3.7% of the total production value of the industry. At the same time, construction represents 47% of the total demand for sawmills and plywood and 9% of other wood industries.