MEXICO'S FOREST RESOURCES, 1993

Millions of Hectares

Forest Type	Total Resources	Commercially Available Resources
Temperate and cold-climate species	25.4	15.0
Softwood	17.3	
Hardwood	8.1	
Tropical and subtropical	24.2	6.0
Mid- and low-forests	19.7	
High forests	4.5	
Total	**49.6**	**21.0**

Source: *Cámara Nacional de la Industria Forestal (CNIF)*, National Forest Industry Chamber, 1994.

The tropical forests are concentrated in the south and southeast. Although they constitute about half of the nation's forest resource, they have not been extensively exploited. The most popular species are *Cedrela odorata*, cedar, and *Swietenia macrophilla*, mahogany, which are commonly referred to as "the beautiful woods" and used mainly for furniture manufacturing.

Deforestation is an ongoing problem. According to government estimates, more than 30 percent of the nation's forest lands have been lost since 1960, with an annual deforestation rate of 340,000 hectares. Most of the loss is concentrated in the tropical forests and is caused by the expansion of cattle ranching as well as fires and illegal cutting. Severe environmental damage, including water pollution, floods and reduced biodiversity has been attributed to deforestation. A comprehensive national forest inventory was completed in October 1994, and updates are scheduled every 10 years, to support the reforestation program.

Although almost all of Mexico's forest production comes from natural forests, there have been recent attempts to develop commercial plantations. Most of this activity is in the states of Veracruz, Tabasco and Yucatán. There have also been greatly increased reforestation efforts, by large multinational forest product producers as well as government-supported community groups. For example, the *Grupo Ecológico Sierra Gorda*, Sierra Gorda Ecology Group, with support from the State of Querétaro and *Secretaría de Desarrollo Social (Sedesol)*, the Secretariat of Social Development, planted 600,000 trees in 1994 alone. The government has recently created the *Fondo de Desarrollo Forestal (Fondfor)*, National Fund for Forest Development, which is expected to spend some US $1 billion reforesting 500,000 hectares of southwestern Mexico. The government has received substantial loans from the World Bank and the Inter-American Development Bank to support reforestation efforts and other forest management practices by *ejidos*. In addition, the Japanese government has loaned money for the reforestation projects in the states of Morelos and México.

The government of Canada is also assisting Mexico with its efforts to develop modern forest management practices. Natural Resources Canada is supporting three model forests in Mexico, at Calakmul, Chihuahua and Mariposa Monarca. Each of these forests is in a different climatic region.

THE FORESTRY SECTOR

Although Mexico's formal forest industry is some 70 years old, it is still in its infancy in terms of technology, infrastructure and forest management practices. About 80 percent of all forestry resources are exploited by small-scale producers using outdated technology and wasteful forestry practices.

As a result, forest yields are relatively low. Output is only about one cubic-metre round per hectare annually. This compares with 3.5 cubic metres per hectare in the US and 2.3 in Canada. According to the *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (Semarnap)*, Secretariat of Environment, Natural Resources and Fisheries, the Mexican forest products sector is about 40 percent less productive than the world average.

Logs and lumber are typically stored outdoors for considerable periods, resulting in sun-dried wood with moisture content in the 12 to 14 percent range. Some producers have begun to install kiln drying facilities in response to demand for better-quality lumber from the construction and furniture industries. But modernization efforts are hampered by transportation problems. Because there are few rivers near the commercial forests, wood has to be hauled over land on trucks, mostly on small mountain roads. In the lumber states of Durango and Chihuahua, for example, the density of forest roads is only 2.6 and 7.0 metres per hectare, respectively. This compares with about 16 metres per hectare that is considered necessary by *Semarnap* officials.

These factors make it difficult for the domestic industry to compete against foreign timber suppliers, which are all the stronger because of trade liberalization policies. According to World Forest Institute estimates, wood production costs in Mexico are between 35 and 40 percent higher than the world average.