THE NORTH AMERICAN FREE TRADE AGREEMENT (NAFTA)

The NAFTA expands Canada's free-trade area of 270 million people into a market of 360 million — a market larger than the population of the 15 countries of the European Union and one with a total North American output of \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico exceeded \$5.5 billion in 1994 and is expected to exceed \$7 billion by the end of the decade.

Canadian direct investment in Mexico is growing rapidly, increasing from \$452 million in 1992 to over \$1.2 billion in 1994.

This guide has been prepared with the problems inherent to the new exporter in mind. However, it is not exhaustive. The differing circumstances, interests and needs of individual companies will influence their strategies for the Mexican market.

Further assistance can be obtained by addressing requests to:

The provincial International Trade Centres (see Where To Get Help) or contact the InfoCentre at:

Tel.: 1-800-267-8376 or (613) 944-4000 Fax: (613) 996-9709 FaxLink: (613) 944-4500

InfoCentre Bulletin Board (IBB): 1-800-628-1581 or (613) 944-1581

TABLE OF CONTENTS

Prejudice Against Wood	7
The Housing Sector	8
The Housing Shortage	9
The Housing Market	9
Urbanization	10
Home Builders	10
Technology	11
THE ROLE OF IMPORTS	12
Housing Buyers	13
Home Financing	14
Secretariat of Social Development	15
Conventional Bank Mortgages	16
Government-Backed Commercial Mortgages	17
Pension Plans	18
Public Housing Agencies	20
The Northern Border Region	21
Competition	22
Mexican Construction Companies	22
Foreign Competitors	23
Canadian Presence	25
TRENDS AND OPPORTUNITIES	25
New Government Housing Policies	26
Renovation Materials	27
Wood Building Materials	28
Value-Added Components	28
New Building Techniques and Materials	29
Prefabricated Homes	31
Regional Demands	31

