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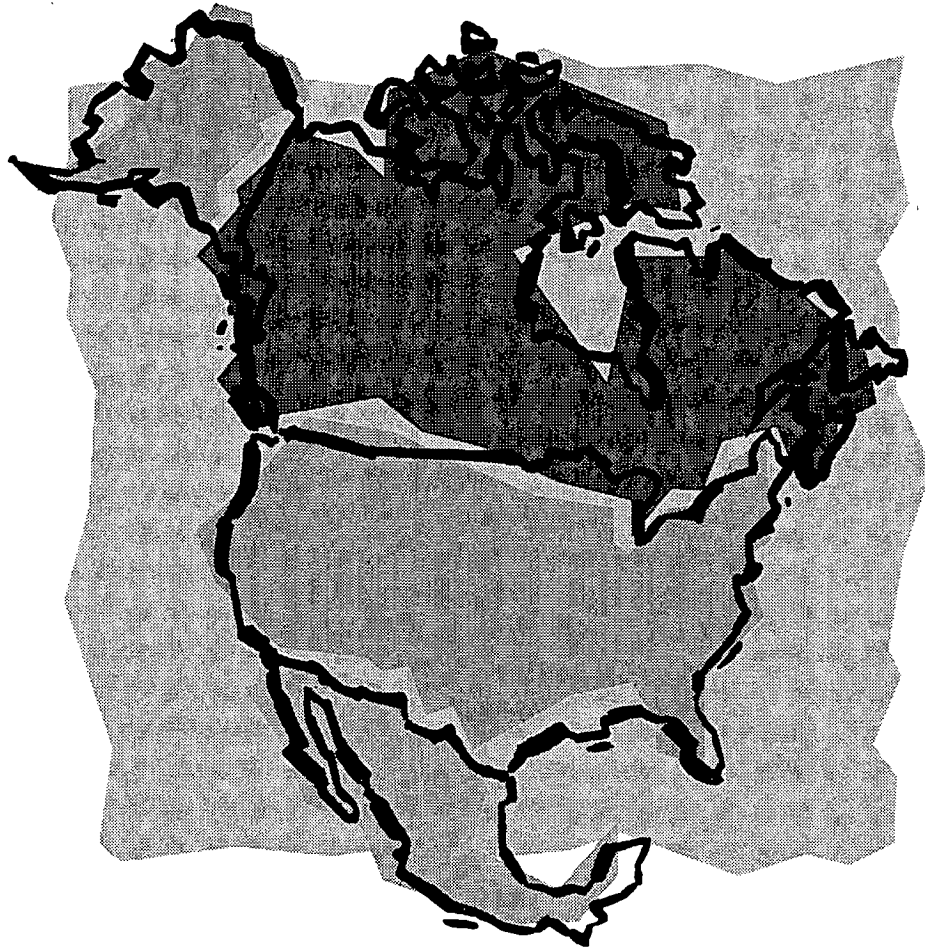


**BUILDING  
PRODUCTS AND  
MATERIALS**



**MEXICO MARKET PROFILE**

Canada



# BUILDING PRODUCTS AND MATERIALS

Department of Foreign Affairs  
and International Trade

Canadian Embassy  
Mexico  
June 1992

(Disponible également en français)

Dept. of External Affairs  
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Latin America and Caribbean Trade Division  
Department of Foreign Affairs and International Trade  
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## INTRODUCTION

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This market study has been prepared to assist Canadian firms interested in exporting to Mexico. While an effort has been made to examine the most important aspects of the sector, the study is not exhaustive. Companies will have to tailor their marketing approach to their particular interests and circumstances.

Further assistance can be obtained by contacting the Commercial Division of the Canadian Embassy in Mexico City located at Calle Schiller No. 529, Col. Polanco, 11580 Mexico, D.F., telephone (011-525) 724-7900, telex 177-1191 (DMCNME) and fax (011-525) 724-7982 (sending from Canada); or the Latin America and Caribbean Trade Division, Foreign Affairs and International Trade, 125 Sussex Drive, Ottawa, Ontario, K1A 0G2; telephone (613) 996-5547; fax (613) 943-8806.

## 1. BACKGROUND

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Mexico has a centuries-long history of impressive construction, even though the methods were not particularly innovative. The great pyramids of pre-Columbian times were basically built from a large volume of earth that was brought to the site, piled and tamped down. This was covered with a facing of stone and mortar to protect the structure from the elements. Facing methods may have varied from culture to culture, but the basic principle remained the same.

The few closed-in spaces were covered with very elementary wood-beam roofing. It was only in the Mayan era that stone roofing was developed. Called the "Mayan vault" or "false arch", the method was not very efficient.

Pre-Columbian building procedures practically fell into oblivion because they were not appropriate for the type of constructions wanted by the Spaniards. The new buildings, such as palaces and churches, were built with European methods. Only a few pre-Hispanic techniques — for masonry, waterproofing and mural painting — were used during the 16th century. Very little of this field has yet been researched.

Construction was never of a high quality. There was a scarcity of professional architects and qualified labour. In addition, the authorities were not able to enforce compliance with existing ordinances. These conditions persist.

In Mexico City, the Spaniards used log pilings to increase the ground-bearing capacity and to prevent the buildings from sinking into the muddy soil. Aztecs did the same, but there is no proof that the Spaniards learned the technique from them; it is found throughout the world.

No special method was developed to strengthen buildings against earthquakes. In areas such as Oaxaca and Chiapas, where earthquakes are stronger and more frequent, the solution was simply to make thicker and lower structures.

Some building methods were typical of certain regions. The dry climate and abundance of good clay in the Guadalajara and Bajío regions made "Catalan vaulting", that is, very flat vaults and domes made of brick and without centering, possible. Other differences resulted from the use of

regional decorative materials, for example, reddish tezontle-stone façades in Mexico City, brightly coloured tile and white stucco ornaments around Puebla and Tlaxcala, and delicately carved limestone façades in Querétaro and San Luis Potosí.

Regional differences have gradually faded since the 19<sup>th</sup> century as the principles of modern architecture spread throughout Mexico. At the same time, the new materials and procedures, such as iron, steel and concrete, became more commonly used, contributing to the disappearance of regional techniques.

Political, social and material progress allowed for a significant improvement in building standards at the beginning of this century, but these advances were lost due to the 1910 revolution. Since then, the demand for new buildings has usually exceeded both the material and human resources available. This has translated into lower architectural and construction quality.

Even though construction techniques are much the same as those used in developed countries, economic policy over the last four decades has offered little incentive for manufacturers to broaden their products lines. There is little variety in pre-fabricated housing, steel structures, flooring materials, lighting, bathroom and hardware fixtures, aluminium and wood doors and windows. These areas offer an interesting market to be explored by foreign suppliers.

## 2. MEXICAN ECONOMY

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In 1988, Mexican authorities implemented a stabilization program, called the Economic Solidarity Pact, to reduce the inflation rate. The Pact features traditional austerity measures, entailing tight fiscal and monetary policies, and unorthodox measures, such as price, wage and exchange rate controls. This cornerstone of Mexico's economic policy, recently extended to January 1993, has resulted in a drastic reduction in inflation, from an annual rate of 159 percent in 1987 to 19.7 percent in 1989. Inflation rebounded to 29.9 percent in 1990, but was brought down to 18.5 percent in 1991 and is expected to be 10 to 12 percent in 1992. At the same time, the peso-dollar devaluation rate has been set at Mex\$0.2 pesos a day, 2.4 percent per annum.

Mexico's 1992 macroeconomic policy has the objective of consolidating the progress made in price stabilization and of reaffirming gradual and sustained economic recuperation. Mexico aims to do this by establishing the conditions necessary to encourage national and foreign investment and by stimulating local demand. Mexico also hopes to improve the living standards of the poorest segment of society by means of the *Solidaridad* program.

Domestic economic activity recovered for the third consecutive year in 1989, after the 1986 recession, with a gross domestic product (GDP) growth rate of 3.1 percent. GDP grew 3.9 percent in 1990 and 3.6 percent in 1991 to reach U.S.\$280.3 billion. Per capita GDP was estimated at U.S.\$3,385 in 1991 (Mexico has a population of about 83 million). Manufacturing output grew by 5.2 percent in 1990 and 3 percent in 1991, in real terms, private investment and consumption expanded 13.6 percent and 5.2 percent, respectively, and public investment was up 12.8 percent. During the 1992-1994 period, GDP is expected to maintain an average annual growth rate of 4-5 percent. Preliminary figures place GDP growth at 4 percent for 1992.

To revitalize and open the Mexican economy, the Mexican government undertook a series of structural changes. For example, on August 24, 1986, Mexico acceded to the General Agreement on Tariffs and Trade (GATT), leading to an extensive trade liberalization process. Import permits were eliminated on all but 198 of the total 11,812 tariff items listed on the Mexican Harmonized System adopted in 1989. Official import prices and the 5 percent export development tax are no longer applicable. Import duties were lowered from a maximum of 100 percent in 1982 to 20 percent in 1988, and the weighted average tariff rate is now 10.4 percent. The automotive and computer industries have also been liberalized, through the elimination of prior import permits, to allow free entry of products in these industries. The approval of the North American Free Trade Agreement (NAFTA) will further strengthen trade between Canada, the United States and Mexico.

According to official data from the Mexican Secretariat of Commerce and Industrial Development (SECOFI), Mexico's trade balance dropped in 1991 to a U.S.\$10.4 billion deficit from -U.S.\$3 billion in 1990. In 1991, exports increased by 2.6 percent, from U.S.\$26.8 billion to U.S.\$27.6 billion, and imports grew 22.2 percent, from U.S.\$29.8 billion to U.S.\$38 billion. Imports had

already increased 27.2 percent in 1990 from U.S.\$23.4 billion in 1989.

Canada is Mexico's sixth largest exporter and fifth largest importer. According to Mexican figures, in 1990, 1.6 percent of Mexico's imports came from Canada and 0.8 percent of its exports were to Canada. Canadian exports to Mexico increased 24 percent in 1989, but decreased by 1.5 percent in 1990 and by 26 percent in 1991. Canadian exports to Mexico totalled Cdn\$594 million in 1990 and Cdn\$440.8 million in 1991. Canadian imports from Mexico totalled Cdn\$1.7 billion in 1990 and Cdn\$2.6 billion in 1991.

### 3. MARKET ASSESSMENT

The Mexican market for construction and building products is a significant part of Mexico's economy. In 1990, the most current data, total apparent consumption in this market reached U.S.\$3.7 billion, an increase of 18.2 percent over the U.S.\$3.2 billion reported in 1989. The market is estimated to have grown another 5 percent during 1991. Between 1992 and 1994, the market is expected to show an average annual growth rate of 4 percent, placing total apparent consumption at U.S.\$4.4 billion in 1994.

The construction sector as a whole has seen rapid growth, leading, of course, to growth in the market for building products and materials. Total construction GDP, 5 percent of total GDP, grew 2.1 percent in 1989 and 7.7 percent in 1990, a record growth rate since 1980. Two related factors account for this increase. First, economic activity has, in general, increased. Mexico's general deregulatory and privatization policies, the increased availability of financing and a reduction in the cost of money have allowed a reactivation in housing construction. Second, several banks, in particular NAFINSA, the government-owned industrial development bank, have made credit available to small- and medium-sized companies for the purchase of materials and supplies. These trends are expected to continue.

#### 3.1 Imports

Imports, which before 1987 represented a very small portion of the Mexican market for building products and materials, have shown major increases since then (see Table 1). In 1988, imports



## • Building Products and Materials •

accounted for 7.7 percent of total apparent consumption, increasing to 13.7 percent in 1990. This market share is expected to grow to 17.7 percent by 1994, equivalent to U.S.\$780.2 million.

**Table 1: Imports of Building Products and Materials (U.S.\$ thousands)**

	1988	1989	1990	% Change Between 89 and 90
<b>Stone &amp; mineral</b>				
Slate	54.3	49.6	102.7	107
Marble	495.1	726.3	961.0	32
Granite	55.2	169.1	267.6	58
Gravel	250.5	275.1	127.8	-53
Gypsum	1,407.2	881.3	1,066.6	21
Caulking	1,778.3	681.8	511.2	-25
Cement	5,362.5	1,765.2	5,096.7	189
Asbestos	16,963.5	17,577.7	20,900.5	19
Worked building stone	2,209.8	3,837.6	5,286.2	38
Slate	16.7	18.0	31.1	73
Gypsum products	701.5	733.2	2,225.8	103
Cement & stone products	171.1	357.1	292.8	-18
Amianto-cement products	303.2	536.7	599.5	12
Ceramic products	482.5	626.6	524.8	-16
Refracting ceramic products	9,964.6	8,961.5	31,561.8	252
Construction bricks	73.0	54.1	42.9	-21
Ceramic tubes	32.2	87.1	200.2	130
<b>Total</b>	<b>40,321.2</b>	<b>37,338.0</b>	<b>69,799.2</b>	<b>87</b>
<b>Wood, plywood and cork</b>				
Lumber	26,763.1	29,619.7	44,328.9	50
Veneer	1,376.0	1,923.2	2,214.9	15
Shaped wood for construction	5,011.1	6,849.3	6,080.6	-11
Wood boards	986.3	2,162.0	4,083.6	89
Fibreboard	782.2	1,432.6	2,869.9	100
Plywood panels	13,707.5	15,893.5	30,165.3	90
Densified wood	429.5	171.7	285.6	66
Cork products	624.4	1,095.6	833.8	-24
<b>Total</b>	<b>49,680.1</b>	<b>59,147.6</b>	<b>90,862.6</b>	<b>54</b>
<b>Glass</b>				
Glass sheets	181.8	477.7	151.5	-68
Blown glass	51.0	152.3	325.6	114
Mirrors	1,732.6	2,040.1	1,116.4	-45
Ornamental glass	231.0	227.5	298.2	31
Security glass	248.4	830.6	1,204.6	45
Insulating glass	24.8	13.8	53.5	288
Construction articles	542.3	1,034.3	1,528.9	48
Fibreglass		1,149.2	1,234.7	7
<b>Total</b>	<b>3,011.9</b>	<b>5,925.5</b>	<b>5,913.4</b>	<b>-1</b>
<b>Chemical &amp; petrochemical</b>				
Paints & varnishes	6,075.1	7,478.1	17,865.2	139
Mastic	770.4	683.6	868.5	27
Glues & adhesives	2,630.7	6,886.4	9,541.5	39
Solvents	925.3	1,384.3	1,504.3	9
Insulating materials	380.4	904.5	856.7	-5
Asphalt	133.2	329.6	562.3	71
Panels	479.8	364.1	911.8	150
<b>Total</b>	<b>11,394.9</b>	<b>18,030.6</b>	<b>32,110.3</b>	<b>78</b>

**Table 1: Cont'd**

	1988	1989	1990	% Change Between 89 and 90
<b>Fabricated structural metal and metal</b>				
Iron/steel bars & rods in coils	994.5	2,339.7	12,827.1	448
Concrete reinforcing bars	3,486.8	1,120.7	16,517.5	1,374
Iron straight angles/shapes/sections	867.4	891.9	1,386.9	56
Netting & fencing	1,267.9	1,566.0	2,395.3	53
Steel cable	1,905.0	1,013.3	832.3	-18
Aluminium bars & shapes	1,047.1	1,129.3	1,761.9	56
<b>Total</b>	<b>9,568.7</b>	<b>8,060.9</b>	<b>35,721.0</b>	<b>343</b>
<b>Wall, floor &amp; roof coverings</b>				
Plastic floor covering	1,113.7	1,712.1	3,790.5	121
Wallpaper	679.8	2,347.4	3,572.9	52
Paper & linoleum floor covering	1,186.1	1,313.4	816.5	-38
Carpeting	3,743.9	11,966.2	24,862.3	108
Stone floor covering	23.1	24.3	166.0	543
Roofing tiles	29.9	67.6	146.8	117
Flags/paving tiles unglazed	123.5	134.5	396.7	195
Flags/paving tiles glazed	8,646.1	23,267.1	25,616.6	10
<b>Total</b>	<b>15,546.1</b>	<b>40,832.6</b>	<b>59,368.3</b>	<b>45</b>
<b>Construction articles*</b>				
Blinds, plastic	247.8	1,074.6	1,897.6	77
Plastic articles	178.2	908.6	1,304.1	44
Wood articles	759.6	2,037.6	3,225.1	58
Steel articles	12,143.5	6,285.2	16,983.8	170
Aluminium articles	852.2	1,602.5	2,902.7	81
Zinc articles	151.2	500.1	1,836.3	267
<b>Total</b>	<b>14,332.5</b>	<b>12,408.6</b>	<b>28,149.6</b>	<b>127</b>
<b>Prefabricated buildings</b>				
	2,796.9	4,597.9	4,925.6	7
<b>Builders' hardware</b>				
Locks & padlocks	4,514.0	8,396.9	12,289.8	46
Hardware	8,125.1	12,872.6	37,542.5	192
<b>Total</b>	<b>12,639.1</b>	<b>21,269.5</b>	<b>49,832.3</b>	<b>134</b>
<b>Plumbing &amp; Pipe</b>				
Ethylene tubing	869.7	1,017.6	1,793.8	76
Polypropylene tubing	62.4	163.3	200.1	22
PVC tubing	6,061.6	10,906.0	11,755.3	8
Other plastic tubing	2,542.5	3,157.9	2,829.6	-10
Copper tubing	3,767.3	4,590.3	4,611.1	1
Copper tubing accessories	174.3	212.5	160.0	-25
Plastic sanitary hardware	695.0	1,224.8	1,721.4	41
Ceramic sanitary articles	377.8	835.6	3,703.3	343
Steel sanitary articles	1,477.4	1,748.2	2,604.9	49
Copper sanitary hardware	138.9	284.7	293.6	3
Aluminium sanitary hardware	252.7	221.0	130.0	-41
Steam boilers	1,765.8	1,475.9	1,971.6	34
Central heating boilers	145.8	123.8	155.5	26
Auxiliary equipment for boilers	1,120.2	1,066.7	6,555.3	515
Water heaters	1,101.7	1,980.3	1,673.5	-15
Water heaters, electric	731.0	692.4	720.4	4
Fittings & brass goods	3,048.0	6,129.3	9,364.2	53
<b>Total</b>	<b>24,332.1</b>	<b>35,830.3</b>	<b>50,243.6</b>	<b>40</b>
<b>Electric lighting fixtures &amp; supplies</b>				
Insulated copper cable	1,004.5	380.5	2,537.5	567
Switches & wiring devices	31,580.0	42,909.6	57,554.8	34
Control & distribution panels	725.1	2,114.8	3,611.3	71
Electric cable	3,131.0	6,167.6	7,488.3	21
Lamps & lighting fixtures	7,587.9	13,402.5	16,340.4	22
<b>Total</b>	<b>44,028.5</b>	<b>64,975.0</b>	<b>87,532.3</b>	<b>35</b>
<b>GRAND TOTAL</b>	<b>227,652.0</b>	<b>308,416.5</b>	<b>514,458.2</b>	<b>67</b>

\* Includes doors, windows, cisternas, depositos, persianas.  
Source: SECOFI

## • Building Products and Materials •

Several factors underlie this major change in the composition of the market. Mexico's trade liberalization policies and the stability of the peso-dollar exchange rate have made importation easier and less costly. Also, the domestic industry has been unable to meet the rapidly growing demand for building products and materials. Domestic production tends to be limited to a relatively small number of items per category, and the quality and availability of products are often insufficient and variable. Imported products provide a wide spectrum of alternatives and models, especially for decoration, and a more constant supply. It is expected that this trend will continue in the future, opening many opportunities to foreign suppliers.

As can be seen from Table 1, the largest category of imports of building products and materials corresponds to wood and cork products (17.7 percent), followed by electric lighting fixtures and supplies (17.0 percent), stone and mineral products (13.6 percent), floor, wall and roof coverings (11.5 percent), plumbing and pipe products (9.8 percent), builders' hardware (9.7 percent), metal products (6.9 percent), chemical and petrochemical products (6.2 percent), construction articles (5.5 percent), glass products (1.1 percent) and prefabricated buildings (1 percent).

The areas that could offer the best sales opportunities to foreign suppliers are those related to decoration and finishings, such as hardware, locks and padlocks, wall, roof and floor coverings, construction articles, sanitary articles and lighting fixtures.

Another area with good potential is where domestic production tends to be insufficient. This includes structural iron and steel products, bricks, asbestos, wood and wood products, electric fixtures and pipes.

Glass, cement, most petrochemical products, basic steel articles and stone products are not expected to provide much opportunity to foreign suppliers.

Most construction materials and products are imported from the United States, which enjoys an import market share fluctuating between 65 percent and 75 percent. This predominance is mostly due to its proximity and the familiarity of Mexican users with U.S. products. Germany, Italy, France and Japan are successfully competing with the United States in certain areas.

**Table 2: Canadian Exports of Building Products and Materials To Mexico (Cdn\$ thousands)**

	1988	1989	1990	1991
Granite				15
Portland cement white		224		
Plasters			25	
Asbestos	8,209	10,525	13,448	15,989
Paints & varnishes		335	245	19
Mastics		35	13	
Glues & adhesives	47			
Solvents & thinners				15
Plastic tubing & piping	17	98	3,751	
Plastic floor/roof/wall covering	2	5		
Plastic doors & windows	15			90
Plastic shutters & blinds	13			
Plastic builders' hardware		9	4	
Lumber	145	54	117	
Veneer		61		8
Continuously shaped wood	3	3		
Fibreboard		34	14	
Plywood	5	5		
Wood doors & windows	32	6		
Wood shuttering		157	33	3,927
Wood shingles	6	18		
Wood builders' hardware	60	4	15	47
Wallpaper			27	2
Carpets	115	217	173	
Insulating mineral material			3	
Refractory bricks			26	
Asphalt	26	2		
Plaster boards	1			
Tiles	78			35
Float glass in sheets			8	
Ceramic sanitary articles	24			
Glass fibres	3		10	
Iron & steel bars & rods		185		53
Iron angles & shapes	1,311	24	185	201
Iron & steel doors and windows	44	24		
Iron & steel structures	105	32	56	36
Iron & steel wire & cable	291	132	3	9
Iron & steel fencing	2	8	32	2
Iron & steel sanitary articles	25		1	
Copper pipes	13		124	
Copper sanitary hardware		2	3	
Aluminium bars & profiles		8		
Aluminium doors & windows	3			
Aluminium structures	14	34		11
Zinc articles	20			
Locks & keys	9	58	60	49
Hinges	302	140	175	
Castors	10		1	
Mountings & fittings	7	73		
Central heating boilers	117			
Electrical fuses		28		6
Automatic circuit breakers	528	944	689	517
Protective electric appliances	63	1	12	
Electrical relays	27	1	57	6
Electric switches	43	114	209	121
Plugs & sockets		135	5	5
Other electric appliances	19	739	211	66
Electric boards & panels	3	24	342	78
Insulated wire	158	28		59
Electric conductors	137	12		51
Wall & roof lighting fixtures	10		5	8
Prefabricated buildings		18	63	144
<b>Total</b>	<b>12,062</b>	<b>14,556</b>	<b>20,145</b>	<b>21,569</b>

Source: Statistics Canada, International Trade Division

Canada only has a small participation in the Mexican market. Total exports to Mexico reached Cdn\$21.6 million in 1991. This amount, however, reflects a continuous increase since 1989. Canadian exports are highly concentrated in asbestos products, which accounted for 74 percent of total exports to Mexico in 1991 (see Table 2).

Canadian imports from Mexico amounted to Cdn\$50.3 million in 1991, and included gypsum, carpets of manufactured materials, worked monumental building stone, including marble, travertine and alabaster, glazed ceramic tiles and sanitary articles, electrical relays, switches and protective appliances.

### 3.2 Domestic Production

Mexico was, for many years, self-sufficient in the production of building products and materials. Only a few imports were needed to complement domestic production when it was temporarily unable to meet demand.

During the 1982-1983 and 1985-1986 economic crises, construction fell significantly, thereby reducing the demand for building materials. As the economy recovered, construction increased. It is slowly putting pressure on the domestic industry to supply construction materials.

Domestic production has continued to grow, albeit at a slower pace than imports (see Table 3). In 1988, it amounted to U.S.\$3.5 billion, grew by 7.3 percent in 1989 and by 4 percent in 1990 (see Table 4). Domestic production is expected to increase by 6.8 percent in 1991 and to continue increasing by 4 percent annually through 1994, to reach U.S.\$4.36 billion.

**Table 3: Apparent Consumption of Building Products and Materials (U.S.\$ millions)**

	1988	1989	1990	1991 <sup>e</sup>	1994 <sup>p</sup>
Production <sup>1</sup>	3,465.0	3,717.9	3,835.1	3,988.5	4,358.3
+ Imports <sup>2</sup>	227.7	308.4	514.5	586.2	780.2
- Exports <sup>2</sup>	727.5	855.3	601.3	639.4	719.2
<b>Total</b>	<b>2,965.2</b>	<b>3,171.0</b>	<b>3,748.3</b>	<b>3,935.3</b>	<b>4,419.3</b>

e = estimated, p = projected

Source: 1. Based on data from the National Institute for Statistics, Geography and Computers (INEGI) compiled by the National Chamber for the Construction Industry (CNIC).  
2. Based on data published by SECOFI.

**Table 4: Domestic Production**

	Unit	1988	1989	Jan-Sept 1990
Plywood	000 m <sup>2</sup>	13,738	14,468	11,564
Paints	000 l	47,742	49,078	41,515
Impermeabilizators	000 kg	39,785	33,490	21,187
Water tanks for WCs	pieces	761,794	744,668	571,515
WCs	sets	1,266	1,269	1,032
Sinks	pieces	492,001	595,041	479,575
Water containers	tons	21,822	25,916	25,538
Water heaters	pieces	359,759	417,308	420,587
PVC pipes & accessories	tons	14,660	16,924	17,082
Copper pipes	tons	30,896	33,697	20,362
Piping	tons	51,282	48,487	47,242
Grey Portland cement	000 tons	22,922	23,567	18,140
White cement	tons	383,713	437,915	343,201
Asbestos sheets	tons	106,672	139,781	121,778
Concrete	000 m <sup>3</sup>	2,240	2,072	1,879
Concrete plates	m <sup>2</sup>	229,449	166,860	199,059
Sleepers	000	829,033	437,262	415,027
Steel bars	tons	685,388	663,354	531,133
Steel profiles	tons	536,691	577,417	448,915
Steel fences & net	tons	56,568	66,944	60,657
Aluminium profiles	tons	22,133	23,732	19,037
Metal beams	tons	9,879	7,289	4,810
Bricks	000	44,114	105,711	88,541
Glass	tons	281,472	320,594	89,773
Floor tiles	000 m <sup>2</sup>	15,829	16,271	12,989
Outdoor tiles	000	39,820	38,498	32,172
Roof tiles	000	14,390	19,366	12,514
Wire & cable	tons	36,978	46,735	38,045

Source: INEGI

Mexico is also a major exporter of building products and materials, exporting U.S.\$601.3 million in 1990 (see Table 5). Mexico's exports have been decreasing because the recovering construction industry is demanding more of the domestic production.

**Table 5: Mexico's Most Important Exports in 1990**

Product	U.S.\$ millions
Iron and steel products	116.9
Cement	69.6
Floor & roof coverings (particularly tiles)	58.1
Electrical material	48.9
Wood and wood products	48.6
Copper products	39.9
Carpets	24.9
Gypsum	12.2
Water heaters	12.1
Builders' hardware	9.3
Glass products	5.8
Aluminium products	4.5

#### 4. END USERS

The Mexican construction industry generates 5 percent of the country's total GDP and 10 percent of total employment. In the area of construction, there are close to one million workers registered with the National Institute for Social Security (IMSS), which by law covers all workers in private companies. The construction industry has a positive, indeed, a multiplier effect on more than 50 percent of the economy. The industry purchases 7.6 percent of the production of other sectors.

The construction sector tends to grow with the economy as a whole but at more pronounced rates. The sector decreased by 10.3 percent in 1986 during the economic crisis, recovered by 2.8 percent in 1987, remained the same in 1988 and grew by 2.1 percent in 1989. In 1990, it grew at increasingly higher rates to reach 7.7 percent, making it the most dynamic sector of the economy. That year, public investment in the sector had increased by 9 percent and private investment by 5.4 percent.

According to the Secretariat for Programming and Budgeting (SPP), gross formation of fixed capital totalled about U.S.\$34 billion in 1990. The construction industry accounted for 56 percent of this total (U.S.\$19 billion) and can itself be divided as follows: 50 percent in residential construction, 24 percent in non-residential construction and 26 percent in self-construction. Total fixed capital formation by the construction industry can be divided into private construction (60 percent), of which close to 80 percent was residential construction, and public construction (37 percent).

##### 4.1 Public Sector

The overall trend in public investment has been positive during the past few years, increasing from U.S.\$3 billion in 1986 to U.S.\$4.4 billion in 1990. The 1991 budget called for a major increase in public investment in the area of social development, which includes education (with a 25 percent growth), health (10 percent growth), drinking water and urban development (54 percent growth) and the Solidaridad program (40 percent growth). This will be a joint effort to be made by the government, which provides material support to a particular area and project, and the beneficiaries of a project, who provide the necessary labour.

**Table 6: Public Construction**

% of Total Sector		Percent of Total
34%	<b>Buildings</b>	
	Office buildings	11.6
	Industrial & commercial buildings	8.7
	Hospitals	6.9
	Schools	5.0
	Housing	2.0
24%	<b>Petroleum and petrochemicals</b>	
	Well drilling	15.3
	Refineries & petrochemical plants	5.1
	Pipe systems	1.9
	Storage & distribution	1.1
16%	<b>Transportation</b>	
	Roads	9.0
	Urban street systems	3.4
	Railroads	2.9
	Marine works	0.7
	Subway	0.4
14%	<b>Electricity and communications</b>	
	Thermoelectrical plants	4.8
	Telephone and telegraph	3.5
	Distribution & transmission lines	1.8
	Electrical substations	1.7
	Hydroelectrical plants	0.1
8%	<b>Water, irrigation and sanitary installation</b>	
	Drinking water systems	3.5
	Urban sewage	2.5
	Irrigation	1.7
	Dams	0.4
3%	<b>Other construction</b>	
	Mining	0.1
	Other	3.3

##### 4.2 Private Sector

Private investment in construction has increased from U.S.\$11.9 billion in 1988 to U.S.\$15.4 million in 1990 and to U.S.\$16.7 million in 1991.

By far the most significant category within private construction is residential construction, which represented 64 percent of total value in 1991 (see Table 7). Close to half of that amount corresponds to middle-class residences, in particular, private homes, followed by social interest housing and self-construction. The last is very difficult to estimate. The second largest category corresponds to industrial construction, followed closely by hotels and commercial construction. The other categories represent a relatively small part of the market.

**Table 7: Private Investment in Construction**

	1990 (Units)	1991	1990 (U.S.\$ millions)	1991
<b>Residential buildings</b>				
One family housing	77,100	82,500	5,355.9	6,333.3
Luxury	2,100	2,500		
Middle	27,000	29,000		
Social	48,000	82,500		
Multiple family housing	67,775	75,400	2,150.8	2,620.0
Luxury	1,575	1,600		
Middle	13,200	13,800		
Social	53,000	60,000		
Self-construction	330,000	360,000	1,312.9	1,786.7
Suburban	180,000	200,000		
Rural	150,000	160,000		
Total			8,819.6	10,740.0
<b>Remodelling &amp; maintenance of residential construction</b>				
Luxury	15,000	16,000		
Middle	110,000	115,000		
Social	460,000	470,000		
Total	585,000	601,000	812.2	985.3
<b>Industrial buildings</b>				
Large firms	47	68	659.1	1,234.7
New plants	15	24		
Expansion	32	44		
Medium-sized firms	932	592	552.9	682.3
New plants	60	72		
Expansions	60	85		
Industrial remodelling & expansion	210	215		
Storage	196	200		
Silos	406	20		
<b>Commercial buildings</b>				
Luxury offices	28	30		
Middle offices	70	60		
Malls	11	20		
Supermarkets	21			
Stores	420			
Total	550	110	1,236.8	1,122.7
<b>Institutional buildings</b>				
Sport clubs	14	20		
Schools	140	130		
Universities	6	4		
Movies & theatres	14	10		
Churches	28	30		
Total	202	194	204.0	242.8
<b>Medical buildings</b>				
Medium-sized hospitals	11	13		
Clinics	25	32		
Total	36	45	52.5	60.3
<b>Hotels</b>				
Luxury	21	15		
Middle	28	17		
Motels	25	26		
Total	74	58	1,162.8	1,666.3
<b>Grand Total</b>			<b>13,499.9</b>	<b>16,734.4</b>

Source: *Catálogo CIHAC de la Construcción, 1991*

In the area of hotel and tourism-related construction, the government-managed FONATUR (National Fund for Tourism) plays an important role in the development of new areas and infrastructure, as well as in the financing of hotel construction. This sector received credits totalling U.S.\$63 million in 1990. These credits generated total investments of U.S.\$155 million in hotel construction.

### 4.3 Housing

Several agencies have contributed to the construction and sale of housing: the local banks have instituted the National Housing Program, and there are several compulsory savings funds, including INFONAVIT and FOVISSSTE, federal government and public agency programs. Credit funds provided by local banks for construction have increased significantly in the past two years. In 1988, about U.S.\$649 million was available to the construction sector. By 1990, this amount had increased to U.S.\$3,228 million, a 198.8 percent increase. Of these funds, 98 percent was from the private banking system.

About 675,000 housing units were built in 1991, an increase of 3.8 percent. Of this total, CIHAC considered that 381,200 were acceptable constructions. The rest were considered deficient because improper materials had been used. Of the total acceptable housing, 53 percent was social interest or subsidized housing built by the formal sector, most of which were public sector institutions. The remaining 47 percent was built by the informal sector and consisted mostly of middle-class housing and economic housing without financing.

During 1990, the public sector increased investments in the construction of public housing by 18.5 percent, after showing two consecutive years of -11 percent. Investments in this area increased from U.S.\$2.9 billion in 1989 to U.S.\$3.2 billion in 1990. (See Table 8.)

Between 1987 and 2000, it is estimated that over 8 million new homes will have to be built, about 636,000 per year. Of these, 68 percent correspond to low-income family housing, 17 percent to low-middle income housing, 7 percent to high-middle income housing and 2 percent to high-income housing.

**Table 8: Financing for Housing by Agency**

	1988	1989	1990	1991P	1991
	(U.S.\$ billions)				
INFONAVIT	57,504	71,925	81,000	67,000	1.20
FOVISSSTE	14,923	19,848	14,124	25,639	0.29
FOVI-BANKS	104,903	53,004	95,000	134,134	2.01
FONHAPO	61,004	42,834	61,745	60,130	0.12
PEMEX	3,147	531	5,286	5,300	0.15
CFE	1,584	1,912	1,073	1,683	0.02
FOVIMI-ISSFAM	1,179	451	1,853	3,731	0.09
FIVIDESU	3,199	38,623	29,333	4,070	0.04
State agencies				55,000	0.07
Other agencies	4,959	41,549	40,000	1,190	0.01
Reconstruction programs	10,271	3,081	0	536	0.02
<b>Total</b>	<b>262,673</b>	<b>273,758</b>	<b>329,414</b>	<b>358,413</b>	<b>4.02</b>

Source: *Catálogo CIHAC de la Construcción, 1991*

INFONAVIT = Institute for the National Fund for Worker's Housing  
 FOVISSSTE = Fund for the Housing of Public Workers  
 FOVI = Banking Operation and Discount Fund to Housing  
 FONHAPO = National Fund for Public Housing  
 PEMEX = Mexican Petroleum  
 CFE = Federal Electricity Commission  
 FOVIMI-ISSFAM = Army and Navy Housing Funds

**Table 9: Materials Commonly Used in Housing Construction**

Location	Material	Percent
Floors	Cement or concrete	46
	Earth	26
	Mosaic & other coverings	26
	Non-specified flooring	2
Roofs	Concrete or bricks	44
	Metal or asbestos sheets	17
	Tiles	13
	Cardboard	12
	Palm or wood	10
	Other	4
Walls	Bricks & blocks	57
	Adobe	21
	Wood	9
	Mud	4
	Palm or bamboo	3
	Cardboard	2
	Metal or asbestos sheets	1
	Other	3

Source: *1980 Mexican Census*

#### 4.4 Formal Sector

The formal sector corresponds to construction by the 18,000 companies registered with the National Chamber for the Construction Industry (*Cámara Nacional de la Industria de la Construcción, (CNIC)*). While production by these companies fell by 51.3 percent in real terms in 1988, it grew by 54.5 percent in 1989, 38.5 percent in 1990 and 29.2 percent in 1991. Production is expected to grow another 8.5 percent in 1992, to reach U.S.\$10 billion.

Of the total number of firms registered with CNIC, 90.9 percent are small firms that produce 39.7 percent of production, 7 percent are medium-sized firms that produce 15 percent, 1.3 percent are large firms that produce 16.7 percent and 0.8 percent are very large firms that produce 28.6 percent.

Formal sector firms employ about 85,000 office workers and 350,000 blue-collar workers, of which only 16 percent are permanent. The remainder are seasonal due to the cyclical nature of the industry.

The firms are located mostly in the states of Mexico City (21 percent), Nuevo León (10 percent), Jalisco (8 percent) and Veracruz (7 percent).

Infrastructure development has been the principal motor of the growth in the construction industry, especially highway construction. Highway construction and management was recently privatized, bringing about major investments in this area.

Tourism and commercial development and construction have been the most active sectors in real estate development.

The public sector has traditionally played a very important role in generating projects for the formal Mexican construction industry. Until 1987, public agencies, including federal, state and municipal governments and decentralized agencies, accounted for as much as 80 percent of the total construction business of formal sector companies in Mexico. During the current administration, which has stressed privatization policies, this participation fell to 65 percent in 1991 and is expected to fall to 61 percent in 1992.

Total public sector construction can further be divided as follows:

- Parastate and decentralized agencies, headed

by PEMEX, the various housing programs, such as INFONAVIT and FOVISSSTE, the Federal Electricity Commission (CFE), and other agencies, such as CAPFCE, the school-building program, TELMEX, the national telephone company, Fertimex, the fertilizer-producing company, the social security system (IMSS and ISSSTE) (56.3 percent);

- Federal government, including secretariats and the Mexico City government (24.9 percent); and
- Municipal and state governments (18.8 percent).

The 1990 production by the formal construction sector can be divided as follows:

Non-residential buildings.....	22.0 percent
Housing.....	19.1 percent
Ground transportation lines.....	13.2 percent
Industrial construction.....	9.7 percent
Urban development.....	9.5 percent
Installations.....	8.2 percent
Hydraulic works.....	8.1 percent
Professional services.....	4.4 percent
Marine & fluvial.....	2.5 percent
Other.....	3.3 percent

Residential and non-residential buildings have had the most significant increases because of the increased credit lines that are available in these areas. Heavy construction was headed by road construction because of the privatization of this segment.

## 5. MARKET ACCESS

Sales in Mexico are usually made through local agents and distributors who operate on a commission basis or through the Mexican affiliates of foreign companies. Companies interested in entering the highly competitive Mexican marketplace will need to decide which is most appropriate for their needs: an agent, a joint venture or licensing with a Mexican company.

Companies that maintain an active presence and establish a good track record by virtue of product performance, competitive price and service will do well.

High value sales, most common in this market segment, usually are paid for with letters of credit.

Small value sales are either paid in cash or with a 50 percent advance payment when the order is placed and 50 percent on delivery.

Because some customers, especially government agencies, have been known to delay payment for over 90 days, foreign suppliers may wish to determine the payment practices of their clients.

As of July 1991, foreign suppliers are required to have a local agent or representative. The supplier must also be registered through the local representative as an accepted supplier with each government ministry and/or decentralized agency according to the international tender requirements.

The import climate for construction and building products has improved significantly as a result of Mexico's commercial liberalization. (See also the section on "Mexican Economy".)

There are no official metric requirements applicable to imports into Mexico. However, the metric system of units is, by law, the official standard of weights and measures in Mexico, and importers usually require metric labelling for packaged goods. The Imperial system is also used and dual labelling is acceptable.

Imported products should have labels in Spanish that contain the following information, as applicable: name of the product, trade name and address of the manufacturer, net contents, serial number of equipment, date of manufacture, electrical specifications, precautionary information on dangerous products, instructions for use, handling and/or product conservation and mandatory standards.

Mexico adheres to the International System of Units (SI).

Electric power is 60 cycles with normal voltage being 110, 220 and 400. Three-phase and single-phase 230 volt current is also available.

**Appendix A – INDUSTRIAL CHAMBERS AND ASSOCIATIONS**

**ASOCIACION MEXICANA DE EMPRESAS DEL RAMO DE INSTALACIONES PARA LA CONSTRUCCION, A.C. (AMERIC)**  
MEXICAN ASSOCIATION OF ENTERPRISES SPECIALIZING IN THE INSTALLATION OF CONSTRUCTION MATERIALS  
San Antonio 319-101  
Col. San Pedro de los Pinos  
03800 México D.F.  
Phone: 611-54-14  
Fax: 611-54-96  
Contact: Ing. Armando Ríos C.  
President

**ASOCIACION MEXICANA DE FABRICANTES DE CONDUCTORES ELÉCTRICOS, A.C. (AMEFACE)**  
MEXICAN ASSOCIATION OF MANUFACTURERS OF ELECTRICAL CONDUCTORS  
Sonora 166, Piso 1  
Col. Hipódromo Condesa  
06100 México D.F.  
Phone: 533-44-41 / 207-22-54  
Fax: 286-77-23  
Contact: Ing. Edgar Ubblohde  
President

**ASOCIACION MEXICANA DE FABRICANTES DE FIBROCEMENTO, A.C.**  
MEXICAN ASSOCIATION OF FIBRE-CEMENT MANUFACTURERS  
Reforma 30, Piso 2  
Col. Centro  
06040 México D.F.  
Phone: 566-90-06  
Fax: 592-84-06  
Contact: Ing. Lorenzo Reffreger  
President

**ASOCIACION MEXICANA DE INDUSTRIAS DE TUBERIAS PLASTICAS, A.C. (AMITUP)**  
MEXICAN ASSOCIATION OF MANUFACTURERS OF PLASTIC TUBING  
Alabama 35  
Col. Nápoles  
03810 México D.F.  
Phone: 669-05-10  
Fax: 687-37-02  
Contact: Ing. Amira Marín H.  
Director

**ASOCIACION MEXICANA DE LA INDUSTRIA DEL CONCRETO PREMEZCLADO A.C. (AMICPAC)**  
MEXICAN ASSOCIATION OF THE PREMIXED CONCRETE INDUSTRY  
Adolfo López Mateos 1135  
Col. San Pedro de los Pinos  
01180 México D.F.  
Phone: 516-09-02 and 03  
Contact: Dra Mercedes Irueste Alejandre  
Director General

**ASOCIACION NACIONAL DE FABRICANTE DE CAL, A.C.**  
NATIONAL ASSOCIATION OF LIME MANUFACTURERS  
Naranja 28-201  
Col. Sta María la Ribera  
06400 México D.F.  
Phone: 592-75-44  
Fax: 546-39-27  
Contact: Lic. José Antonio Garza Santo  
President

**CAMARA NACIONAL DE COMERCIO, SERVICIOS Y TURISMO DE LA CIUDAD DE MÉXICO (CANACO O CANAMEX)**  
NATIONAL CHAMBER OF COMMERCE, SERVICES AND TOURISM OF MEXICO CITY  
Reforma 42  
Col. Juárez  
06048 México D.F.  
Phone: 592-26-77 / 592-26-65  
Fax: 592-34-03  
Contact: Lic. Fernando Ríos Abbud  
President

**CAMARA NACIONAL DE LA INDUSTRIA DE LA CONSTRUCCION (CNIC)**  
NATIONAL CHAMBER OF THE CONSTRUCTION INDUSTRY  
Periférico Sur 4839  
Col. Parques del Pedregal  
14010 México D.F.  
Phone: 665-15-00 / 665-64-40  
Fax: 606-83-29  
Contact: Ing. Rómulo Munguía Salazar  
Director General



**CAMARA NACIONAL DE LA INDUSTRIA DEL  
HIERRO Y DEL ACERO (CANACERO)**  
NATIONAL CHAMBER OF THE IRON AND  
STEEL INDUSTRY

Amores 338  
Col. del Valle  
03199 México D.F.  
Phone: 543-44-43 to 47  
Fax: 687-05-17  
Contact: Sr Felipe Cortés Fort  
President

**CAMARA NACIONAL DEL CEMENTO  
(CANACEM)**

NATIONAL CHAMBER OF CEMENT  
Leibnitz 77  
Col. Anzures  
11590 México D.F.  
Phone: 533-01-32 to 34 / 533-24-00 to 02  
Fax: 203-41-02  
Contact: Arq. Raúl Arredondo G.  
Director

**CAMARA REGIONAL DE LA INDUSTRIA  
ARENERA DEL D.F. Y DEL EDO. DE MÉXICO**  
REGIONAL CHAMBER OF THE SAND INDUSTRY  
OF MEXICO CITY AND THE STATE OF MEXICO

Philadelphia 124-302  
Col. Nápoles  
08610 México D.F.  
Phone: 543-46-65  
Fax: 543-99-28  
Contact: Ing. Arturo Váldez C.  
President

**CENTRO IMPULSOR DE LA CONSTRUCCION Y  
LA HABITACION, A.C. (CIHAC)**  
PROMOTION CENTRE FOR CONSTRUCTION  
AND HOUSING

Empresa 165, Piso 4  
Col. Extremadura Insurgentes  
03740 México D.F.  
Phone: 563-29-16 / 563-26-64  
Fax: 563-35-54  
Contact: Arq. Eduardo Carrera C.  
Executive Secretary

**CONFEDERACION DE CAMARAS NACIONALES  
DE COMERCIO, SERVICIOS Y TURISMO  
(CONCANACO SERVYTUR)**

CONFEDERATION OF NATIONAL CHAMBERS  
FOR COMMERCE, SERVICES AND TOURISM  
Balderas 144, Piso 4  
Col. Centro  
06079 México D.F.  
Phone: 709-15-59 / 709-11-19  
Fax: 709-11-52 / 709-40-75  
Contact: Lic. Rolando Cordero

**CONSEJO NACIONAL DE LA MADERA EN LA  
CONSTRUCCION, A.C. (CONAMCO)**  
NATIONAL ADVISORY BOARD FOR WOOD  
CONSTRUCTION

Quintana Roo 141-603  
Col. Hipódromo Condesa  
06170 México D.F.  
Phone: 564-50-07  
Fax: 273-09-33  
Contact: Arq. Manuel Elorza W.  
Manager

**INSTITUTO MEXICANO DEL CEMENTO Y DEL  
CONCRETO, A.C. (IMCYC)**  
MEXICAN INSTITUTE OF CEMENT AND  
CONCRETE

Insurgentes Sur 1846 - P.B.  
Col. Florida  
01030 México D.F.  
Phone: 660-27-78 / 660-31-98  
Fax: 534-21-18  
Contact: Dr José Antonio Nieto  
Director General

**Appendix B – DISTRIBUTORS AND REPRESENTATIVES**

**ACEROS CAMESA, S.A. DE C.V.**

Margarita Maza de Juárez 154  
Col. Nva. Industrial Vallejo  
Phone: 754-14-00 / 754-50-11  
Fax: 586-77-99  
Contact: Lic. José Carlos Pérez Cruz  
Gerente de Compras  
(steel cable)

**ACEROS CONSOLIDADA, S.A. DE C.V.**

Ing. Eduardo Molina 1244-1300  
Col. Granjas Modernas  
07460 México D.F.  
Phone: 577-22-00 / 577-35-00  
Fax: 577-27-58  
Contact: Sr Idelfonso Castro  
Jefe de Compras  
(steel)

**ACEROS FORTUNA, S.A. DE C.V.**

Juan Fernández Albarrán 31  
Fracc. Ind. San Pablo Xalpa  
54090 Tlalnepantla, Mex.  
Phone: 392-50-00  
Fax: 391-01-87  
Contact: Sr Carlos Martínez M.  
Gerente de Compras  
(special steel)

**ALTA RESISTENCIA, S.A. DE C.V.**

Río Tiber 70  
Col. Cuauhtémoc  
06500 México D.F.  
Phone: 525-16-45 / 208-74-57  
Fax: 525-05-51  
Contact: Srta Guadalupe Alonso  
Gerente de Compras  
(prime rim wire rod)

**AP DE MÉXICO, S.A. DE C.V.**

Km. 9.5 Carr. a Sn. Luis Potosí  
Parque Industrial Benito Juárez  
76000 Querétaro, Qro.  
Phone: (91-773) 802-42 / 803-36 / 801-44  
Fax: (91-773) 803-31  
Contact: Ing. Gabriel Vargas  
Jefe de Abastecimientos  
(iron & steel tubing & sheets)

**ATSUGI MEXICANA, S.A. DE C.V.**

Av. del Parque 8  
Parque Industrial Lerma  
52000 Lerma, Mex.  
Phone: (91-728) 509-55 / 508-31  
Fax: (91-728) 506-34  
Contact: Sr Juan Romero  
Jefe de Importaciones  
(electric materials)

**BOCAR, S.A.**

Cruz Verde 169-1A  
Col. Los Reyes  
04330 México D.F.  
Phone: 689-75-96  
Fax: 549-34-59  
Contact: Ing. Carlos Paredes  
Jefe de Compras  
(steel, screws, aluminium, machinery)

**BTICINO DE MEXICO, S.A. DE C.V.**

Mariano Escobedo 456, Piso 7  
Col. Anzures  
11590 México D.F.  
Phone: 584-38-77  
Fax: 584-30-91  
Contact: Srta Marcela Riolobos S.  
Gerente de Compras  
(electric materials)

**BURNDY MEXICO, S.A. DE C.V.**

Calle del Río 12  
Fracc. Alce Blanco  
53370 Naucalpan, Mex.  
Phone: 576-23-00  
Fax: 576-31-69  
Contact: Lic. Antonio Vargas Escobar  
Jefe de Compras de Importación  
(connectors, shapes)

**CELULOSA DE CHIHUAHUA, S.A.**

Domicilio Conocido  
31600 Cd. Anáhuac, Chih.  
Phone: (91-158) 502-00 / 501-72  
Fax: (91-158) 502-02 / 504-63  
Contact: Ing. Francisco Ceseña C.  
Gerente de Compras  
(pumps, valves, copper, aluminium, PVC)

**CERAMICA SANTA JULIA**

Insurgentes Sur 263  
Col: Roma Norte  
06700 México D.F.  
Phone: 264-08-23  
Fax: 264-55-62  
Contact: Lic. Eduardo Alba  
Gerente de Ventas  
(ceramic tiles & floors)

**CIMENTACIONES Y EDIFICACIONES,  
S.A. DE C.V.**

Autopista México Querétaro 3130  
54030 Tlalnepantla, Mex.  
Phone: 379-64-00  
Fax: 370-26-31  
Contact: Sr Hans Van Der Vrink  
Gerente de Finanzas  
(construction equipment and tools)

**CLEVITE DE MÉXICO, S.A. DE C.V.**

Santa Rosa, Lotes 18 al 21, Manzana 19  
Parque Industrial  
52000 Lerma, Mex.  
Phone: (91-728) 809-44 / 801-30  
Fax: (91-728) 511-71  
Contact: Sr Rafael González  
Gerente de Compras  
(equipment and tools)

**CONSORCIO EN INGENIERIA FABRICANTES,  
S.A. DE C.V.**

Av. Jardín, Manzana 10, Lotes 15 y 16  
Parque Industrial  
52000 Lerma, Mex.  
Phone: (91-728) 511-54 / 534-21  
Fax: (91-728) 518-39  
Contact: Ing. Edgar Pulido  
Gerente de Compras  
(structural materials, electric materials,  
steel)

**CONSORCIO INDUSTRIAL, S.A. DE C.V.**

Km. 1.8 Carr. Tlal., Cuautitlán  
Col. San Rafael  
54120 Tlalnepantla, Mex.  
Phone: 565-02-55  
Fax: 390-12-67  
Contact: Lic. Virgilio González R.  
Subdirector de Abastecimiento  
(steel, tubing, connectors, screws)

**CONSTRUCCIONES PROTEXA, S.A.**

Carr. Monterrey-Saltillo Km. 339  
64000 Sta Catarina, N.L.  
Phone: (91-83) 36-30-30 and 40  
Fax: (91-83) 36-29-64  
Contact: Sr Jaime de la Rosa  
Jefe de Compras  
(heavy construction materials)

**CONSTRUCTORA BERMUDEZ, S.A. DE C.V.**

Fray Pedro de Gante 6820  
Col. San Lorenzo  
32320 Ciudad Juárez, Chih.  
Phone: (91-16) 17-00-49 / 17-02-09  
Fax: (91-16) 17-28-88  
Contact: Sr J.L. Vera Castañeda  
Auxiliar Administrativo  
(electric & plumbing materials)

**CONSTRUCTORA LOBEIRA, S.A. DE C.V.**

Guaymas 301 - Int. 1  
67110 Sn. Nicolás de los Garza, N.L.  
Phone: (91-83) 77-71-00 / 77-21-24  
Fax: (91-83) 77-77-91  
Contact: Lic. Nancy Méndez M.  
Jefe de Compras  
(electrical materials, air conditioning)

**CONSTRUCTORA MAIZ MIER, S.A.**

Matamoros 506 Ote. - Altos  
Centro  
64000 Monterrey, N.L.  
Phone: (91-83) 44-85-10 / 40-85-37  
Fax: (91-83) 44-06-62 / 40-59-39  
Contact: Sr Raúl Verduzco  
Superintendente de Compras  
(road construction equipment)

**CONSTRUCTORA Y URBANIZADORA  
NACIONAL, S.A.**

Fray Pedro de Gante 6820  
Col. Sn. Lorenzo  
32320 Cd. Juárez, Chih.  
Phone: (91-16) 17-12-57 / 17-00-49  
Fax: (91-16) 17-28-88  
Contact: Sr Juan Rodríguez  
Gerente de Compras  
(special construction materials)

**COREV DE MEXICO, S.A. DE C.V.**

Insurgentes Sur 813, Piso 9  
Col. Nápoles  
03810 México D.F.  
Phone: 543-39-91 / 543-02-25  
Fax: 543-23-68  
Contact: Lic. Hernando Suárez  
Encargado de Importaciones  
(texturized coverings, paints, varnishes,  
waterproofing)

**CORPORACION DE CONSTRUCCIONES DE  
CAMPECHE, S.A. DE C.V.**

Bld. Miguel C. Saavedra 157, Piso 7  
Col. Granada  
11520 México D.F.  
Phone: 254-05-11  
Fax: 254-83-81  
Contact: Ing. Fernando Fermán V.  
Gerente de Compras  
(construction materials)

**CROUSE HINDS DOMEX, S.A. DE C.V.**

Javier Rojo Gómez 1170  
Col. Guadalupe del Moral  
09850 México D.F.  
Phone: 686-00-66  
Fax: 686-37-37  
Contact: Srta Norma Gálvez  
Encargada de Compras  
(fuses, tubing, PVC, cable, bronze)

**CYANIMID DE MEXICO, S.A. DE C.V.**

Calz. de Tlalpan 3092  
Col. Sta Ursula Coapa  
04910 México D.F.  
Phone: 677-34-51 / 677-00-11  
Fax: 677-12-46  
Contact: Sr Serafín López  
Encargado de Importaciones  
(plastic sheets)

**DICA, S.A. DE C.V.**

Insurgentes Sur 686 - P.H.  
Col. del Valle  
03100 México D.F.  
Phone: 543-39-74 / 536-40-60  
Fax: 682-94-20  
Contact: Arq. Pedro Maldonado  
Jefe de Compras  
(machinery, pumps, tubing, valves)

**EPN - SISTEMAS, S.A. DE C.V.**

Av. 1o. de Mayo 110  
54800 Cuautitlán, Mex.  
Phone: 872-17-91 and 99  
Fax: 872-18-68  
Contact: Ing. Abraham Hernández  
Gerente de Materiales y Compras  
(tubing, hardware)

**EXITO, S.A.**

Purcell Norte 1063,  
Col. Centro  
25000 Saltillo, Coah.  
Phone: (91-841) 277-26  
Fax: (91-841) 490-07  
Contact: Sr Vicente Frías  
Jefe de Compras  
(adhesives, cable)

**FABRICACIONES, INGENIERIA Y MONTAJES,  
S.A. DE C.V.**

Viaducto Río Becerra 27, Piso 1  
Col. Nápoles  
03810 México D.F.  
Phone: 536-03-66  
Fax: 687-63-24  
Contact: Sr Alfonso Zárate de la Vega  
Gerente de Compras  
(structural shapes, paints)

**FEDERAL PACIFIC ELECTRIC DE MÉXICO,  
S.A. DE C.V.**

Oriente 233 # 341  
Col. Agrícola Oriental  
08500 México D.F.  
Phone: 763-10-33  
Fax: 758-72-47  
Contact: Ing. Octavio Ascoitia M.  
Gerente de Compras  
(electric materials)

**FERRETERIA NONOALCO, S.A. DE C.V.**

Insurgentes Norte 554  
Col. Atlampa  
06450 México D.F.  
Phone: 547-75-60  
Fax: 547-27-02  
Contact: Lic. Alberto Aguilar López  
Importaciones  
(steel)

**FILTRAM, S.A. DE C.V.**

Gral Pablo A. González 500 Pte.  
Col. San Jerónimo  
64640 Monterrey, N.L.  
Phone: (91-83) 47-30-33 to 39  
Fax: (91-83) 47-29-06  
Contact: Ing. Carlos de la Garza  
Jefe de Abastecimiento  
(steel, filters)

**FRANCISCO BAUTISTA, S.A. DE C.V.**

Filiberto Gómez 38  
Col. Zona Industrial  
54030 Tlalnepantla, Mex.  
Phone: 390-79-00  
Fax: 390-77-05  
Contact: Sr Julio César Fernández  
Contralor General  
(steel, sheets)

**GRUPO FUERZA**

Año de Juárez 205  
Col. Granjas San Antonio  
09070 México D.F.  
Phone: 685-16-61 / 685-17-94  
Fax: 686-70-06  
Contact: Ing. Jorge Orlando Martínez  
Gerente de Compras  
(steel)

**GRUPO LACOSA, S.A. DE C.V.**

Monte Elbruz 134 - P.H.  
Col. Lomas de Chapultepec  
11000 México D.F.  
Phone: 540-61-61  
Fax: 202-66-74  
Contact: Ing. Emilio Mercado  
Gerente General  
(cement, concrete)

**GRUPO MESA, S.A. DE C.V.**

Puebla, Pue.  
(Address can be determined in Mexico)  
Phone: (91-22) 35-40-29 / 35-41-52  
Fax: (91-22) 36-82-66  
Contact: Ing. Hans Peter Averdung  
Director General  
(steel, aluminium)

**GRUPO MEXICANO INDUSTRIAL Y DE  
DESARROLLO**

Carr. México - Toluca Km. 40  
05000 Cuajimalpa, D.F.  
Phone: 812-34-09 / 812-42-07  
Fax: 812-42-08  
Contact: Ing. Gonzalo Flores  
Gerente de Compras  
(construction materials)

**GRUPO TOLTECA, S.A. DE C.V.**

Av. Tolteca 203  
Col. San Pedro de los Pinos  
01180 México D.F.  
Phone: 277-24-44  
Fax: 271-25-05  
Contact: Srta Irma Herrera  
Encargada Importaciones  
(cement)

**HARPER-WYMAN DE MÉXICO, S.A. DE C.V.**

Av. de los Constituyentes 635  
Col. 16 de Septiembre  
11810 México D.F.  
Phone: 271-37-12 / 271-30-41  
Fax: 272-27-12  
Contact: Sra Agustina Rodríguez C.  
Gerente de Compras  
(screws, steel)

**HYLSA, S.A.**

Jaime Balmes 11, Torre D, Piso 3  
Col. Los Morales  
11510 México D.F.  
Phone: 395-59-00 / 395-59-80  
Fax: 395-58-08  
Contact: Ing. Felipe Cortés  
Director General  
(reinforcing bars)

**HW FLIR DE MÉXICO, S.A. DE C.V.**

Poniente 128 #672  
Col. Industrial Vallejo  
02300 México D.F.  
Phone: 567-64-00  
Fax: 567-93-34  
Contact: Ing. Javier Raya M.  
Director General  
(cement)

**IDEAL STANDARD, S.A. DE C.V.**

Félix Guzmán 21  
Col. El Parque  
53390 Naucalpan, Mex.  
Phone: 557-60-21 / 557-60-66  
Fax: 395-10-75  
Contact: Sr Miguel Angel Rodríguez  
Contralor  
(sanitary articles, hardware)

**IMPORTACIONES HALCON, S.A. DE C.V.**

Abasolo 176  
Col. del Carmen Coyoacán  
04100 México D.F.  
Phone: 554-14-97 / 658-15-37  
Fax: 554-45-93  
Contact: Sr Miguel Angel Alarcón I.  
Director  
(tiles)

**IMPORTACIONES Y REPRESENTACIONES ISEL,  
S.A. DE C.V.**

Lázaro Cárdenas 369-3  
Col. Atenor Sala  
03010 México D.F.  
Phone: 519-30-53 / 519-33-61  
Fax: 530-25-78  
Contact: Sr Jorge Frid  
Gerente  
(hardware, locks)

**INDUSTRIAS C.M., S.A.**

Av. Conductores 505 Ote.  
66493 Sn. Nicolás de los Garza, N.L.  
Phone: (91-83) 79-20-00 / 79-20-44  
Fax: (91-83) 77-75-33 / 79-58-10  
Contact: Sr Sergio Tavera D.  
Jefe de Abastecimientos  
(cable)

**INDUX, S.A. DE C.V.**

Laminadora 37  
Col. Bellavista Tacubaya  
01140 México D.F.  
Phone: 272-20-99 / 271-50-79  
Fax: 277-34-45  
Contact: Srta Elvira Bonola  
Gerente de Compras  
(steel, aluminium)

**INGENIO CONSTANCIA, S.A. DE C.V.**

Rubén Darío 69  
Col. Chapultepec Morales  
11570 México D.F.  
Phone: 545-08-18 / 545-27-51  
Fax: 254-43-19  
Contact: Sra Garbiñe Echeverría  
Jefe de Compras  
(steel, electric materials)

**KEBEKIM, S.A. DE C.V.**

Insurgentes Sur 1677-1001  
Col. Guadalupe Inn  
01020 México D.F.  
Phone: 524-62-86 / 524-13-85  
Fax: 534-67-07  
Contact: Sr Jaime Klapp  
Director General  
(asbestos fibre)

**LA CANTABRA, S.A. DE C.V.**

Av. Industria 82  
Col. Moctezuma - 2a. Sección  
15500 México D.F.  
Phone: 784-10-33  
Fax: 784-13-01  
Contact: Ing. Luis Arroyuelo Masso  
Director General  
(glass & aluminium)

**LINOLEUMS LA NUEVA AVENIDA, S.A. DE C.V.**

Enrique Wallon 438, Piso 3  
Col. Polanco  
11560 México D.F.  
Phone: 255-36-07 / 250-77-57  
Fax: 203-25-42  
Contact: Sr Abraham Mizhraki  
Encargado de Importaciones  
(carpets, linoleum, floor coverings, blinds)

**MEXALIT, S.A. DE C.V.**

Horacio 1855-502  
Col. Polanco  
11510 México D.F.  
Phone: 202-41-33  
Fax: 202-51-46  
Contact: Sr J.R. Muñoz  
Jefe de Exportación e Importación  
(tubing)

**NACIONAL DE CONDUCTORES ELECTRICOS,  
S.A. DE C.V.**

Poniente 140 # 720  
Col. Industrial Vallejo  
02300 México D.F.  
Phone: 587-70-11  
Fax: 587-58-44  
Contact: Lic. Marcela Moncada  
Coordinadora de Importaciones  
(PVC, aluminium)

**NICHIMEN DE MÉXICO, S.A. DE C.V.**

Sevilla 4, Piso 9  
Col. Juárez  
06600 México D.F.  
Phone: 525-16-11 to 15  
Fax: 511-41-60  
Contact: Sr Toshihiko Matsuura  
Gerente de Ventas  
(steel, sheets, cable)

**O.H. INTERNACIONAL**

Avena 200-B  
Col. Granjas México  
08400 México D.F.  
Phone: 657-67-71 / 657-64-82  
Fax: 650-76-00  
Contact: Francisco Holguin H.  
Presidente  
(ceramic floors)

**OPERADORA DE COMERCIO UNIVERSAL,  
S.A. DE C.V.**

Vía Morelos 224  
Col. Sta Ma. Tulpetlac  
55400 Ecatepec, Mex.  
Phone: 775-73-52 / 775-74-69  
Fax: 775-99-77  
Contact: Lic. Héctor Sánchez  
Gerente de Comercialización  
(refractory bricks)

**PEERLESS TISA, S.A.**

Félix U. Gómez 2223 Nte.  
Col. Reforma  
64550 Monterrey, N.L.  
Phone: (91-83) 74-18-00 / 75-46-30  
Fax: (91-83) 74-29-52  
Contact: Sr Juan Vega H.  
Gerente de Compras  
(tubing, stainless steel)

**PORCELANITE, S.A. DE C.V.**

Vidrio 8  
Sta Clara  
55540 Ecatepec, Mex.  
Phone: 569-64-77 / 755-84-44  
Fax: 569-14-39  
Contact: Sr Fernando Avila  
Jefe de Compras  
(materials for the manufacture of tile  
floors)

**TECNOCRETO, S.A. DE C.V.**

Blvd. Manuel Avila Camacho 80, Piso 3  
Col. El Parque  
53390 Naucalpan, Mex.  
Phone: 557-55-44  
Fax: 395-79-03  
Contact: Ing. Claudio R. Calzado W.  
Director General  
(waterproofing, special materials for  
construction)

**SMITH KLINE & FRENCH, S.A.**

Universidad 1449  
Col. Florida  
01030 México D.F.  
Phone: 534-80-40  
Fax: 534-82-57  
Contact: Lic. Rolando Zamora Oliveros  
Jefe de Compras  
(gum, colours, varnishes, solvents)

**SOLVENTES Y PRODUCTOS QUIMICOS, S.A.**

Presidente Mazaryk 101-1301  
Col. Polanco  
11570 México D.F.  
Phone: 254-78-00  
Fax: 203-11-64  
Contact: Srta Patricia Ballesteros  
Encargada de Importación  
(thinner)

**TEX LAMEX, S.A. DE C.V.**

Industria Nacional 2  
53370 Naucalpan, Mex.  
Phone: 576-83-44  
Fax: 576-17-61  
Contact: Ing. José María Manzanares  
Gerente de Compras

**THYSSEN MARATHON, S.A. DE C.V.**

Insurgentes Sur 1088

Col. del Valle

03210 México D.F.

Phone: 559-47-33

Fax: 575-98-73

Contact: Sr Leonardo Osorio  
Compras de Importación  
(steel, stainless steel sheets)

**TILE MARKET COMPANY, S.A.**

Bld. Salinas 4603

Fracc. Aviación

22500 Tijuana, B.C.N.

Phone: (91-66) 86-15-90 / 86-57-05

Fax: (91-66) 81-71-02

Contact: Miguel Fernández Arnold  
Director General  
(floor coverings, marble, tiles, bathroom  
furniture)

**WALLACE & TIERNAN DE MÉXICO, S.A. DE C.V.**

Vía López Portillo 321

Col. Sta Ma. Cuauhtepac

54900 Tultitlán, Mex.

Phone: 875-21-77 / 874-96-11

Fax: 875-55-66

Contact: Sr Abelaido Guerrero  
Encargado de Compras  
(plastic tubing, connectors, valves)



## Appendix C – WHERE TO GO FOR ASSISTANCE\*

### CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN CANADA

#### DEPARTMENT OF FOREIGN AFFAIRS AND INTERNATIONAL TRADE (Ottawa)

Department of Foreign Affairs and International Trade (DFAIT) is the Canadian federal government department most directly responsible for trade development. The **InfoEx Centre** is the first contact point for advice on how to start exporting; it provides information on export-related programs and services; helps find fast answers to export problems; acts as the entry point to DFAIT's trade information network; and provides interested companies with copies of specialized export publications.

#### **InfoEx Centre**

Tel.: 1-800-267-8376 or (613) 944-4000

Fax: (613) 996-9709

Latin America and Caribbean Trade Division promotes trade with Mexico. There are several trade commissioners at the Embassy of Canada in Mexico City and there is a satellite office in Monterrey. Trade commissioners can provide a range of services, including introducing Canadian companies to potential customers in Mexico, advising on marketing channels, assisting those wishing to participate in trade fairs, helping identify suitable Mexican firms to act as agents, and compiling credit and business information on potential foreign customers.

#### **Latin America and Caribbean Trade Division (LGT)**

Department of Foreign Affairs and  
International Trade

Lester B. Pearson Building

125 Sussex Drive

Ottawa, Ontario K1A 0G2

Fax: (613) 943-8806

### INTERNATIONAL TRADE CENTRES

International Trade Centres have been established across the country as a first point of contact to support the exporting efforts of Canadian firms. Co-located with the regional offices of Industry Canada, the centres operate under the guidance of DFAIT and all have resident trade commissioners. They help companies determine whether or not they are ready to export, assist firms with marketing research and market planning, provide access to government programs designed to promote exports, and arrange for assistance from the Trade Development Division in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you:

#### **British Columbia**

Scotia Tower

900-650 West Georgia Street

P.O. Box 11610

Vancouver, British Columbia

V6B 5H8

Tel: (604) 666-0434

Fax: (604) 666-0617

#### **Yukon**

Room 210

300 Main Street

Whitehorse, Yukon

Y1A 2B5

Tel: (403) 667-3921

Fax: (403) 668-5003

#### **Alberta**

Canada Place

Suite 540

9700 Jasper Avenue

Edmonton, Alberta

T5J 4C3

Tel: (403) 495-4782

Fax: (403) 495-4507

11th Floor

510-5th Street S.W.

Calgary, Alberta

T5P 3S2

Tel: (403) 292-6660

Fax: (403) 292-4578

\* Source: *Canada-Mexico: Partnering for Success*  
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Ottawa, Ontario.

**Northwest Territories**

Precambrian Building  
10th Floor  
P.O. Box 6100  
Yellowknife, Northwest Territories  
X1A 2R3  
Tel: (403) 920-8578  
Fax: (403) 873-6228

**Saskatchewan**

Suite 401  
119-4th Avenue South  
Saskatoon, Saskatchewan  
S7K 5X2  
Tel: (306) 975-4400  
Fax: (306) 975-5334

4th Floor  
1955 Smith Street  
Regina, Saskatchewan  
S4P 2N8  
Tel: (306) 780-7520  
Fax: (306) 780-6679

**Manitoba**

7th Floor  
330 Portage Avenue  
P.O. Box 981  
Winnipeg, Manitoba  
R3C 2V2  
Tel: (204) 983-4090  
Fax: (204) 983-2187

**Ontario**

Dominion Public Building  
4th Floor  
1 Front Street West  
Toronto, Ontario  
M5J 1A4  
Tel: (416) 973-5000  
Fax: (416) 973-8714

**Quebec**

Stock Exchange Tower  
Suite 3800  
800 Victoria Square  
P.O. Box 247  
Montréal, Québec  
H4Z 1E8  
Tel: (514) 283-7907  
Fax: (514) 283-8794

**New Brunswick**

Assumption Place  
770 Main Street  
P.O. Box 1210  
Moncton, New Brunswick  
E1C 8P9  
Tel: (506) 857-4782  
Fax: (506) 851-6429

**Prince Edward Island**

Confederation Court Mall  
Suite 400  
134 Kent Street  
P.O. Box 1115  
Charlottetown, Prince Edward Island  
C1A 7M8  
Tel: (902) 566-7400  
Fax: (902) 566-7450

**Nova Scotia**

Central Guarantee Trust Tower  
5th Floor  
1801 Hollis Street  
P.O. Box 940, Station "M"  
Halifax, Nova Scotia  
B3J 2V9  
Tel: (902) 426-4782  
Fax: (902) 426-2624

**Newfoundland**

Atlantic Place  
Suite 504  
215 Water Street  
P.O. Box 8950  
St. John's, Newfoundland  
A1B 3R9  
Tel: (709) 772-4782  
Fax: (709) 772-5093

**WORLD INFORMATION NETWORK  
FOR EXPORTS**

The World Information Network for Exports (WIN Exports) is a computer-based information system designed by DFAIT to help Canada's trade development officers abroad match foreign needs to Canadian capabilities. It provides users with information on the capabilities, experience and interests of more than 30,000 Canadian exporters.

To be registered on WIN Exports, call: (613) 996-5701.

## **PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)**

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This program seeks to increase export sales by sharing the costs of industry-initiated activities aimed at developing export markets. PEMD is administered by Industry Canada regional offices and funded by DFAIT. Activities eligible for PEMD financial support (up to 50 percent of the costs) include:

- Participation in recognized foreign trade fairs outside of Canada;
- Trips to identify export markets and visits by foreign buyers to Canada;
- Project bidding or proposal preparation at the precontractual stage for projects outside Canada;
- Establishment of permanent sales offices abroad in order to undertake sustained marketing efforts; and
- Special activities for non-profit, non-sales food, agriculture and fish organizations, marketing boards and agencies, trade fairs, technical trials and product demonstrations (for example).

Support is also provided for certain types of government-planned activities, such as outgoing trade missions of Canadian business representatives and incoming missions to Canada of foreign business and government officials who can influence export sales.

For information, call: (613) 954-2858.

## **INTERNATIONAL FINANCING**

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DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities financed by international financing institutions (IFI). Canadian exporters and trade associations can access market data, obtain a better understanding of the competition, and determine if an IFI-funded market opportunity is practical and worth pursuing. DFAIT can provide information and advice on the availability of Canadian government-funded assistance programs and can assist companies in developing effective export marketing.

For further information, contact:

**International Finance Division**  
Department of Foreign Affairs and  
International Trade  
Tel: (613) 995-7251  
Fax: (613) 943-1100

## **TECHNOLOGY INFLOW PROGRAM**

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Managed by DFAIT and delivered domestically by the National Research Council, this program is designed to help Canadian companies locate, acquire and adopt foreign technologies by promoting international collaboration. Industry Canada also helps in program promotion. The program officers respond to requests to identify technology sources and opportunities for co-operation between Canadian and foreign firms. The program will also help Canadian firms make exploratory visits abroad to identify and gain first-hand knowledge of relevant foreign technologies as well as to negotiate to acquire them.

## **INVESTMENT DEVELOPMENT PROGRAM**

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This program helps Canadian companies find the investment they need. It actively promotes investments that take the form of new plants and equipment, joint ventures or strategic partnerships. It is especially interested in attracting investment that introduces new technology into Canada, a key to creating new jobs and economic opportunities. Investment officers make contact with foreign investors and bring them together with Canadian companies.

For information, call: (613) 996-8625.

## **INDUSTRY CANADA**

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Industry Canada was created with a broad mandate to improve the competitiveness of Canadian industry. In the area of small business, it has been given specific responsibility to:

- Develop, implement and promote national policies to foster the international competitiveness of industry, the enhancement of industrial, scientific and technological development, and the improvement in the productivity and efficiency of industry;

- Promote the mobility of goods, services and factors of production within Canada;
- Develop and implement national policies to foster entrepreneurship and the start-up, growth and expansion of small businesses;
- Develop and implement national policies and programs respecting industrial benefits from procurement of goods and services by the government of Canada;
- Promote and provide support services for the marketing of Canadian goods, services and technology; and
- Promote investment in Canadian industry, science and technology.

### **INDUSTRY CANADA REGIONAL OFFICES**

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The regional offices work directly with Canadian companies to promote industrial, scientific and technological development. They help clients recognize opportunities in a competitive international marketplace by providing services in the areas of business intelligence and information, technology and industrial development, and trade and market development. They also promote and manage a portfolio of programs and services.

The following are areas in which Industry Canada regional offices have special competence:

- Access to trade and technology intelligence and expertise;
- Entry points to national and international networks;
- Industry sector knowledge base;
- Co-location with International Trade Centres connected to DFAIT and Canadian posts abroad;
- Client focus on emerging and threshold firms; and
- Industry Canada Business Intelligence.

### **THE BUSINESS OPPORTUNITIES SOURCING SYSTEM (BOSS)**

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BOSS is a computerized databank that profiles over 26,000 Canadian companies. It lists basic information on products, services and operations that are useful to potential customers. The system was established in 1980 by Industry Canada in co-operation with participating provincial governments. BOSS was originally established so that trade commissioners posted around the world by DFAIT could find Canadian companies that might be able to take advantage of foreign market opportunities. Today, more than 11,000 domestic and international subscribers use the system not only to locate Canadian suppliers but also to obtain market intelligence and identify market opportunities. The majority of subscribers are Canadian companies.

For information, call: (613) 954-5031.

### **MARKET INTELLIGENCE SERVICE**

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This service provides Canadian business with detailed market information on a product specific basis. The service assists Canadian companies in the exploitation of domestic, export, technology transfer and new manufacturing investment opportunities. The intelligence is used by Canadian business in decisions regarding manufacturing, product development, marketing and market expansion. The information includes values, volume and unit price of imports, characteristics of specific imports (e.g., material, grade, price range, etc.), names of importers, major countries of export, identification of foreign exporters to Canada, Canadian production, Canadian exports and U.S. imports. Two-thirds of the clientele for this service are small businesses.

For information, call: (613) 954-4970.

## CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

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An important possible source of financing for Canadian ventures in Mexico is the special fund available through the Canadian International Development Agency (CIDA) under the Industrial Co-operation Program or CIDA/INC. CIDA's Industrial Co-operation Program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licensing arrangements. INC supports the development of linkages with the private sector in Mexico, encouraging Canadian enterprises to share their skills and experiences with partners in Mexico and other countries. A series of INC mechanisms help enterprises to establish mutually beneficial collaborative arrangements for the transfer of technology and the creation of employment in Mexico. There are five INC mechanisms that help eligible Canadian firms to conduct studies and provide professional guidance and advice to potential clients. Where a project involves environmental improvement, technology transfer, developmental assistance to women, job training or job creation, early contact with CIDA's Industrial Co-operation Division is suggested.

An important CIDA criterion is that the project creates jobs in Mexico without threatening jobs in Canada. In fact, most CIDA-assisted projects have produced net increases in Canadian jobs.

### **Industrial Co-operation Division Canadian International Development Agency**

200, Promenade du Portage  
Hull, Québec  
K1A 0G4  
Tel: (819) 997-7905/7906  
Fax: (819) 953-5024

## ATLANTIC CANADA OPPORTUNITIES AGENCY

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Atlantic Canada companies seeking to develop exports to Mexico may be eligible for assistance from the Atlantic Canada Opportunities Agency (ACOA). The agency works in partnership with entrepreneurs from the Atlantic region to promote self-sustaining economic activity in Atlantic Canada.

The ACOA Action Program provides support to businesses as they look to expand existing markets

through the development of marketing plans. Efforts include monitoring trade opportunities arising from global economic change, communications efforts to promote the region, trade missions and associated activities, as well as better co-ordination with federal and provincial bodies that influence trade and investment opportunities.

### **ACOA Head Office**

Blue Cross Centre  
644 Main Street  
P.O. Box 6051  
Moncton, New Brunswick  
E1C 9J8  
Toll free: 1-800-561-7862  
Fax: (506) 851-7403

### **Newfoundland and Labrador**

Suite 801, Atlantic Place  
215 Water Street  
P.O. Box 1060, Station C  
St. John's, Newfoundland  
A1C 5M5  
Tel: (709) 772-2751  
Toll free: 1-800-563-5766  
Fax: (709) 772-2712

### **Nova Scotia**

Suite 600  
1801 Hollis Street  
P.O. Box 2284, Station M  
Halifax, Nova Scotia  
B3J 3M5  
Tel: (902) 426-8361  
Toll free: 1-800-565-1228  
Fax: (902) 426-2054

### **Prince Edward Island**

75 Fitzroy Street  
3rd Floor  
Charlottetown, Prince Edward Island  
C1A 1R6  
Tel: (902) 566-7492  
Toll free: 1-800-565-0228  
Fax: (902) 566-7098

### **New Brunswick**

570 Queen Street  
P.O. Box 578  
Fredericton, New Brunswick  
E3B 5A6  
Tel: (506) 452-3184  
Toll free: 1-800-561-4030  
Fax: (506) 452-3285

**WESTERN ECONOMIC  
DIVERSIFICATION CANADA**

Western Canadian companies interested in Mexico may be able to secure assistance from Western Economic Diversification Canada (WD). This agency provides financial assistance for projects that contribute to the diversification of the western economy. It acts as a pathfinder to ensure that western businesses are aware of and receive assistance from the most appropriate source of funding, federal or other, for their projects. It acts as an advocate for the west in national economic decision making and it co-ordinates federal activities that have an impact on economic growth in the west. It also plays a role in promoting trade between western Canada and markets around the world. Inquiries about Western Economic Diversification Canada and other activities of the department can be directed to any of the following regional offices:

**Manitoba**

P.O. Box 777  
Suite 712  
The Cargill Building  
240 Graham Avenue  
Winnipeg, Manitoba  
R3C 2L4  
Tel: (204) 983-4472  
Fax: (204) 983-4694

**Saskatchewan**

P.O. Box 2025  
Suite 601  
S.J. Cohen Building  
119-4th Avenue South  
Saskatoon, Saskatchewan  
S7K 5X2  
Tel: (306) 975-4373  
Fax: (306) 975-5484

For Regina residents (toll free):  
Tel: (306) 780-6725

**Alberta**

Suite 1500  
Canada Place  
9700 Jasper Avenue  
Edmonton, Alberta  
T5J 4H7  
Tel: (403) 495-4164  
Fax: (403) 495-7725

For Calgary residents (toll free):  
Tel: (403) 292-5382

**British Columbia**

P.O. Box 49276  
Bentall Tower 4  
1200-1055 Dunsmuir Street  
Vancouver, British Columbia  
V7X 1L3  
Tel: (604) 666-6256  
Fax: (604) 666-2353

For B.C. residents (toll free):  
Tel: 1-800-663-2008

**EXPORT DEVELOPMENT CORPORATION**

Companies exporting to Mexico will need suitable financing and insurance for the transaction. The Export Development Corporation (EDC) may be able to help with both. EDC is a Canadian Crown corporation whose purpose is to facilitate and develop Canada's export trade. The corporation provides insurance, guarantees and export financing that, combined with advice and the organization of financial services packages, facilitate the sale of Canadian goods and services abroad. EDC offers the following services:

**Export Insurance and Related Guarantees**

- global comprehensive insurance
- global political insurance
- selective political insurance
- specific transaction insurance
- specific transaction guarantees
- loan pre-disbursement insurance
- foreign investment insurance
- performance security insurance
- performance security guarantees
- consortium insurance
- surety bond insurance
- bid security guarantees
- specific sub-supplier insurance
- equipment (political risk) insurance
- bid-bond insurance
- medium-term agricultural guarantees

### **Export Financing and Related Guarantees**

- loans
- line of credit allocations
- note of purchases
- protocols
- loan guarantees
- specialized credit

EDC's head office is located in Ottawa. Regional offices are maintained in Halifax, Montreal, Toronto, London, Winnipeg, Calgary and Vancouver. General inquiries regarding EDC services can be channelled through the regional offices maintained by the Corporation in several major cities. Export services, however, are handled only by the Ottawa office. Inquiries about export financing for Mexico should be addressed to the Export Financing Group for Mexico and South America in Ottawa.

#### **Ottawa (Head Office)**

151 O'Connor Street  
Ottawa, Ontario  
K1A 1K3  
Tel: (613) 598-2500  
Fax: (613) 237-2690

#### **Public Information**

Tel: (613) 598-2739

#### **Vancouver**

Suite 1030  
One Bentall Centre  
505 Burrard Street  
Vancouver, British Columbia  
V7X 1M5  
Tel: (604) 666-6234  
Fax: (604) 666-7550

#### **Calgary**

Suite 1030  
510-5th Street S.W.  
Calgary, Alberta  
T2P 3S2  
Tel: (403) 292-6898  
Fax: (403) 292-6902

#### **Winnipeg**

8th Floor  
330 Portage Avenue  
Winnipeg, Manitoba  
R3C 0C4  
Tel: (204) 983-5114  
Fax: (204) 983-2187  
(Serving Manitoba and Saskatchewan)

#### **Toronto**

Suite 810  
National Bank Building  
150 York Street  
P.O. Box 810  
Toronto, Ontario  
M5H 3S5  
Tel: (416) 973-6211  
Fax: (416) 862-1267

#### **London**

Suite 1512  
Talbot Centre  
148 Fullarton Street  
London, Ontario  
N6A 5P3  
Tel: (519) 645-5828  
Fax: (519) 645-5580

#### **Montreal**

Suite 4520  
800 Victoria Square  
P.O. Box 124  
Tour de la Bourse  
Montréal, Québec  
H4Z 1C3  
Tel: (514) 283-3013  
Fax: (514) 878-9891

#### **Halifax**

Purdy's Wharf, Tower 2  
Suite 1410  
1969 Upper Water Street  
Halifax, Nova Scotia  
B3J 3R7  
Tel: (902) 429-0426  
Fax: (902) 423-0881

## NATIONAL RESEARCH COUNCIL

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Canadian companies hoping to succeed in the Mexican marketplace may require additional technology to improve their competitiveness. The National Research Council (NRC) works with Canadian firms of all sizes to develop and apply technology for economic benefit. The Council supervises the Industrial Research Assistance Program (IRAP), a national network for the diffusion and transfer of technology.

The IRAP network supports the process of developing, accessing, acquiring, implanting and using technology throughout Canadian industry. IRAP has been in existence for 40 years and has acquired a reputation as one of the more flexible and effective federal programs. IRAP takes advantage of an extensive network that includes more than 120 regional and local offices, 20 provincial technology centres, the Council's own laboratories and research institutes, federal government departments and technology transfer officers in Canadian universities. The IRAP network also extends abroad through the technology counsellors attached to Canadian posts in some 18 foreign countries.

For more information or the name of the IRAP officer nearest you, contact:

**IRAP Office**  
**National Research Council**  
Montreal Road  
Building M-55  
Ottawa, Ontario  
K1A 0R6  
Tel: (613) 993-5326  
Fax: (613) 952-1086

## KEY CONTACTS IN CANADA

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### BUSINESS ASSOCIATIONS

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The Canadian Council for the Americas (CCA) is a non-profit organization formed in 1987 to promote business interests in Latin America and Caribbean countries. The CCA promotes events and programs targeted at expanding business and building networking contacts between Canada and the countries of the region. It also publishes a bimonthly newsletter.

### The Canadian Council for the Americas (CCA)

Executive Offices, Third Floor  
145 Richmond Street West  
Toronto, Ontario  
M5H 2L2  
Tel: (416) 367-4313  
Fax: (416) 367-5460

### Canadian Exporters' Association (CEA)

99 Bank Street, Suite 250  
Ottawa, Ontario  
K1P 6B9  
Tel: (613) 238-8888  
Fax: (613) 563-9218

### Canadian Manufacturers' Association (CMA)

75 International Boulevard, Fourth Floor  
Etobicoke, Ontario  
M9W 6L9  
Tel: (416) 798-8000  
Fax: (416) 798-8050

### The Canadian Chamber of Commerce (CCC)

Suite 1160  
55 Metcalfe Street  
Ottawa, Ontario  
K1P 6N4  
Tel: (613) 238-4000  
Fax: (613) 238-7643

## MEXICAN GOVERNMENT OFFICES

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The Embassy of Mexico, Mexican trade commissioners in Canada and Mexican consulates can provide assistance and guidance to Canadian companies in need of information about doing business in Mexico.

### Embassy of Mexico

130 Albert Street, Suite 1800  
Ottawa, Ontario  
K1P 5G4  
Tel: (613) 233-8988  
Fax: (613) 235-9123

### Mexican Consulate in Ottawa

Tel: (613) 235-7782



**SECOFI**

130 Albert Street, Suite 1700  
Ottawa, Ontario  
K1P 5G4  
Tel: (613) 235-7782  
Fax: (613) 235-1129

**OTHER MEXICAN CONSULATES  
GENERAL IN CANADA**

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**Consulate General of Mexico**

2000, rue Mansfield  
Suite 1015  
Montréal, Québec  
H3A 2Z7  
Tel: (514) 288-2502/4916  
Fax: (514) 288-8287

**Consulate General of Mexico**

60 Bloor Street West  
Suite 203  
Toronto, Ontario  
M4W 3B8  
Tel: (416) 922-2718/3196  
Fax: (416) 922-8867

**Consulate General of Mexico**

810-1139 West Pender Street  
Vancouver, British Columbia  
V6E 4A4  
Tel: (604) 684-3547/1859  
Fax: (604) 684-2485

**Mexican Honorary Consulate**

380, Chemin St. Louis  
No. 1407  
Québec, Québec  
G1S 4M1  
Tel: (418) 681-3192

**Mexican Honorary Consulate**

830-540 5th Avenue, S.W.  
Calgary, Alberta  
T2P 0M2  
Tel: (403) 263-7077/7078  
Fax: (403) 263-7075

For the Mexican Trade Commission offices in Montreal, Toronto and Vancouver see the listing for Bancomext.

**MEXICAN BANKS WITH OFFICES IN CANADA**

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Bancomext offers credits, export guarantees and counselling services for those seeking to do business in Mexico. Credits are available for export, import and project financing. Counselling covers fiscal, financial, marketing and legal aspects of commercial transactions. Bancomext also sponsors trade fairs, international exhibitions and trade missions.

**Bancomext**

**Trade Commission of Mexico**

P.O. Box 32, Suite 2712  
TD Bank Tower  
66 Wellington Street  
Toronto, Ontario  
M5K 1A1  
Tel: (416) 867-9292  
Fax: (416) 867-1847

**Bancomext**

**Trade Commission of Mexico**

200 Granville Street  
Suite 1365  
Vancouver, British Columbia  
V6C 1S4  
Tel: (604) 682-3648  
Fax: (604) 682-1355

**Bancomext**

**Trade Commission of Mexico**

1501 McGill College  
Suite 1540  
Montréal, Québec  
H3A 3M8  
Tel: (514) 287-1669  
Fax: (514) 287-1844

Banamex and Banca Serfin are private-sector banks that offer specialized services through their international trade information centres. The centres participate in a computerized communications network with access to numerous economic, governmental and financial databases throughout the world. These banks have branches throughout Mexico, and maintain offices in Toronto.

**Banamex (Banco Nacional de México)**

Suite 3430  
1 First Canadian Place  
P.O. Box 299  
Toronto, Ontario  
M5X 1C9  
Tel: (416) 368-1399  
Fax: (416) 367-2543

**Banca Serfin**

161 Bay Street  
BCE Place  
Canada Trust Tower  
Suite 4360  
P.O. Box 606  
Toronto, Ontario  
M5J 2S1  
Tel: (416) 360-8900  
Fax: (416) 360-1760

**CANADIAN GOVERNMENT  
DEPARTMENTS AND SERVICES  
IN MEXICO**

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**COMMERCIAL DIVISION  
THE EMBASSY OF CANADA IN MEXICO**

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The Commercial Division of the Canadian Embassy in Mexico can provide vital assistance to Canadians venturing into the Mexican market. The trade commissioners are well informed about the market and will respond in whatever measure possible to support a Canadian firm's presence in Mexico.

**Note:** To telephone México, D.F., dial: 011-52-5 before the number shown below; for contacts in other cities in Mexico, consult the international code listing in your local telephone directory for the appropriate regional codes.

**Commercial Division  
The Embassy of Canada in Mexico**

Schiller No. 529  
Col. Polanco  
Apartado Postal 105-05  
11560 México, D.F.  
México  
Tel: 724-7900  
Fax: 724-7982

**Canadian Consulate**

Edificio Kalos, Piso C-1  
Local 108A  
Zaragoza y Constitucion  
64000 Monterrey  
México  
Tel: 443-200  
Fax: 443-048

**KEY CONTACTS IN MEXICO**

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**MEXICAN GOVERNMENT**

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**Secretariat of Budget & Programming  
*Secretaría de Programacion y Presupuesto***

Palacio Nacional Patio de Honor, Piso 4  
Col. Centro  
06740 México, D.F.  
México  
Tel: 542-8762/8763  
Fax: 542-1209  
Information Department: 286-1000/1900

**Secretariat for Commerce and  
Industrial Promotion  
*Secretaría de Comercio y Fomento  
Industrial***

**Dirección General de Servicios al  
Comercio Exterior**

Alfonso Reyes No. 30, Piso 10  
Col. Hipódromo de la Condesa  
06170 México, D.F.  
México  
Tel: 286-1757  
Fax: 286-1543

**Secretariat of Finance and Public Credit  
*Secretaría de Hacienda y Crédito Público*  
Dirección General Técnica de Ingresos**

Palacio Nacional  
1er. Patio Mariano  
Col. Centro  
06066 México, D.F.  
México  
Tel: 518-5420 through 29  
Fax: 542-2821

## CHAMBERS AND ASSOCIATIONS

Mexico has a number of Chambers of Commerce and professional associations that can provide assistance and guidance to Canadian companies in Mexico. Their standards of service vary widely and you should consult with Canadian Embassy officials to determine which organization would best suit your needs. In some cases, the information on companies not located in Mexico City was not confirmed.

### **National Chamber of Manufacturing Industries**

Cámara Nacional de la Industria de la Transformación (CANACINTRA)  
Vistente Gutierrez Camposeco  
San Antonio 256-8  
Col. Ampliación Napoles  
03849 México, D.F.  
Phone: (525) 563-3400 / 663-0511  
Fax: (525) 598-9467

### **American Chamber of Commerce of Mexico**

Cámara Americana de Comercio de México, A.C.  
Mr. John Burton  
Lucerna 78  
06600 México, D.F.  
Phone: (525) 709-0995

### **National Chamber of Commerce, Services and Tourism of Mexico City**

Cámara Nacional de Comercio, Servicios y Turismo de la Ciudad de México (CANACO)  
Sr. Sergio Aldana Contreras  
Reforma 42  
Col. Centro  
06048 México, D.F.  
Phone: (525) 592-2677 / 592-2665  
Fax: (525) 7412

### **Canadian Chamber of Commerce in Mexico**

Cámara de Comercio del Canadá en México  
Srta Alicia Harrsch  
Horacio 1855, Piso 3  
Col. Polanco  
11510 México, D.F.  
Phone: (525) 203-8211 (expected to change soon)  
Fax: (525) 203-8542

### **National Association of Importers and Exporters of the Mexican Republic**

Asociación Nacional de Importadores y Exportadores de la República Mexicana (ANIERM)  
Ing. Rodrigo Guerra Botello  
Monterrey 130  
Col. Roma  
06700 México, D.F.  
Phone: (525) 564-8618  
Fax: (525) 584-5317

### **National Association of Maritime Agents**

Asociación Nacional de Agentes Marítimos  
Homero No. 1425, Piso 3  
Col. Chapultepec Morales  
11510 México, D.F.  
México  
Phone: 395-8931  
Fax: 520-7165

### **Mexican Business Council for International Affairs**

Consejo Empresarial Mexicano para Asuntos Internacionales (CEMAI)  
Homero No. 527, Piso 7  
Col. Polanco Chapultepec  
11560 México, D.F.  
México  
Phone: 250-7033/7539  
Fax: 531-1590

### **Management Co-ordination Council**

Consejo Coordinador Empresarial  
Homero 527, Piso 5  
Chapultepec Morales  
11570 México, D.F.  
México  
Phone: 250-6977/7750  
Fax: 250-6995

### **Mexican Confederation of Employers**

Confederación Patronal de la República Mexicana  
Insurgentes Sur No. 950, Piso 1 y 2  
Col. del Valle  
03100 México, D.F.  
México  
Phone: 687-6465/6467  
Fax: 536-2160

**National Institute for Statistics,  
Geography and Information**

Instituto Nacional de Estadística, Geografía e  
Informática (INEGI)

Av. Heroe de Nacozari No. 2301

Fracc. Jardines del Parque

20290 Aguascalientes, Ags.

México

Phone: (49)-18.00.34

**National Confederation of Commercial, Services  
and Tourism Chambers**

Confederación de Cámaras Nacionales de  
Comercio, Servicios y Turismo  
(CONCANACO-SERVYTUR)

Balderas 144, Piso 4

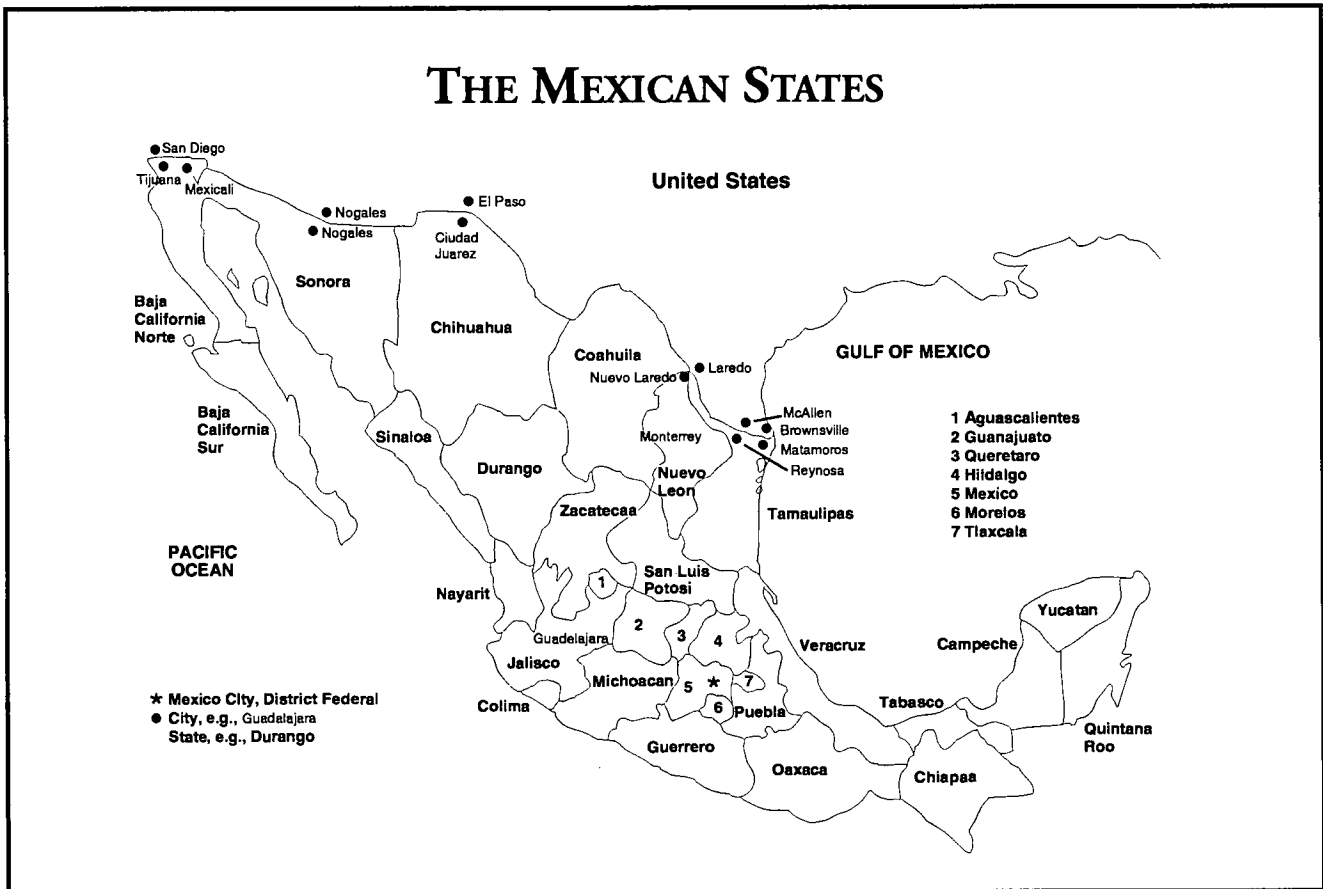
Col. Centro

06079 México, D.F.

México

Phone: 709-15-59 / 709-11-19

Fax: 709-11-52



## Appendix D – MEXICO IN BRIEF

Mexico is a country that is both a near neighbour and an unknown quantity. Perceptions of the largest Spanish-speaking country in the world are surprisingly dated, generally formed by the literature and films of the 1940s, and it is hardly surprising that they do not have even the dubious accuracy they had then.

Mexico's economy was long closed and protectionist, which did not spur the sort of exploration that opened people's eyes. "Poor Mexico — so far from God, so close to the United States," the words of Porfirio Diaz, was for many years a mantra for preventing what Mexicans saw as further encroachment on their sovereignty by their nearest neighbour.

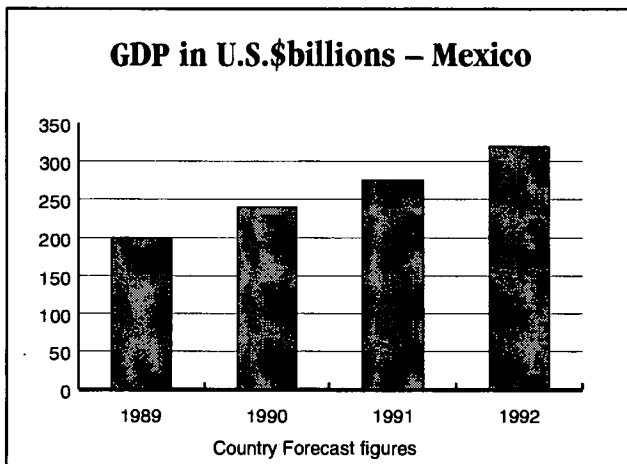
Changes in Mexico's economy were dramatically forced by the oil price collapse in the early 1980s, which followed a brief boom that

saw Mexico begin to achieve some real growth for the first time in decades. The recession of the period hit Mexico too, and the government of Carlos Salinas de Gortari, elected in 1986, was spurred into activity in order to recapture some of the prosperity that had seemed so close only a few years before.

The Salinas government negotiated Mexico's accession to the GATT, which meant accepting GATT disciplines. From there, Mexico introduced a sweeping series of economic reforms. The government renegotiated the foreign debt, created a National Development Plan to revitalize the nation's infrastructure, and secured broad popular support from business, labour and the general population for voluntary measures to restrain wages and prices in order to reduce inflation and stabilize the economy. Other key elements in reform have included privatization of state-controlled enterprises, deregulation, massive investment in infrastructure, and the encouragement of

foreign participation in building a modern and efficient industrial capacity.

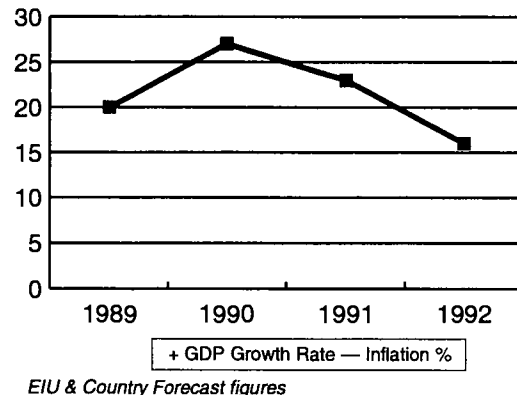
Mexico's debt reduction has been one of its signal achievements. In 1986, it was costing over 46 percent of GDP to service the debt; by 1994, it will be down to about 30 percent. Growth continues to be strong since reforms were begun, with about 4 percent predicted for 1993 and stable patterns averaging around 2 percent predicted for the next few years. Most major forecasters see Mexico as sustaining a strong growth throughout the coming decade. About 85 percent of government-owned enterprises have been or are being divested. The



process has brought the government about \$20 billion in revenue, as well as removing its responsibility for running some unprofitable enterprises. Tariffs have been reduced on a wide range of products, with most now below 20 percent; the majority of Canadian goods enter Mexico at a tariff level of 13.5 percent.

There have been some costs to Mexico in its fast turnaround: poverty is still very widespread and environmental standards are not yet as good in practice as they are on paper. But the Solidarity program initiated by President Salinas and his ruling party has made some inroads in the quality of life of particularly rural Mexicans. Inflation has dropped substantially, the peso is fairly stable, public finances are improving. Consequently, foreign business representing a broad spectrum of industrial and

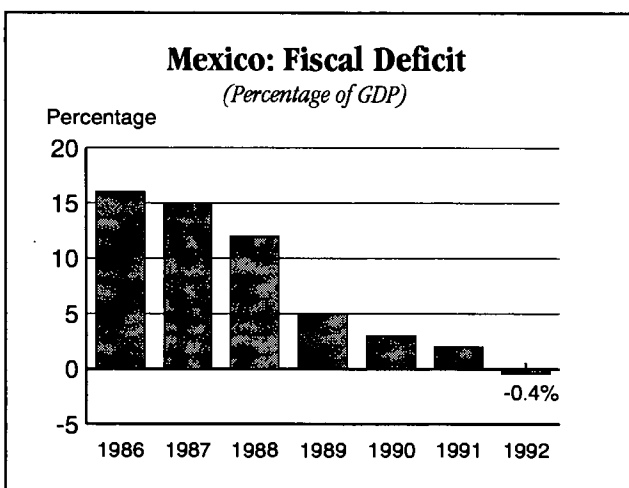
### GDP Growth Rate & Inflation – Mexico



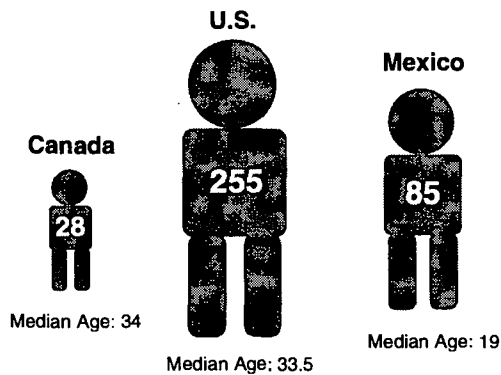
commercial activity is investing in Mexico and developing new markets. Canadian firms there to explore the potential in recent years have been returning with reports of a vibrant economy and a welcoming attitude from their Mexican counterparts. Mexico has begun on a path toward progress from which it is not planning to turn back.

Gross domestic product grew by 2.6 percent to reach U.S.\$320 billion in 1992, following a 3.6 percent increase in 1991. As a result, Mexico is now one of the 20 largest economies in the world. Commerce and the hospitality industries comprise the largest sector by percentage, with manufacturing a close second.

The Mexican government's Pact for Stability and Economic Growth (*El Pacto*) has persuaded labour and business to accept general

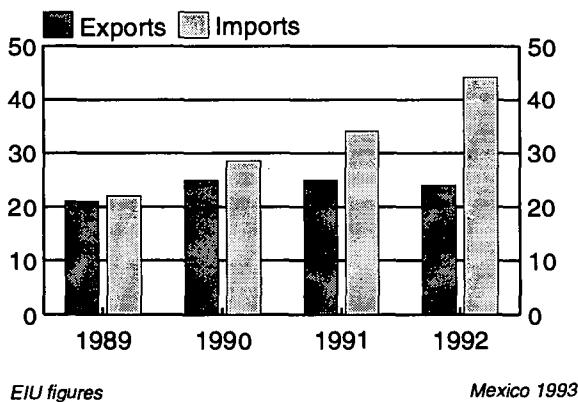


**North America: 1992 Population/  
Median Age Comparison**



guidelines for increases in wages and prices, and negotiates exemptions with a Follow-Up and Evaluation Commission. In large part as a result of this approach, Mexico's inflation rate has dropped from 159 percent in 1987 to a projected estimate of 7.0 percent to 9.5 percent in 1993. Economic growth rates for 1993 are projected at 2.5 percent to 3.0 percent, after a growth rate of 2.6 percent in 1992.

**Total Foreign Trade in U.S.\$billions**

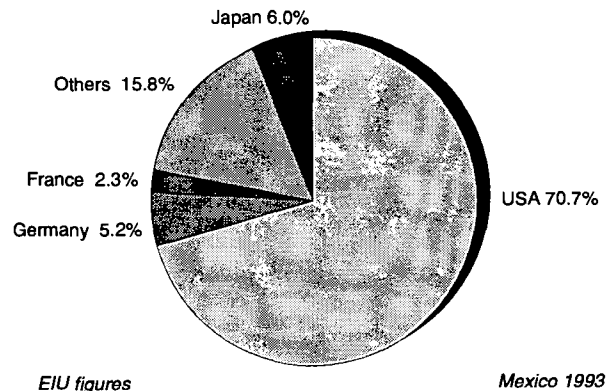


By broadening the tax base, the government of Mexico has been able to reduce tax rates while increasing total income. Spending cuts and fiscal reform have also been put in place by government and the result has been that the public sector actually ran a surplus in 1992.

Compared to Canada and the United States, Mexico is a very young country. Last year, it was estimated that 57 percent of its population was under 29; by the year 2000, when the total Mexican population will exceed 100 million, it is anticipated that 41 percent will be under the age of 20.

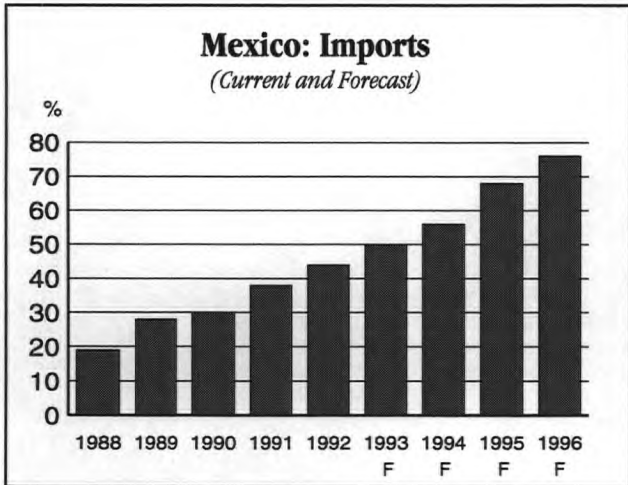
Total exports from Mexico reached about U.S.\$27.5 billion in 1992, a 1.5 percent increase over 1991. Total imports in the same period were about U.S.\$48 billion, a 26 percent increase over the previous year. The trade deficit accordingly rose from U.S.\$11.182 billion in 1991 to U.S. \$20.6 billion in 1992.

**Major Markets – Origin of Imports**

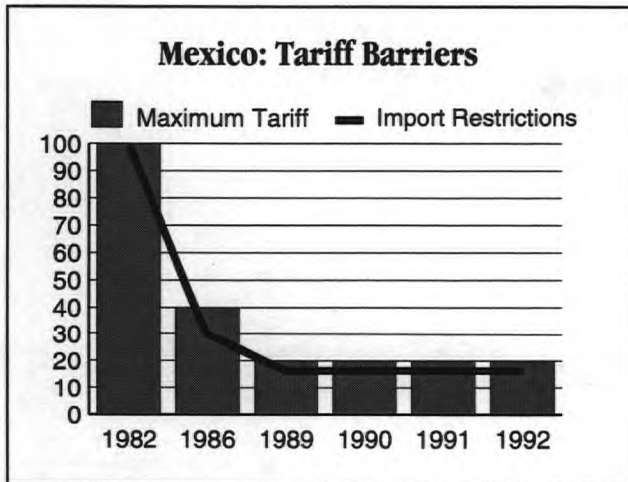


The United States was far and away the largest receptor of Mexican exports, at 74.5 percent estimated for 1993. Japan and Spain share the next places, well behind. Exports to Canada are reckoned differently by Mexican and Canadian methods of calculation, with about a 10 percent differential in their statistical estimates, Mexico's being the lower.

The United States is Mexico's principal supplier of imported goods, with just over 70 percent of 1993 sales. Japan and Germany are closest, though far behind. Again there is a discrepancy in Mexican and Canadian calculations of Canada's import share in Mexico, with the Mexican figures one and one-half times higher than Canada's estimation.



With its economy projected to enjoy stable growth over the coming years, with its liberalized market conditions, with a young and growing population, Mexico will steadily increase its volume of imports over the foreseeable future. From \$19 billion to about \$50 billion in five years has been a remarkable leap, making it one of the fastest-growing economies in the world in this period.



Tariff barriers in Mexico have been decreasing since 1982, with a distinct drop since

Mexico's accession to the GATT in 1986. The average is now below 20 percent for most products and services. At the same time, many import restrictions have been removed. The average tariff applied to 80 percent of Canadian goods entering Mexico is now 13.1 percent.

Canada and Mexico have only just begun to develop their trading partnership to its full potential. In 1992, Mexico ranked fifth as a



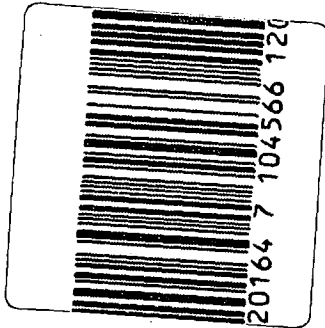
source of imports to Canada, and fourteenth as a destination for Canadian exports. Less than 2 percent of Canada's 1992 imports came from Mexico and less than 1 percent of Canada's exports went there. Two-way trade totalled about \$3.5 billion, and trends suggest it could double in the next five years. The liberalized trade climate is already taking effect, with exports virtually doubled in six years. The trucking image was chosen to illustrate how close the market is to Canada. After 1997, Canada will be able to truck directly into Mexico and will be able to remove goods for drop-off in the United States, or pick up U.S. products for delivery in Mexico.



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