Wood and Cellulose Products

THE OPPORTUNITY

The Mexican wood and cellulose sector offers many opportunities to Canadian suppliers.

- Although Mexico has substantial forest resources, the wood industry is inefficient and wastes a large proportion of every tree.
- Wood quality is low, with high-moisture, air-dried products dominating the market.
- The cellulose industry has declined substantially in recent years, due to outdated facilities that are too small to capture economies of scale.
- Although Mexicans are generally prejudiced against the use of wood for structural purposes, the construction industry is increasingly demanding wood for finishing applications, such as wall panelling, flooring and cabinetry.

MEXICO'S FOREST RESOURCES

Mexico's forest resources are the tenth largest in the world. From its earliest beginnings, the nation has grappled with the problem of effectively managing this natural heritage. In early 1995, President Zedillo's administration began yet another reorganization of the sector when it created the *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP)*, Secretariat of the Environment, Natural Resources and Fisheries. The new secretariat has a mandate to create the conditions for sustainable forestry development.

Mexico's national territory totals 196.7 million hectares of which 56.8 million hectares consist of forests and jungles. According to estimates by the *Cámara Nacional de la Industria Forestal (CNIF)*, National Chamber of the Forest Industry, in 1993 almost 50 million hectares were regarded as forest resources. Less than half of these are presently commercially available. About 80 percent of the timber harvested in Mexico is pine, 8 percent is oak and the rest is mostly tropical hardwood.

About 80 percent of Mexico's forest resources are part of *ejidos* or community properties, which have been officially assigned by the *Secretaría de Agricultura, Ganadería y Desarrollo Rural (SAGAR)*, Secretariat of Agriculture, Livestock and Rural Development. There were about 7,000 *ejidos* in 1993. Another 15 percent of forest resources are distributed among roughly 100,000 small private owners. The remaining 5 percent comprise the 123 national parks. Deforestation is an ongoing problem. An average of 270,000 hectares of forest were lost annually between 1989 and 1993.

Amendments to the Mexican Constitution in 1992 changed the

SUMMARY REPORT

This market information on the Mexican wood and cellulose products market has been produced and published by Prospectus Inc. under contract with DFAIT, along with other market profiles and summaries on business opportunities in Mexico. It is available from:

InfoCentre
Tel: 1-800-267-8376 or (613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
Bulletin Board (IBB): 1-800-628-1581 or (613) 944-1581

The market profiles are available in electronic form from the IBB, or in hard copy at a cost of $10.00 plus shipping and applicable taxes, from Prospectus Inc. Please contact:

Prospectus Inc. Order Department
Tel.: (613) 231-2727
Fax: (613) 237-7666

Cat. No. E73-9/36-1995-1E
ISBN 0-662-23183-X

Disponible en français.

SPONSORED BY

BAKER & McKENZIE

Department of Foreign Affairs and International Trade
Ministère des Affaires étrangères et du Commerce international

system of land tenure to allow longer-term property rights. Previously, forest reserves had been allotted only on a year-by-year basis. As a result of the new legislation, private properties are likely to gradually replace the *ejidos*.

THE WOOD SUBSECTOR

Although Mexico's formal forest industry is some 70 years old, it is still in its infancy in terms of technology, infrastructure and forest management practices. The industry is characterized by small-scale producers using outdated technology.

As a result, forest yields are only about one cubic metre round per hectare annually. This compares with 3.5 cubic metres per hectare in the United States and 2.3 in Canada. Logs and lumber are typically stored outdoors for considerable periods and there are few kiln drying facilities. Modernization efforts are hampered by transportation problems.

PRODUCTION

Wood production fell by one-third between 1987 and 1993, reducing the industry's share of gross domestic product (GDP) from 1.3 percent to 0.9 percent. Production increased slightly in 1994.

Until very recently, all of Mexico's wood production has come from wild forests rather than commercial plantations. In 1994, 76 percent of wood output was sold as scantling, and about 16 percent went to the paper industry. Small amounts were used for posts and piles, railway sleepers and fuel. More than three-quarters of forestry production comes from five states. Durango is the largest forestry state, accounting for 30 percent of production.

The devaluation of the peso in December 1994, has given the industry a temporary boost. But Mexican producers will have difficulty competing with imported wood products in the long run. In 1994, production was only about 43 percent of domestic consumption, which is estimated at 15 million cubic metres.

Mexico's Forest Resources, 1993
millions of hectares

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

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

Sawmills

Notwithstanding the low technological standards of the forest industry in general, a large proportion of Mexico's 1,375 sawmills are reasonably competitive. The domestic sawmill industry met 91 percent of demand in 1993. Some observers believe that this subsector is in a position to reverse the long-term trend towards increasing import penetration. This will require considerable capital investment and perhaps joint ventures with foreign manufacturers.

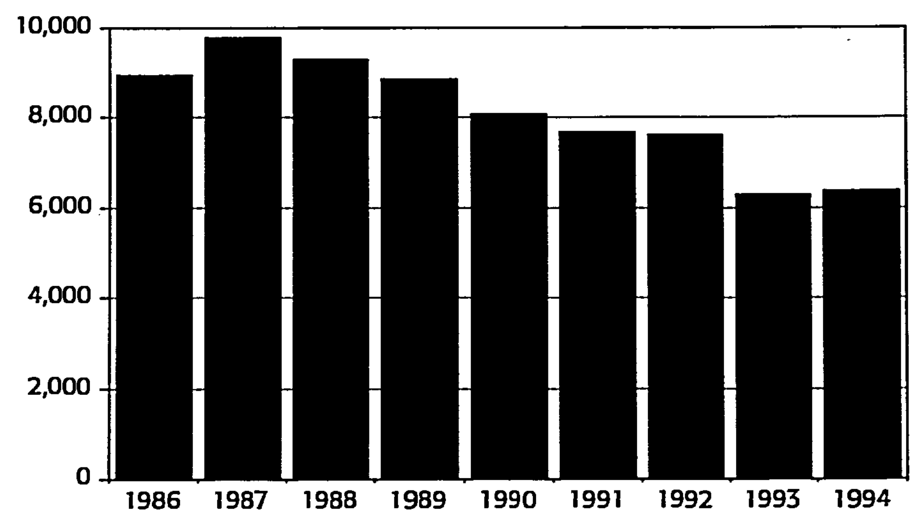
Veneer and Plywood

The Mexican veneer and plywood industry has the potential to exploit major resources of tropical hardwoods that are not available in Canada or the United States. To do so, this industry will have to substantially increase its productivity, and infrastructure improvements will be needed as well. Transportation costs typically make up half of the cost of the delivered product.

Particleboard and Fibreboard

Mexican producers of particleboard and fibreboard are considered

Timber Production
'000s of cubic metres round



Production of Wood Pulp
'000s of tonnes

	1993	1994
Bleached wood	92.7	57.7
Short sulphate fibre	27.7	27.7
Non-bleached wood	88.4	74.2
White plant fibres	121.3	116.7
Non-white plant fibres	0.1	0
Mechanical paste	13.4	0
Total	**343.6**	**276.3**

Source: *Cámara Nacional de las Industrias de la Celulosa y del Papel (CNICP)*, National Chamber of the Pulp and Paper Industry.

internationally competitive, especially in comparison with most other domestic wood products. In 1993, the industry supplied 89 percent of domestic consumption. The industry also exports to several countries, but mainly to the United States.

Wood Pulp

In Mexico, wood pulp is known as *celulosa*, or cellulose. The cellulose industry has been adversely affected by trade liberalization. Domestic production fell from 551,000 tonnes in 1988 to only 276,300 tonnes in 1993 and by another 20 percent in 1994 alone. The industry suffered from a world oversupply of pulp between 1991 and 1993, and at least four Mexican pulp plants were shut down. The recovery of prices in 1994 and the devalued peso have allowed two of them to reopen. Mechanical production of wood pulp ceased altogether in 1994, following a steady drop from 118,100 tonnes in 1988 to 13.4 tonnes in 1993.

Technology

The wood industry as a whole suffers greatly from the use of outdated technology. Obsolete equipment makes it difficult to use the whole tree. Sometimes as much as half the tree is wasted. New technologies have been tested, but they typically encounter an uneducated labour force that is reluctant to accept new methods. The dynamics of the industry make short-term exploitation more attractive than long-term resource management.

THE ROLE OF IMPORTS

Imports of forest products into Mexico have increased steadily since the process of trade liberalization began in the late 1980s. By 1994, import penetration for wood products was about 57 percent. The sharp devaluation of the peso in December 1994 resulted in an abrupt reversal

Mexico Wood and Cellulose Imports from Canada
US $

Product	1991	1992	1993	1994
Sawdust and wood waste	208	685	1175	165
Charcoal	0	0	165	2044
Wood in the rough	0	65,651	149,083	1,114,862
Wood wool	0	0	0	2800
Railway sleepers	0	0	30762	0
Coniferous wood, sawn or chipped	70,242	1,088,133	1,008,926	989,566
Oak wood, sawn or chipped	0	0	24,470	109,772
Nonconiferous wood, sawn or chipped	77,813	50,350	352,888	241,761
Sheets for veneer and plywood	0	18,967	155,576	279,069
Wood, continuously shaped	722	38,654	69,420	63,268
Particleboard	2,289	28,388	61,999	27,255
Fibreboard	29,523	29,070	77,806	305,680
Plywood	19,035	33,851	29,317	95,985
Densified wood	0	219,074	199,801	11,215
Cases, boxes, crates etc.	1,407	2,453	4,940	4,603
Pallets and other load boards	5,282	67,194	552,035	360,740
Casks, barrels and vats	0	0	1,409	1,772
Tools and handles	51,619	221,188	165,792	59,717
Value-added building components	58,492	9,003	81,751	171,659
Mechanical wood pulp	348,778	3,268,727	2,910,818	0
Chemical wood pulp, dissolving	0	42,013	85,501	235,549
Chemical wood pulp, soda or sulphate	6,739,312	8,598,693	15,405,339	20,622,420
Chemical wood pulp, sulphite	526,744	624,399	72,277	39,583
Semichemical wood pulp	14,273,207	11,245,500	11,361,431	30,471,864
Total	**22,204,673**	**25,651,993**	**32,802,681**	**55,211,349**

Source: *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development.

of this trend. Knowledgeable observers predict that 1995 imports will fall by about half.

Mexico imported a total of US $789 million worth of wood and cellulose products in 1994, an increase of 7.5 percent over the previous year. The United States accounted for more than three-quarters of this market. Canada's exports of these products increased steadily from US $22 million in 1991 to more than US $55 million in 1994, for a market share of more than 6 percent in the latter year. More than 90 percent of Canada's wood exports are in the form of pulp. Other wood products totalled less than US $4 million.

The devaluation will affect these market shares in 1995. Cheap imports from the Far East, especially plywood, are now flooding the market in spite of countervailing duties. Brazil has also increased its exports of eucalyptus-derived cellulose.

CUSTOMERS

The Construction Industry

The construction industry consumes about three-quarters of Mexico's wood production. The industry includes 25 companies with annual sales in excess of US $100 million, and five with sales of more than US $1 billion.

For several years, the commercial construction sector had been growing faster than the rest of the economy. Many projects, however, came to an abrupt halt when the peso was devalued in December 1994.

Mexico has a deficit of close to seven million housing units and the government has implemented programs to build low-income homes. But wood frame construction is rare in Mexico, and unlikely to be included in these programs. The barriers to wood include concern about fire, termites, rot and earthquake, as well as rules imposed by insurance companies, mortgage lenders and building codes.

The demand for wood products is mainly for doors, window frames, moldings, flooring, decorative panels and other value-added wood products. Decorative panels are becoming increasingly popular.

Furniture

The Mexican furniture industry is the largest end-user of plywood, accounting for 30 percent of the total market. Prior to the devaluation of the peso in December 1994, annual growth was forecast at 3.5 to 4.5 percent, but sales have fallen off in 1995. Particleboard is also widely used in the Mexican furniture industry.

According to industry experts, there is growing interest in Canadian woods such as poplar, red maple and alder for use in higher-quality furniture. There are about 2,400 furniture makers in Mexico. The major producers of high-quality furniture are in Guadalajara, San Luis Potosí, Monterrey and Mexico City. Some of them are interested in importing rough components for finishing in Mexico.

The Automotive Industry

The automotive sector accounts for 25 percent of the market for plywood veneer panels. Ford, General Motors, Chrysler, Volkswagen, and Nissan are the principal manufacturers. *Diesel Nacional (DINA),* in a joint venture with Mercedes Benz, produces trucks and buses, and *Trailers de Monterrey* manufactures tractor trailers.

Telephone and Power Poles

There are two large users of power poles in Mexico: *Teléfonos de México (Telmex),* the national telephone company; and *Comisión Federal de Electricidad (CFE),* Federal Electricity Commission. *Telmex* purchases poles through its construction subsidiary *Grupo Contelmex*. Bidding on contracts for such purchases is a lengthy and formal process.

Railway Ties

Ferrocarriles Nacionales de México (FNM), the Mexican national railway, is a major user of wooden railroad ties. Periodic tenders are issued for large purchases. Procurements are managed by Tlaxcala-based *Grupo Itisa*, which is the company that manufactures pre-stressed concrete ties for the *FNM*. The most recent call for tenders was in the spring of 1995.

Pallets

Wood containers and pallets account for 10 percent of Mexican plywood consumption. The market has grown as trade liberalization has increased the flow of exports. The specifications for pallets, including strength requirements, are fairly strict but Canadian spruce meets these requirements in most cases. The market is highly competitive but there is a demand for pre-cut rough lumber. There are a few large companies producing volumes in the range of 2,000 to 3,000 pallets per day.

COMPETITION

The sharp devaluation of the peso in December 1994 has changed the competitive situation considerably. Prior to the devaluation, the markets for wood and paper products were strongly oriented towards quality and service. Now, customers are more interested in price and financing.

Construction buyers are switching to material with little potential for re-use, in exchange for lower prices. In general, the focus has shifted to short-term considerations, with little concern that this might actually be more expensive in the long term. The willingness to accept lower quality is an advantage for Mexican firms, which generally have difficulty meeting international quality standards.

Financing has also emerged as a critical competitive issue. Capital is scarce and very expensive, with interest rates on peso loans running at 50 percent or more in mid-1995. Companies that can take advantage of lower financing costs in Canada and offer deferred payments and preferential interest rates will enjoy a competitive advantage. The ability to hedge against future devaluations by denominating contracts in pesos is also a benefit.

Mexican Competitors

Mexican forest products producers are expected to have no difficulty selling their entire output. The devaluation of the peso in December 1994 has made them more competitive and at the same time has softened demand from consumers for international levels of quality.

The capacity of the industry, however, is well-short of demand, even in the present depressed market. This means that the principal competitors for Canadian producers are other foreign suppliers, particularly those from the United States.

Foreign Competitors

Many American firms have established a presence in Mexico through local distributors, representatives or agents, or through joint ventures and multinational firms. This has increased product visibility and facilitated fast, cost-effective delivery. As a result, the United States claims about three-quarters of the import market for wood and cellulose products. Canada is the next largest supplier, followed by Sweden, Indonesia and Spain. Since the devaluation of the peso in December 1994, Brazil is expected to increase its market share through imports of eucalyptus-based cellulose.

TRENDS AND OPPORTUNITIES

Sales of both imported and domestic wood products are expected to fall as a result of the devaluation of the peso in December 1994. While the cheaper peso has driven increased exports in many other sectors, wood products will not fully benefit from the devaluation. As a result of this decline, more than 80 Mexican lumber mills have closed. Many of the remaining mills are merging or forming joint ventures to survive.

THE CONSTRUCTION INDUSTRY

The construction sector is expected to remain depressed well into 1996. A contraction of 15 percent in construction activity is forecast for 1995. Many finished projects remain vacant, and work has stopped on some unfinished buildings.

Government-sponsored housing projects will stimulate the construction industry somewhat. But cultural and institutional obstacles will continue to limit the use of wood in this market. The best opportunities for wooden building materials are for finishing applications such as doors and windows, wall panelling, flooring and cabinetry.

THE FURNITURE INDUSTRY

The devaluation of the peso in December 1994 has reduced consumer purchasing power and therefore, the demand for furniture. Mexico exports some furniture, but as it generally does not meet international quality standards, the furniture industry is not in a position to take full advantage of the devalued peso. Some wood product manufacturers are coping with falling demand by providing repair and maintenance services rather than selling new products. Others, such as *Perroni* furniture, are now insolvent.

DO-IT-YOURSELF RETAILERS

The do-it-yourself (DIY) culture has yet to take root in Mexico. Skilled labour is relatively cheap and most Mexicans lack the skills to do home projects on their own. Nonetheless, retailers believe that this market has a promising future. Mexican consumers are impressed with the large array of DIY products, and tend to be lured by the convenience of having many such products under one roof. Industry experts say that the consumer's lack of skills is still an obstacle and that this is a good time to start educating the public about DIY products.

CHRISTMAS TREES

There is a seasonal demand for douglas and noble firs for Christmas trees. Domestic Christmas trees are in short supply and of poor quality, and imports are expected to grow. Sales of Christmas trees are not expected to suffer from the devaluation of the peso in December 1994, because the natural tree is a well-established cultural tradition. Most trees are imported from the United States. Buyers interviewed for this profile believe that Canada will have to substantially improve shipping and logistical details in order to increase its market share in this area.

RAILWAY TIES

Railway ties will be in demand as soon as plans to privatize the national railway network are finalized. The recent passage of the railway privatization law has spurred substantial interest on the part of North American companies. *Ingenieros Civiles Asociados (ICA)* and Union Pacific are preparing to purchase and modernize portions of the rail network, but are believed to be waiting for the economy to improve first.

WOOD PULP

Canada has been a major beneficiary of the problems besetting the Mexican cellulose industry. As a result of declines in domestic production, imports rose by 32 percent, from

470,600 tonnes to 619,000 tonnes between 1987 and 1993. Canadian sales of these products more than tripled from US $14.4 million to US $51.4 million during the same period.

The future of this market depends on the extent to which the Mexican pulp industry recovers. This would require larger plants that can take advantage of economies of scale. Mexico's pulp plants average 100,000 tonnes annual capacity, compared with an international average of about 250,000 tonnes. The industry would also benefit from the development of commercial plantations, to ensure a more competitive supply of raw materials. Technological partnerships with Canadian firms might be part of the solution.

Species in Demand

Other market niches are dependent on the species of wood involved.

- *Abeto*, spruce, for construction and packaging purposes. It is considered too "knotty" for furniture. Camford spruce has been selling since the devaluation of the peso in December 1994.
- *Encino*, oak, both red and white, especially for flooring.
- *Arce*, maple, for furniture and floors.
- *Fresno*, ash. It is forbidden to cut this species in Mexico. The Mexico City *Metro*, subway, uses this wood for the brakes on its cars.
- *Caoba*, mahogany. There is a small market for this wood for luxury car finishings and panelling. Production may resume in Chiapas, which would offer stiff competition for imports.
- *Nogal Americano*, hickory, for high-end housing finishings and luxury furniture.
- *Nogal*, walnut. This is a high-end niche almost exclusively devoted to picture frames.
- *Alamo*, poplar, is not common in Mexico and is used for office furniture.
- *Macocel* or MDS synthetic boards have potential, especially in the 25 mm size.

Aglomerados, particleboards, are widely used in Mexico. There is a small shortfall in domestic production that could provide an opening for Canadian imports. But competition from cheap products from the Far East is stiff.

Partnering Opportunities

There are many opportunities for Canadian companies to enter into partnerships or joint ventures with Mexican forest products firms. The benefits of such ventures are likely to be realized only in the medium to long term, but the low value of the peso makes this a good time to move into the market.

Some of the best opportunities are in the development of plantations, which so far, are rare in Mexico. The cellulose industry also offers good prospects for joint ventures. Mexican producers, with their existing technology, are approaching the limit of their capacity. A number of Mexican lumber mills are also considering the possibility of merging and then seeking foreign partners. To expand and modernize, Mexican companies need partners who can bring capital, administrative expertise and technology.

THE REGULATORY ENVIRONMENT

The Mexican Constitution sets aside natural resources as public resources subject to special control. The administration of the forestry sector is governed by the *Ley Forestal*, Forestry Law, of 1993.

In early 1995, the administration of President Zedillo created a new department, the *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP)*, Secretariat of the Environment, Natural Resources and Fisheries. It took over responsibility for the forestry sector from the *Secretaría de Agricultura y Recursos Hidraúlicos (SARH)*, Secretariat of Agriculture and Water Resources.

The change is intended to increase the synergy between the various segments of the natural resource sector and to develop them in a sustainable, environmentally appropriate way. Within *SAHR*, forestry had been seen as a competitor with agriculture for available land, rather than as a renewable resource. There are no changes expected to the *Ley Forestal* as a result of this reorganization, although *SEMARNAP* is expected to implement its land reform provisions more aggressively.

Product Standards

Mexico has a system of mandatory standards known as *Normas Oficiales Mexicanas (NOMs)*, official standards. Products that are subject to these mandatory requirements must be tested and issued a certificate of compliance.

There are presently no mandatory standards that affect wood or wood products. Christmas trees were subjected to an emergency standard, *NOM-EM-012-SARH3-1994*, which affected the 1994 Christmas season. Imports of Christmas trees are also subject to strict phytosanitary regulations and prior authorization from the *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP)*, Secretariat of the Environment, Natural Resources and Fisheries. In 1994, *Secretaría de Agricultura y Recursos Hidraúlicos (SARH)*, Secretariat of Agriculture and Water Resources required permit stickers to be attached to each tree. Similarly, air-dried lumber must be accompanied by an international phytosanitary certificate from Agriculture and Agri-Food Canada.

MARKET ENTRY STRATEGIES

Mexican wood producers often act as wholesalers and distributors. They purchase imported products to fill out their lines. They usually deliver large orders, while small retailers and contractors pick up the product at central warehouses.

Independent distributors dealing mostly in imports have begun to disappear because of the devaluation. Lumber yards remain the principal independent intermediary. They mostly sell to retail stores.

Sawmills usually employ their own fleet of trucks for hauling lumber out of the forest to a lumber yard. Many lumber yards and sawmills are owned by the same company. The companies that still import are mostly vertically- or horizontally-integrated sawmill/lumber yards or furniture manufacturers.

Advertising for wood products is aimed mainly at industrial clients and placed in specialized trade journals. Personal contact is a more important method of product promotion. This is especially true for imported niche products.

Construction companies often have exclusive contracts with wood producers for the duration of a project. Although these are usually tendered, personal contact is extremely important in ensuring that purchasers know about available products before specifications are written.

Mexicans consider Canadians and their products to be reliable and of good quality, and often prefer them to their American equivalents. But they also feel that Canadians lack determination and organization, and do not readily initiate personal contact and follow-up on leads.

Participation in trade shows is a common method for Canadian companies to establish contact with potential buyers and partners in Mexico. Large furniture and construction shows are held annually in Mexico City, Monterrey and Guadalajara.

KEY CONTACTS

CANADA

Canadian Government

Department of Foreign Affairs and International Trade (DFAIT)

DFAIT is the Canadian federal government department most directly responsible for trade development. The **InfoCentre** should be the first contact point for advice on how to start exporting. It provides information on export-related programs and services, acts as an entry point to DFAIT's trade information network, and can provide copies of specialized export publications and market information to interested companies.

InfoCentre
Tel.: 1-800-267-8376 or
(613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
InfoCentre Bulletin Board (IBB):
Tel.: 1-800-628-1581 or
(613) 944-1581

Commercial Division of the Embassy of Canada 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 measures possible to support a Canadian firm's presence in Mexico.

Note: *to telephone Mexico City, dial: 011-52-5 before the number shown. For contacts in other cities in Mexico, consult the international code listing at the front of 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 108-A
Zaragoza y Constitución
64000 Monterrey, Nuevo León
México
Tel.: 344-3200
Fax: 344-3048

Canadian Consulate
Hotel Fiesta Americana
Local 30-A
Aurelio Aceves No. 225
Col. Vallarta Poniente
Guadalajara, Jalisco
México
Tel.: 616-6215
Fax: 615-8665

International Trade Centres have been established across the country as a convenient point of contact to support the exporting efforts of Canadian firms. Co-located with the regional offices of the Department of Industry (DI), 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 market research and planning, provide access to government programs designed to promote exports, and arrange for assistance from the trade commissioners in Ottawa and trade officers abroad. Contact the International Trade Centre nearest you.

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 23,000 Canadian exporters. To register on WIN Exports, call (613) 996-5701, or fax 1-800-667-3802 or (613) 944-1078.

International financing institutions, including the World Bank and the Inter-American Development Bank, provide funds to Mexico for a wide variety of specific projects. DFAIT helps Canadian exporters interested in pursuing multilateral business opportunities that are financed by international financing institutions. For further information, call (613) 995-7251, or fax (613) 943-1100.

Market Intelligence Service (MIS) provides Canadian businesses 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. MIS is offered free of charge by fax, letter or telephone. For more information, call (613) 954-5031, or fax (613) 954-2340.

Natural Resources Canada

Canadian Forest Service
Industry, Trade and Technology Directorate
Natural Resources Canada
580 Booth Street
Ottawa, ON K1A 0E4
Tel.: (613) 947-7375
Fax: (613) 947-7399

Department of Industry

Forest Industries and Building Projects Branch
Department of Industry
235 Queen Street
Ninth floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 954-3037
Fax: (613) 952-8988

Canadian International Development Agency (CIDA)

CIDA is an important possible source of financing for Canadian ventures in Mexico. A special fund is available through the CIDA under the Industrial Cooperation Program (CIDA/INC). This 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. For more information, call (819) 997-7905/7906, or fax (819) 953-5024.

Export Development Corporation (EDC)

EDC is a customer-driven, financial services corporation dedicated to helping Canadian businesses succeed in the global marketplace. EDC provides a wide range of risk management services, including insurance, financing and guarantees to Canadian exporters and their customers around the world.

EDC has established relationships with leading commercial and public sector institutions in Mexico and Latin America. Exporters can call (613) 598-2860 for more information. Smaller exporters, with annual export sales under C $1 million, should call the Emerging Exporter Team at 1-800-850-9626. Exporters in the information technology industry can call EDC's Information Technologies Team at (613) 598-6891. For information on the full range of EDC services, call (613) 598-2500, or fax (613) 237-2690.

Revenue Canada

Revenue Canada, Customs Program Branch provides a NAFTA Help Desk telephone line with service available in Spanish. For information, call (613) 941-0965.

Sponsoring Organizations

Baker & McKenzie
Barristers & Solicitors
BCE Place
181 Bay Street
Suite 2100
Toronto, ON M5J 2T3
Tel.: (416) 865-6910/6903
Fax: (416) 863-6275

Business and Professional Associations

Canadian Wood Council
1730 St. Laurent Boulevard
Suite 350
Ottawa, ON K1G 5L1
Tel.: (613) 247-7077
fax: (613) 247-7856

Canadian Wood Preservers Bureau
2430 Don Reid Drive
Suite 200
Ottawa, ON K1A 8P5
Tel.: (613) 737-4337
Fax: (613) 247-0540

Canadian Pulp and Paper Association
Sun Life Building
Nineteenth Floor
1155 Metcalfe Street
Montreal, PQ H3B 4T6
Tel.: (514) 866-6621
Fax: (514) 866-3035

Bureau du Promotion de l'industrie du bois
979 de Bourgogne Road
Suite 320
Sainte-Foy, PQ G1W 2L4
Tel.: (418) 650-2424
Fax: (418) 650-2423

Council of Forest Industries of British Columbia
555 Burrard Street
Twelfth Floor
Vancouver, BC V6E 3N9
Tel.: (604) 684-0211
Fax: (604) 687-4930

Canadian Council for the Americas
Executive Offices
360 Bay Street
Suite 300
Toronto, ON M5H 2V6
Tel.: (416) 367-4313
Fax: (416) 367-5460

Canadian Exporters' Association
99 Bank Street
Suite 250
Ottawa, ON K1P 6B9
Tel.: (613) 238-8888
Fax: (613) 563-9218

Canadian Manufacturers' Association
75 International Boulevard
Fourth Floor
Etobicoke, ON M9W 6L9
Tel.: (416) 798-8000
Fax: (416) 798-8050

The Canadian Chamber of Commerce
55 Metcalfe Street
Suite 1160
Ottawa, ON K1P 6N4
Tel.: (613) 238-4000
Fax: (613) 238-7643

Forum for International Trade and Training Inc.
155 Queen Street
Suite 608
Ottawa, ON K1P 6L1
Tel.: (613) 230-3553
Fax: (613) 230-6808

Language Information Centre
240 Sparks Street RPO
Box 55011
Ottawa, ON K1P 1A1
Tel.: (613) 523-3510

Open Bidding Service
P.O. Box 22011
Ottawa, ON K1V 0W2
Tel.: 1-800-361-4637 or
(613) 737-3374

Canadian Standards Association
178 Rexdale Blvd.
Rexdale, ON M9W 1R3
Tel: (416) 747-4000
Fax: (416) 747-4149

Standards Council of Canada
45 O'Connor Street
Suite 1200
Ottawa, ON K1P 6N7
Tel.: (613) 238-3222
Fax: (613) 995-4564

Mexican Government Offices in Canada

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
45 O'Connor Street
Suite 1500
Ottawa, ON K1P 1A4
Tel.: (613) 233-8988
Fax: (613) 235-9123

KEY CONTACTS

MEXICO

Mexican Government Departments

Secretariat of the Environment, Natural Resources and Fisheries
Secretaría del Medio Ambiente, Recursos Naturales y Pesca (SEMARNAP)
Periférico Sur No. 4209
Col. Jardines en la Montaña
14210 México, D.F.
México
Tel.: 628-0602/0605
Fax: 628-0643/0644

Secretariat of Agriculture, Livestock and Rural Development
Secretaría de Agricultura, Ganadería y Desarrollo Rural (SAGAR)
Insurgentes Sur No. 476, Piso 13
Col. Roma Sur
06760 México, D.F.
México
Tel.: 584-0786/0271/6288
Fax: 584-2699

Secretariat of Commerce and Industrial Development
Secretaría de Comercio y Fomento Industrial (SECOFI)
Sub-Secretaría de Comercio Exterior
Insurgentes Sur No. 1940 — P.H.
Col. Florida
01030 México, D.F.
México
Tel.: 229-6360/6561/6100
Fax: 229-6568

Secretariat of Commerce and Industrial Development Bureau of Standards
Secretaría de Comercio y Fomento Industrial (SECOFI)
Dirección General de Normas
Av. Puente de Tecamachalco No. 6
Col. Lomas de Tecamachalco
53950 Tecamachalco, Estado de México
México
Tel.: 729-9300
Fax: 729-9484

Mexican Airport Authority
Aeropuertos y Servicios Auxiliares (ASA)
Av. 602 No. 161
Col. San Juan de Aragón
15620 México, D.F.
México
Tel.: 785-3988, 786-9526/9528
Fax: 786-9533

Mexican National Railway
Ferrocarriles Nacionales de México (FNM)
Av. Jesús García No. 140, Piso 13
Ala "A"
Col. Buenavista
06358 México, D.F.
México
Tel.: 547-3556/7920
Fax: 547-0959

Mexican Port Authority
Puertos Mexicanos
Municipio Libre No. 377
Col. Santa Cruz Atoyac
03310 México, D.F.
México
Tel.: 604-4249/3829
Fax: 688-9368

National Telephone Company
Teléfonos de México, S.A. de C.V. (TELMEX)
Parque Vía No. 190
Col. Cuauhtémoc
06599 México, D.F.
México
Tel.: 222-6950, 535-2041
Fax: 203-5104

Federal Electricity Commission
Comisión Federal de Electricidad (CFE)
Río Ródano No. 14, Piso 7
Col. Cuauhtémoc
06598 México, D.F.
México
Tel.: 207-3962/3704
Fax: 553-6424/6762

Business and Professional Associations

National Association of Wood Board Manufacturers
Asociación Nacional de Fabricantes de Tableros de Madera, A.C.
Viaducto Miguel Alemán No. 277
Col. Escandón
11800 México, D.F.
México
Tel.: 573-0986
Fax: 273-0933

Mexican Association of Concession Infrastructure
Asociación Mexicana de Infraestructura Concesionada, A.C. (AMICO)
Baja California No. 255 Torre A
Piso 6
Col. Hipódromo Condesa
06100 México, D.F.
México
Tel.: 264-5384, 574-5924
Fax: 584-5191

Mexican Association of the Automotive Industry
Asociación Mexicana de la Industria Automotriz, A.C. (AMIA)
Ensenada No. 90
Col. Condesa
06100 México, D. F.
México
Tel.: 272-1144
Fax: 272-7139

National Chamber of Manufacturing Industry
Cámara Nacional de la Industria de Transformación (CANACINTRA)
Av. San Antonio No. 256
Col. Ampliación Nápoles
03849 México, D. F.
México
Tel.: 563-3400
Fax: 563-5381

National Chamber of the Construction Industry
Cámara Nacional de la Industria de la Construcción
Periférico Sur No. 4839
Col. Parques del Pedregal
14010 México, D.F.
México
Tel.: 665-0424, 424-7400
Fax: 606-6720

National Chamber of Forest Products Industry
Cámara Nacional de la Industria Forestal
Viaducto Miguel Alemán No. 277
Col. Escandón
11800 México, D.F.
México
Tel.: 273-0986
Fax: 273-0933

Mexican Association of Technicians of the Pulp and Paper Industry
Asociación Mexicana de Técnicos de las Industrias de la Celulosa y del Papel, A.C. (ATCP)
Lafayette No. 138
Col. Anzures
11590 México, D.F.
México
Tel.: 254-7700/7990
Fax: 203-8521

National Association of Manufacturers of Corrugated Cardboard and Solid Fibre Boxes and Packaging
Asociación Nacional de Fabricantes de Cajas y Empaques de Cartón Corrugado y Fibra Sólida. A.C.
Privada de San Isidro No. 30
Col. Reforma Social
11650 México, D.F.
México
Tel.: 202-8603
Fax: 202-1349

National Chamber of the Pulp and Paper Industry
Cámara Nacional de las Industrias de la Celulosa y del Papel
Privada de San Isidro No. 30
Col. Reforma Social
11650 México, D.F.
México
Tel.: 202-8603
Fax: 202-1349

National Chamber of the Publishing Industry
Cámara Nacional de la Industria Editorial Mexicana
Holanda No. 13
Col. San Diego Churubusco
04120 México, D.F.
México
Tel.: 688-2221/2009
Fax: 604-4347/3147

National Chamber of the Lumber Industry
Cámara Nacional de la Industria Maderera
Santander No. 15, Piso 3
Col. Insurgentes Mixcoac
03920 México, D.F.
México
Tel.: 598-6725
Fax: 598-6932

National Council of Wood in Construction
Consejo Nacional de la Madera en la Construcción
Quintana Roo No. 141-603
Col. Hipódromo Condesa
06170 México, D.F.
México
Tel.: 564-5007/1124
Fax: 271-6715

MAJOR MEXICAN COMPANIES

Grupo Contelmex
Liverpool No. 72-A
Col. Juárez
06600 México, D.F.
México
Tel.: 627-5600
Fax: 511-8138

Grupo ITISA
Reforma Sur No. 25
90796 Panzacola, Tlaxcala
México
Tel.: 81-0355-/0179
Fax: 81-0055

Grupo ITISA
Río Tiber No. 78
Col. Cuahutémoc
06500 México, D.F.
México
Tel.: 229-8500, 207-3303, 514-0045
Fax: 229-8598/8599

Grupo DINA
Diesel Nacional
Margaritas No. 433
Col. Hacienda de Guadalupe
01050 México, D.F.
México
Tel.: 325-0927, 659-6997
Fax: 325-2110/2400

Ingenieros Civiles Asociados, S.A. de C.V. (ICA)
Minería No. 145
Col. Escandón
11800 México, D.F.
México
Tel.: 272-9991
Fax: 272-9991 ext. 3868

Union Pacific de México, S.A. de C.V.
Ruben Darío No. 281-1101
Col. Bosques de Chapultepec
11580 México, D.F.
México
Tel.: 628-8686
Fax: 628-8642

Trailers de Monterrey
Av. Universidad Norte No. 1002
66450 San Nicolás de los Garza, Nuevo León
México
Tel.: 352-1005/0440
Fax: 376-9361

Trade Shows

Expo Guadalajara
Av. Mariano Otero No. 1449
44560 Guadalajara, Jalisco
Apartado Postal No. 33-29
44534 Guadalajara, Jalisco
México
Tel.: 671-0055/0099
Fax: 671-0044

International Exhibition of Furniture
Furniture '94
c/o Centro Internacional de Negocios Monterrey, A.C. – "Cintermex"
Av. Fundidora No. 501
Cintermex, Primer Nivel 95-A
64010 Monterrey, Nuevo León
México
Tel.: 369-0200
Fax: 369-6413

Construction Industry Show
Muestra de la Industria de la Construcción
c/o Conex, S.A. de C.V.
Calz. de las Aguilas No. 101-302
Col. Los Alpes
01710 México, D.F.
México
Tel.: 593-9500/6231
Fax: 593-9946

International Exhibition of Furniture
Tecno Mueble Internacional '94
c/o Expo Guadalajara
Av. Mariano Otero No. 1449
44560 Guadalajara, Jalisco
Apartado Postal No. 33-29
44534 Guadalajara, Jalisco
México
Tel.: 671-0055/0099
Fax: 671-0044

International Exhibition of Furniture
Exhibimueble '94
c/o Centro Internacional de Negocios Monterrey, A.C. – "Cintermex"
Av. Fundidora No. 501
64010 Monterrey, Nuevo León
México
Tel.: 369-6969/0280
Fax: 369-6911/6413

International Exhibition of Freight and Transportation
Transexpo '94
c/o Centro Internacional de Negocios Monterrey, A.C. – "Cintermex"
Av. Fundidora No. 501
64010 Monterrey, Nuevo León
México
Tel.: 369-6969/0280
Fax: 369-6911/6413

Constructo '94
c/o Centro Internacional de Negocios Monterrey, A.C. – "Cintermex"
Av. Fundidora No. 501
64010 Monterrey, Nuevo León
México
Tel.: 369-6969/0280
Fax: 369-6911/6413

International Exhibition of Furniture
La Mia Casa '94
c/o Centro Internacional de Negocios Monterrey, A.C. – "Cintermex"
Av. Fundidora No. 501
64010 Monterrey, Nuevo León
México
Tel.: 369-6969/0280
Fax: 369-6911/641