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OPPORTUNITIES IN MEXICO:
THE CONSTRUCTION PRODUCTS MARKET



M A R K E T P R O F I L E - M E X I C O

Market Profile – Mexico Series

Opportunities in Mexico: The Construction Products Market was developed by the Department of Foreign Affairs and International Trade (DFAIT), researched and written by Townsend Trade Strategies Inc., in collaboration with Industry Canada, and published by Prospectus Inc.

This market profile is designed to provide an overview of the market for **Construction Products** in Mexico; it is not intended to be the only source of market information on this sector. Any errors or omissions found in this book are the sole responsibility of the authors. As well, all opinions expressed herein are those of the author. They should not be attributed to the Government of Canada. Neither the authors, the publishers nor the collaborating organizations will assume any responsibility for commercial loss due to business decisions made based on the information contained in this book.

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Catalogue No. E73-9/19-1994E
ISBN 0-662-22425-6

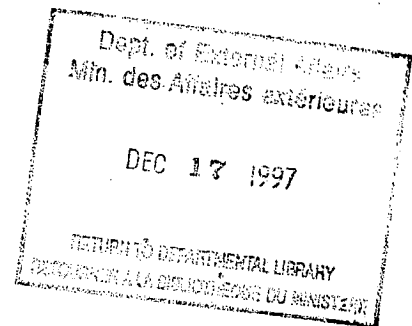
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Published by Prospectus Inc.

Printed in Canada.
Version français disponible.

MARKET PROFILE

OPPORTUNITIES IN MEXICO THE CONSTRUCTION PRODUCTS MARKET



43-250-765



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THE NAFTA

The North American Free Trade Agreement (NAFTA) expands Canada's free-trade area of 270 million people into a market of 360 million — a market larger than the population of the 12 countries of the European Union and one with a total North American output of \$7 trillion.

Mexico is Canada's most important trading partner in Latin America. Two-way merchandise trade with Mexico exceeded \$4.2 billion in 1993 and is expected to increase to over \$5 billion by the end of the decade.

Cumulative Canadian investment in Mexico is growing rapidly, increasing from \$350 million in 1989 to over \$580 million in 1992.

This guide has been prepared with the problems inherent to the new exporter in mind. However it is not exhaustive; individual circumstances, interests and needs will dictate how companies should tailor their approach and strategy to the Mexican market. While every attempt has been made to ensure accuracy in this study, no responsibility can be accepted for errors or omissions.

Further assistance can be obtained by addressing requests directly to:

Industry Canada (IC)
through the provincial International Trade Centres (Key Contacts Section) or

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

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FOREWORD

UNDERSTANDING MEXICAN TASTES

Understanding Mexican tastes is essential to success in the construction industry. Cultural factors, the natural environment and growing demand for high-quality interior finishes all play critical roles.

In residential construction, there is a strong preference for brick and cement-based products and a general prejudice against wood. To a large extent, these preferences are based on concerns about earthquakes, fire, termites and other hazards of nature. But the predominance of owner-built homes is also a major factor. Such homes are typically built a little at a time, and concrete and bricks can be left exposed as the builder finishes the project. There are also concerns that wood does not have a "Mexican look".

Wood is used for roofs, interior walls and finished surfaces, but the lack of skilled carpenters has limited these applications. The *Consejo Nacional de la Madera en la Construcción*, the National Advisory Board for Wood in Construction, now offers a training program in wood building techniques.

In commercial construction, the most common materials are concrete, steel, glass, paving tile and cement blocks, followed by wood. There is a trend towards the use of advanced technologies and special materials, especially in Mexico City, which is subject to earthquakes. The influx of foreign investors has created a demand for top-quality office space in the major urban centres. This is creating an expanding market for high-quality interior finishing products.

The state-of-the-art in office space is an "intelligent building" which boasts energy-efficient materials, telecommunications channels, automated control systems for temperature and ventilation, controlled access security systems, centralized maintenance and cleaning, clear signage and emergency systems. There are only eight intelligent buildings in Mexico, and this is considered a major growth area.

The Mexican government's commitment to infrastructure development and an improved standard of living is creating sustained demand for construction activity. As a result, the expansion of the construction industry has consistently outpaced overall economic growth.

The government has recognized that Mexico's aging infrastructure has constrained economic development. Better roads and ports are needed to facilitate trade. Modern energy generation, and water and sewage systems are needed to improve the standard of living. The government has intervened to stimulate activity in all of these areas.

Housing development has also become a major priority. In 1990, the government estimated Mexico's housing shortfall at 6.1 million units. Under the new housing initiative, government agencies that fund low-cost housing have gotten out of the construction business and are now focusing exclusively on financial assistance.

Other public policies are stimulating private sector investment. After decades of protectionism, the government is aggressively pursuing policies of deregulation and privatization. Public works are increasingly contracted to the private sector on a turn-key basis. Government planners continue to play a major role in setting standards, but they are no longer the principal purchasers of materials and equipment.

All of this adds up to substantial opportunities for suppliers of construction materials, equipment and services. Notwithstanding the dramatic changes of the past few years, Mexico's needs far exceed the available resources. Technologies and construction ideas that can cut costs and speed the completion of projects are in high demand.

Competition to supply this burgeoning market is stiff. Suppliers located in the southern United States dominate the import market. Canadian companies wishing to get into Mexico will have to focus on market niches where they have a competitive advantage. And they will have to adopt a long-term strategy that demonstrates a local presence backed up by a convincing display of staying power.



1. THE CONSTRUCTION PRODUCTS MARKET IN MEXICO

Construction in Mexico is divided into formal and informal sectors. The formal sector, which is made up of registered construction companies, undertook some U.S. \$11 billion in construction activity in 1992. The informal sector includes house building, repairs, maintenance and remodeling performed by individual home owners or very small unregistered contractors. The informal sector is believed to be at least as large as the formal sector. Although the informal sector is an important consumer of construction materials, it does not tend to purchase sophisticated materials, building systems or services.

KEY SUBSECTORS

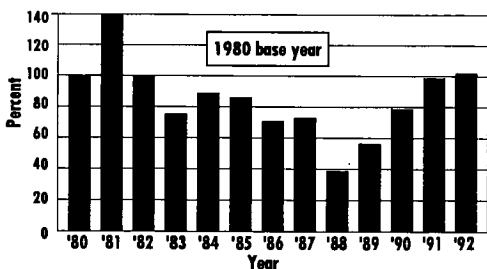
In the past few years, construction activity has focused primarily on infrastructure improvements, with the greatest activity in the following subsectors:

- roads and highways;
- water infrastructure;
- the energy sector;
- housing; and
- tourism.

In addition, there is significant activity in the construction of marine ports, airports, railways, industrial plants, and commercial developments.

CONSTRUCTION ACTIVITY

REAL VALUE OF CONSTRUCTION ACTIVITY, 1980-1992



Source: Arq. Raúl Díaz Gómez (Ed.). *Revista Mexicana de la Construcción*. Cámara Nacional de la Industria de la Construcción (CNIC), Mexican Construction Association. No. 467, December 1993. p. 16.

Construction is expected to continue to be one of the driving forces of Mexico's economic growth. *La Cámara Nacional de la Industria de la Construcción*, the Mexican Construction Association, predicts that the industry will expand by 4.7 percent in 1994. Public works spending, which is a major contributor to this growth, is expected to increase by 20 percent over 1993 levels.

The change in presidential administrations, which will occur in December of 1994, is expected to delay large public works projects from the third quarter of 1994 until after the second quarter of 1995. This will mean an industry slowdown lasting about nine months, but a surge of activity is anticipated by mid-1995. A large number of infrastructure projects are currently in the planning stages and the political changes will create a substantial backlog. Completing these projects will become a major priority for the new administration.



COMPANY PROFILE

Chihuahua-based *Internacional de Cerámica (Interceramic)*, the largest manufacturer of glazed ceramic floor tile in North America, plans to open two new plants in 1994, one in the northern Mexican state of Chihuahua and the other in Garland, Texas. The Texan plant is expected to be the most advanced ceramic tile plant in the U.S. with production costs 30 percent lower than its U.S. competitors.

Source: *El Financiero*.

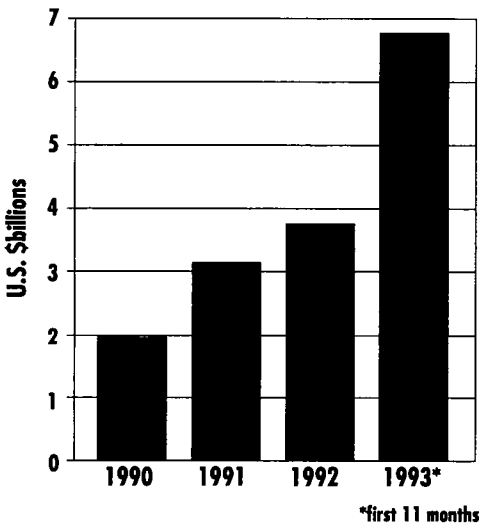
PUBLIC SPENDING ON INFRASTRUCTURE

U.S. \$ MILLIONS

Subsector	1993	1994	Percentage change
Roads	7,556	10,350	37
Communications	3,036	2,971	(2)
Railroads	1,903	1,545	(19)
Ports and Maritime	383	581	52
Airports	373	453	21
Administration	294	384	31
Total	13,556	16,284	20

Source: *The News*, Mexico City, Feb. 7, 1994, p. 32.

PURCHASES OF CONSTRUCTION MATERIALS BY THE FORMAL CONSTRUCTION SECTOR



Source: Compiled from a series of publications; Instituto Nacional de Estadística, Geografía e Informática (INEGI), National Institute for Statistics, Geography and Informatics.

PRODUCTION OF CONSTRUCTION MATERIALS

The Mexican market for construction materials, equipment, hardware and fixtures has grown even faster than the construction industry as a whole. In 1993, purchases of materials by the formal construction sector nearly doubled. The Mexican construction products industry is made up primarily of producers of cement, glass, steel, bricks, gravel, and vinyl paint. The most important construction material by far is cement.

According to *la Cámara Nacional del Cemento (CANACEM)*, the National Chamber of the Cement Industry, domestic production of cement exceeded 26 million tons in 1992. The industry is dominated by the multinational corporation *Cementos Mexicanos (Cemex)*, based in Monterrey. *Cemex* controls approximately 60 percent of the domestic market. The second-largest supplier is *Apasco*, based in Mexico City, with an estimated 20 percent of the market. Monterrey-based *Tolmex*, *Grupo Cementos de Chihuahua*, and *Cruz Azul* account for most of the balance of domestic sales. The major cement companies reported an average sales growth of 18 percent in 1992 and expect demand to continue to grow at an average rate of nine percent per year.

Even though Mexico's cement industry is highly developed, there are significant opportunities for cement imports. Plastering cements, hydraulic cements and cement wallboard are considered good prospects by industry observers. Canadian companies exported \$2.3 million* of cement to Mexico in 1993.

*Unless otherwise stated, all currencies used are in Canadian dollars.



MAJOR CONSTRUCTION MATERIALS PRODUCED, 1992

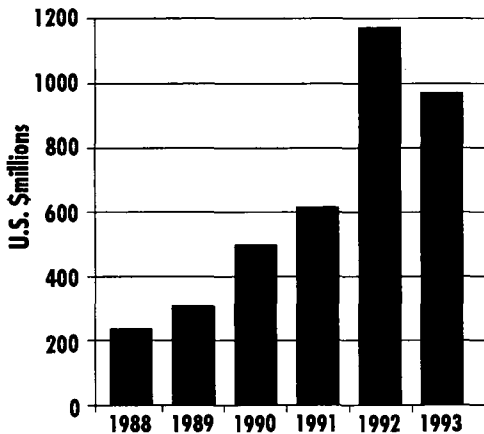
PERCENTAGE OF ALL CONSTRUCTION MATERIALS

Cement	73.7
Concrete	7.0
Bricks and blocks	1.2
Paint	9.0
Pipes (copper, steel, PVC and other materials)	1.5
Steel rods	4.5
Glass products	0.8
Wire	2.2
Electrical wire	0.1

Source: Eduardo Carrera Cortés (Ed.). *Catálogo CIHAC '93*. 7th edition. Mexico City. Centro Impulsor de la Construcción y la Habitación A.C. (CIHAC), Promotion Centre for Construction and Housing. p. 313.

2. THE ROLE OF IMPORTS

BUILDING PRODUCTS IMPORTS



Source: Compiled from a series of publications; Instituto Nacional de Estadística, Geografía e Informática (INEGI), National Institute for Statistics, Geography and Informatics.

Mexico has traditionally produced its own building materials, but imports are beginning to play an important role in the market. Domestic manufacturers have not been able to keep pace with demand. Over the past four years, imports have risen to more than 20 percent of consumption.

Several forces are driving this trend. First, tariff reductions and currency stability have reduced the cost of imports. Second, the domestic industry has been unable to modernize and expand to meet the rapidly growing demand. Finally, domestic production tends to be limited to a relatively small number of products, and quality and availability are often inadequate. Imported products offer a wider choice of alternatives and more reliable supply. This is particularly true of decorative items.



IMPORTS OF SELECTED CONSTRUCTION PRODUCTS

U.S. \$MILLIONS

Product	Description	1992	1993
Wood products	lumber, plywood, flooring, particle board, joinery, doors, windows, concrete shuttering, shingles	343	253
Plastic materials	PVC tubing, flooring, sanitary ware, doors, windows, shutters	19	26
Paint		32	37
Carpet		56	43
Wallpaper		6	5
Stone, ceramic	marble, granite, plasters, gypsum, paving blocks, tiles	76	91
Portland cement		14	22
Asbestos		18	14
Structural metals	bars, rods, angles, structures of iron, steel, aluminum, copper tubes and pipes	441	335
Lighting and electrical components	switching apparatus, boards and panels, chandeliers and lighting fixtures	24	24
Construction equipment	graders, levelers, boring machinery, rollers, derricks and cranes	113	83
Prefabricated buildings	wood, metal structures including housing, silos, warehouses	36	39
TOTAL		1,177	975

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

Although wood has not traditionally been popular in Mexico, imports of wood products have risen substantially over the past five years. The fastest growing products are veneer and plywood sheets, particle board, and prefabricated buildings. Wood shuttering for construction work has also been an important product.

Iron and steel products are another important product category, with imports in the range of U.S. \$100 million per year. These products include bridges, bridge sections, lock-gates, towers, lattice masts, roofs, roofing frameworks, doors and windows, balustrades, pillars and columns.

The most significant imports of construction equipment are derricks and cranes, which represent roughly 60 percent of equipment imports.

The United States dominates the market for imported building materials, with an import market share of more than 70 percent. In wood products, the U.S. enjoys an 85 percent import market share. Competitive factors favouring U.S. manufacturers include: the proximity to the market and familiarity with U.S. brand names. In certain product lines, Italy, Germany, Japan, Sweden and Spain compete successfully with U.S. imports.



Canadian producers of building materials have not achieved substantial penetration of the Mexican market. In 1993, exports amounted to only about \$20 million, while imports from Mexico totalled almost \$75 million. Asbestos makes up about half of Canada's exports of construction products to Mexico. Other important products are cement and lighting equipment (see table). Major imports from Mexico include carpeting, plastic floor coverings, gypsum and plasters, ceramic tiles, and electrical products.

CANADIAN EXPORTS TO MEXICO

\$MILLIONS

Products	1992	1993
Wood products	195	240
Plastic materials	27	12
Paint, carpet, wallpaper	117	73
Stone, paving blocks, tiles	13	3
Portland cement	—	2,300
Asbestos	12,655	12,990
Structural metals	844	1,309
Lighting and electrical components	7,909	2,194
Construction equipment	3,888	516
TOTAL	25,648	19,637

Source: Statistics Canada.

3. SUBSECTOR OPPORTUNITIES

The growth of the construction industry has created strong demand for building materials. In 1993, purchases of materials by the formal construction sector nearly doubled. Equipment used in construction is also in demand.

Products with high potential for foreign suppliers have been identified through discussions with purchasing representatives of major Mexican construction companies. These products are discussed below by subsector.

ROADS AND HIGHWAYS

In 1989, the federal government initiated a program to construct 15,000 km of new four-lane highways by the year 2000. Over 3,000 km have been built and approximately 2,000 km are currently under construction. The program involves considerable private sector investment through a toll road concession scheme. Typically, the projects are undertaken and financed by very large Mexican companies.



CUSTOMER PROFILE

Triturados Basálticos y Derivados (TRIBASA) is the second largest construction company in Mexico and the largest road builder. More than half of its sales are in highway construction. The major toll roads around Mexico City are *TRIBASA* concessions. The company also has experience as the primary contractor for large civil works projects including tunnels, bridges, marine ports, airports, dams, water distribution systems, waste disposal systems and commercial construction. *CIESA*, a leading Mexican bridge builder, recently merged with *TRIBASA* and has been a participant in many of the company's concessions. *TRIBASA* is in negotiations for another U.S. \$2 billion in projects, and its success rate has been excellent.

Traditional methods of road construction are being reconsidered. Builders, who are responsible for the maintenance of the roads over lengthy concession periods, are looking for new technologies that can reduce their long-term operating costs and shorten construction time.

The most important opportunities are for the sale of:

- heavy equipment;
- paving equipment and materials;
- bridge building technologies and materials;
- geo-textile materials and technologies for preparing road beds;
- asphalt protection products;
- foundation stabilizing chemicals;
- traffic lights; and
- guard rails.

Only a small number of firms have taken part in the highway concession program. These are the largest Mexican construction companies with considerable resources and experience. Canadian suppliers to the road building industry should make direct contact with these companies' purchasing departments to offer construction products. They include:

- *Triturados Basálticos y Derivados (TRIBASA)*;
- *Grupo Ingenieros Civiles Asociados (ICA)*;
- *Grupo Mexicano de Desarrollo*; and
- *Grupo Protexa*.

WATER INFRASTRUCTURE

There are substantial opportunities in the construction of water works as Mexico moves to upgrade, rehabilitate and expand its infrastructure. The National Drinking Water and Sewage Program was launched in 1990. It included plans to increase the population provided with drinking water and sewage services by three million people per year. It also contemplates treating all residual domestic water in urban centres before the end of the decade.

Significant opportunities exist for the export of:

- heavy equipment;
- motors, pipes and pumps for potable water and sewage systems;
- water treatment technology, engineering services and equipment; and
- laboratory equipment for water testing.

The government agency responsible for the administration of water projects is the *Comisión Nacional del Agua (CNA)*, the National Water Commission. The *CNA* is responsible for major purchases of materials and equipment. All motors, piping, pumps, machines and equipment are purchased centrally through its office in Mexico City. Purchases of administrative supplies and services are handled by its regional offices in the 32 states.



As the government moves towards the privatization of major water projects, construction companies are becoming the key decision makers in equipment and material purchases. Nonetheless, the *CNA* will continue to play a major role by setting product standards. Promotional efforts directed at this agency are therefore an important marketing strategy.

International bank loans, primarily from the World Bank and the InterAmerican Development Bank, account for more than half of all financing for water infrastructure projects. Projects funded by these agencies are open to Canadian suppliers of goods and services. The banks' publications are good sources of information about upcoming projects. Information on proposed procurements is published bi-weekly in the United Nations publication, *Development Business*.

ENERGY

CUSTOMER PROFILE

Turnkey construction or *llave a mano*, is increasingly in vogue in Mexico. *Grupo Bufete Industrial* is considered to be the Mexican firm most capable of taking on large turnkey projects in the energy sector. The company has participated in a number of joint ventures in order to accomplish large projects. They have worked with C. Itoh and Hitachi on the building of thermoelectric plants, and Lyonnaise des Eaux Dumez on the Mexico City water renewal project. In addition, the U.S. engineering giant, Kellogg, has taken an equity position in *Grupo Bufete Industrial*.

The two key players in Mexico's energy sector are *Petróleos Mexicanos (PEMEX)*, Mexico's state-owned oil and gas enterprise and the *Comisión Federal de Electricidad (CFE)*, the Federal Electricity Commission. Their combined construction budgets exceed U.S. \$2 billion per year. Their needs for materials and equipment include the following:

PEMEX:

- materials used in the construction of petrochemical plants;
- tubing for pipelines;
- valves, pumps, and instrumentation;
- pollution control equipment; and
- drilling equipment.

CFE:

- turbines;
- control systems;
- materials for the construction of generation plants;
- equipment and materials related to transmission and distribution;
- cable-pullers;
- substation construction materials and equipment; and
- pollution control equipment.

According to a recent study, power transmission and substation products are underserved by North American suppliers. Towers and substation structures make up roughly one-third of the annual U.S. \$800 million *CFE* budget for power transmission projects. Currently, the bulk of these requirements are supplied from abroad. For example, most cables and towers are bought from Brazil and Venezuela.



CUSTOMER PROFILE

Grupo Protexa, with its head office in Monterrey, is one of the most successful subcontractors to *PEMEX* for construction projects. The company imports 90 percent of the equipment and materials used in these projects. To facilitate imports, *Protexa* has established a purchasing office in Houston, Texas.

Both *PEMEX* and *CFE* are increasingly handling major construction projects on a turnkey basis. This means that materials specification and purchasing are handled by the construction or engineering firms that are awarded the project. Nonetheless, the *PEMEX* and *CFE* purchasing departments remain closely involved in many procurement decisions, and they often recommend products or suppliers. Potential suppliers should direct their marketing efforts to the contracting agencies as well as their key contractors. Two of the most important Mexican companies involved in construction projects for *PEMEX* and *CFE* are *Grupo Bufete Industrial* and *Grupo Protexa*.

HOUSING

Housing construction in Mexico averages 650,000 units per year. Roughly half of these units are constructed by the informal housing sector, usually by the owner, and often without title to the land. The other half is built by the formal construction sector either through government-assisted programs for low-income housing or private development for middle and upper-class dwellings.

Mexico has a serious shortage of housing and this has led to a tremendous demand for housing construction materials and services. The best prospects for sales in this sector include:

- prefabricated structures;
- decoration and finishing products;
- hardware;
- aluminum and wood doors and windows;
- kitchen and bathroom fixtures;
- domestic plumbing products;
- locks and security systems;
- coating materials for weather proofing;
- roofing materials; and
- carpets, flooring and curtains.

Under Mexico's new housing initiative, government agencies provide financing for residential construction but they are no longer responsible for building homes. Even though they are not direct purchasers of building materials, they play a key role in promoting new technologies and setting prices. These entities are therefore important contacts for learning about future housing development plans and introducing new building concepts. The major entities are the following:

- *Fondo de Operación y Financiamiento Bancario a la Vivienda (FOVI)*, the Housing Fund for Commercial Banks;
- *Instituto del Fondo Nacional de la Vivienda para los Trabajadores (INFONAVIT)*, the Housing Pension Fund for Private Sector Employees;
- *Fondo de la Vivienda del Sistema de Seguridad Social de los Trabajadores del Estado (FOVISSTE)*, the Housing Pension Fund for Public Sector Employees; and
- *Fondo Nacional de Habitaciones Populares (FONHAPO)*, the Federal government's low-income housing agency.



THE CANADIAN EXPERIENCE

Trimex International Inc., from Kitchener, Ontario, first attempted to supply housing in Mexico in 1991. It tried to promote a variety of Canadian housing technologies before finding its niche after three years of tough slogging in the market. "Not all housing technologies are appropriate to Mexico", advises Dennis Kuchma, International Director of Trimex. "Exporting prefabricated wood structures seemed to be an opportunity. Our technologies offered construction efficiencies, esthetics, comfort, all at an affordable price. However, we had misjudged the market reception to these advantages. The cultural limitations were major hurdles to overcome, particularly in the lower to mid-range housing markets."

Trimex made its breakthrough in 1993 by offering a brick-based technology to the lower middle-income market.

The tremendous demand for housing coupled with a shortage of capital is forcing Mexican builders to consider any technology that can reduce costs and construction time. Economizing on material costs is the primary focus. About 80 percent of housing costs are for materials and only 20 percent for labour. Many builders are investigating prefabricated building techniques.

FOVI and INFONAVIT have recently financed housing projects that use prefabricated components such as slabs and beams. In addition, both agencies have pilot projects underway using wood prefabricated housing for low-income housing projects. These agencies are working with universities and other entities to research building systems and materials. In the private sector, the prime customer base for housing materials consists of small and medium-sized builders and wholesale/retail building supplies dealers.

BUILDING MATERIALS USED IN HOUSING

IN PERCENT

	Material	Relative Use
Floors	cement or concrete	53
	mosaic and other coverings	19
	earth	27
	others	1
Roofs	concrete or brick, earthen brick over rafters	51
	metal or asbestos sheets	18
	tile	10
	cardboard	10
	palm or wood	9
	others	2
Walls	brick, block	70
	adobe	15
	wood	8
	mud	2
	reed, palm or bamboo	2
	cardboard	1
	metal or asbestos sheets	1
	others	1

Source: Eduardo Carrera Cortés (Ed.), *Catálogo CIHAC '93*, 7th edition, Mexico City, Centro Impulsor de la Construcción y la Habitación A.C. (CIHAC), Promotion Centre for Construction and Housing, p. 281.



COMMERCIAL OFFICE SPACE

The influx of foreign investors into Mexico and the general economic expansion has created a demand for top quality office space in the main urban centres. During 1992 and 1993, approximately 700,000 square metres of new office space were developed in Mexico City alone. A further 350,000 square metres is under construction. High demand has driven up the cost of office space in Mexico City, but prices are starting to decline as more and more office space comes on to the market.

The most common building materials for commercial construction are concrete, steel, glass, paving tile, cement blocks, and wood. There is a trend towards the use of advanced technologies and special materials, especially in the Mexico City area, which is subject to earthquakes. Advanced materials such as energy isolation products, intelligent building wiring, and pollution resistant finishing products are becoming more popular.

COST OF MEXICO CITY OFFICE SPACE, 1993

U.S. \$ PER SQUARE METRE

Type of Office Space	Average Monthly Rental Price	Average Sale Price
AAA	41	3,000
AA	23	1,764
A	18	1,155
B	15	977

Source: Joel Russel. *Real Estate Report Card. Business Mexico*, March 1994. p. 16.

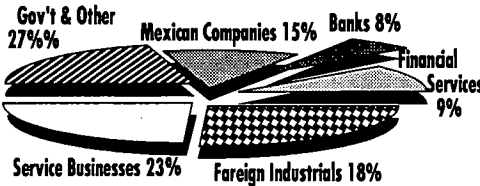
There are opportunities for Canadian suppliers of high quality interior finishing products for commercial buildings. These should be particularly geared towards the triple A market which is currently the least serviced segment. Attention should be paid to the banking and financial community which has been one of the most active in purchasing, or remodeling of office space over the last few years.

In late 1993, Canada's Reichmann brothers publicly outlined their plans for three key developments in Mexico City. Reichmann International L.P., an association between the Reichmanns and G. Soros Realty, is developing:

- a one-block area near Mexico City's historic centre;
- a 42-story office tower along the financial strip; and
- a 30-building shopping, office and residential complex on the city's western outskirts.



CONSUMERS OF OFFICE SPACE IN MEXICO CITY



Source: Joel Russel. *Real Estate Report Card, Business Mexico*, March 1994, p. 17.

The company will spend between \$400 and \$500 million on the first project which is a mixed business and residential development. Rebuilding of the 20-block plaza, damaged by the 1985 earthquake, was held up by a battle between city authorities and advocates of low-income housing. The company plans to observe the norms and traditions of the city while providing high quality business environments to meet the demands of an increasingly sophisticated, international business community.

There are opportunities for building management and maintenance services in Mexico. Traditionally Mexican builders have not managed buildings once they are completed. But tenants are now demonstrating a preference for buildings that are well administered. Security, cleaning, and administration services for commercial property are in high demand.

Though Mexico City is currently the prime location for new office space, there are also office construction opportunities in the growing satellite cities. There is a determined move by many companies and by the government to decentralize activities. The neighbouring states of Querétaro, Puebla, Hidalgo and Morelos are starting to see increased commercial construction. Considerable commercial development is also taking place in Monterrey.

THE CANADIAN EXPERIENCE

An interview with one of the largest commercial developers in Mexico revealed that the company had recently imported Canadian steel beams for use in one of their large shopping centre developments. They were so pleased with the quality that they will attempt to use Canadian steel beams wherever possible in upcoming projects.

THE RETAIL SECTOR

Mexico has seen an explosion in shopping centre development over the past few years. The growth of franchising is one of the major driving forces behind this growth. Many U.S. department stores and franchise chains have moved into Mexico. Typically, the U.S. offices of these companies contract with Mexican builders but construction is based on designs and specifications provided by the owner.

INDUSTRIAL PLANTS

Mexico has about 100 large industrial parks located throughout the country. They range from basic to world class. Many of these parks have developed because of the activities of foreign manufacturers, particularly in the northern *maquiladora* regions. Further construction and upgrading of parks is expected as a result of the NAFTA. The Private Industrial Park Association, *Asociación Mexicana de Parques Industriales (AMPIP)* has announced 75 new projects totaling U.S. \$358 million for 1994.

International corporations investing in Mexico have high standards for plant construction, which often cannot be met by Mexican suppliers. Opportunities will emerge for Canadian industrial design and construction technologies, pollution control equipment, and private electricity generation plants.



TOURISM

Mexico's tourist industry is expanding rapidly. There has been considerable construction of hotels, marinas, shopping centres, condominiums, and golf courses. Hotel construction is particularly active. Approximately 10,000 new hotel rooms are constructed annually, and a large proportion of them are 4 and 5-star quality. There is also a demand for infrastructure to support these facilities, including airports, water treatment plants, roads and electrical distribution systems.

Opportunities for construction materials and equipment include:

- high quality finishing materials for luxury hotels and conference centres;
- bathroom fixtures and plumbing materials;
- lighting fixtures;
- systems for heating, security and control; and
- chemically-treated lumber for landscaping, piers, and docks.

Fondo Nacional de Fomento al Turismo (FONATUR), the National Fund to Promote Tourism is an important government contact for learning about future tourism development plans. Canadian firms can begin by examining *FONATUR's* plans for new resorts. Contacts within the agency may provide introductions to private sector developers who are engaged in the major projects. Other groups influencing the choice of construction materials are:

- *Grupo Situr*, a major Mexican company responsible for an estimated 30 percent of new tourism developments;
- major hotel chains;
- local tourism developers; and
- the Mexican architectural community.

HOTEL EXPANSIONS PLANNED

Several hotel chains have announced plans to expand their operations. Holiday Inn Worldwide plans to build 20 new hotels in Mexico over the next two years. Ritz-Carlton is considering two projects in Mexico City and Guadalajara with joint-venture partner, *Fondo Opción*. *Grupo Situr* and the Hong Kong-based Mandarin Oriental Group have plans for a new 5-star hotel in Mexico City. *Grupo Situr* is also building a 360-room hotel on Mexico City's Reforma Avenue with its partner, Hilton International.



OTHER PRODUCTS IN DEMAND MEXICAN CONSTRUCTION INDUSTRY

Subsector	Products Demanded
Commercial Development	steel beams reinforcing bars forms for concrete hydraulic concrete mixers scaffolding electrical transformers plywood cable air conditioners and ducting specialty windows and doors lighting fixtures passenger elevators and electric stairways intelligent building wiring high quality interior finishings
Ports	cargo handling equipment materials for warehousing construction materials for improving infrastructure around ports (roads, sewage, energy transmission)
Railroads	rails and sleepers
Industrial Plants	pollution control systems industrial safety equipment and materials

4. CUSTOMERS

Three major groups comprise the market for construction and building products in Mexico:

- construction companies;
- public works entities in federal, state, paraestatal and municipal governments; and
- the informal or consumer market.

CONSTRUCTION COMPANIES

The Mexican construction industry employs two million workers in approximately 18,000 companies. The industry is dominated by a few large companies with the largest 300 companies accounting for more than half of the value of production (see table). A few of the largest firms have annual sales in the order of U.S. \$1 billion and operate internationally as well as domestically.



The largest construction companies are the most important buyers of imported construction materials. They are likely to purchase the most sophisticated products and the widest variety of materials. In recent years their influence over purchasing decisions has grown as the role of government has changed. Traditionally, the federal and state governments functioned as general contractors for public works projects, but increasingly, private sector contractors are taking over total project responsibility.

The largest construction companies are highly diversified. They provide engineering and contracting services and also produce many of the building materials they use. It is not uncommon for them to create separate divisions to manufacture products in high demand. This makes them ideal candidates for technology alliances or other joint ventures with Canadian producers.

THE MEXICAN CONSTRUCTION INDUSTRY, 1992

Size Class (U.S. \$ millions)	Number of Companies	Percentage of Companies	Value of Production (U.S. \$ millions)	Percentage of Production
up to 1	14,527	80.49	3,500	32
1 to 3.3	2,609	14.46	900	8
3.3 to 6.7	614	3.40	500	5
over 6.7	299	1.66	6,100	55
Total	18,049	100	11,000	100

Source: Arq. Raúl Díaz Gómez (Ed.). *Revista Mexicana de la Construcción*. Cámara Nacional de la Industria de la Construcción (CNIC), Mexican Construction Association. No. 467, December 1993. p. 25.

MEXICO'S TOP CONSTRUCTION COMPANIES

Rank	Company	1992 Revenue (U.S. millions)	Main Location	No. of employees
1	<i>Ingenieros Civiles Asociados (ICA) Sociedad Controladora S.A. de C.V.</i>	1,600	D.F.	38,000
2	<i>Grupo Bufete Industrial S.A. de C.V.</i>	340	D.F.	10,600
3	<i>Compañía Contratista Nacional S.A. de C.V.</i>	160	D.F.	4,200
4	<i>Grupo Contelmex</i>	94	D.F.	600
5	<i>Desarrollo Monarca S.A. de C.V.</i>	93	D.F.	1,100
6	<i>Construcciones y Canalizaciones S.A. de C.V.</i>	68	State of Mexico	1,760
7	<i>Grupo Calpan S.A. de C.V.</i>	53	D.F.	—
8	<i>Constructor y Perforadora Latina S.A. de C.V.</i>	51	D.F.	439
9	<i>Ingenieros y Contratistas S.A. de C.V.</i>	48	D.F.	2,500
10	<i>FYPASA Construcciones S.A. de C.V.</i>	48	D.F.	490

Source: Ing. Luis E. Borro Comperque, D.F. (Ed.). *Informe Anual 1993*. Obras, Vol. XXI, No. 249, September 1993. p. 54.



The top ten Mexican construction companies are shown in the table below. Other important construction companies include *Gutsa Construcciones*, *TRIBASA*, *Grupo Mexicano de Desarrollo*, and *Grupo Protexa*.

Many of the larger construction companies have some experience in joint venturing with American and European firms. Small and medium-sized companies are less likely to have this background, but many have both the need and the motivation to enter into partnerships.

MAJOR IMPORTERS AMONG MEXICO'S CONSTRUCTION COMPANIES, 1992

U.S. \$MILLIONS

Construction Company	Revenue	Key Imported Products	1992 Imports	Origin
<i>Ingenieros Civiles Asociados (ICA)</i>	1,600	Machinery and technical assistance	30.0	U.S.A.
<i>Compañía Contratista Nacional S.A. de C.V.</i>	140	Machinery	9.0	U.S.A.
<i>FYPASA Construcciones S.A. de C.V.</i>	48	Hydraulic and electric materials	4.8	U.S.A.
<i>Server Construcciones</i>	15	Heavy equipment	4.0	U.S.A.
<i>Maíz Edificaciones</i>	16	Ceramic, electrical materials and furniture	2.3	U.S.A.
<i>Bosnor S.A. de C.V.</i>	11	Spare parts, valves, steel plates	1.3	U.S.A., France
<i>Degremont de México</i>	15	Dryers (for earth)	1.0	France
<i>Copachisa Constructora</i>	16	Electrical fixtures and finishing products (decorative)	0.6	U.S.A.
<i>Constructora Ruíz Allende</i>	1.8	Prefab warehouses	0.5	U.S.A.

Source: Ing. Luis E. Borro Camperque, D.F. (Ed.). *Informe Anual 1993. Obras*, Vol. XXI, No. 249, September 1993. p. 56.

PURCHASING PROCEDURES

Interviews with representatives in the purchasing department of industry leader *Ingenieros Civiles Asociados (ICA)* provide insights into the purchasing practices of large construction companies in Mexico.

ICA divides its construction activities into three divisions:

- heavy construction: dams, roads, bridges, airports;
- urban construction: commercial centres, housing; and
- *ICA Fluor Daniel*: a joint venture involving industrial plants and turnkey energy projects.



Each entity has its own purchasing department. Within these departments, separate groups are responsible for the procurement of materials, equipment, and spare parts. About half of their purchases are considered national and are handled by the head office in Mexico City. A further 35 to 40 percent is purchased regionally, particularly when the costs of transport are high. The rest is purchased at the job site from local suppliers.

ICA learns about new products and equipment primarily through representatives of suppliers who visit their offices in Mexico City, from trade magazines and from trade shows. They constantly monitor the prices of commonly used materials to decide whether materials should be imported or purchased locally. The company focuses primarily on nearby southern U.S. suppliers.

The most commonly cited criteria for the choice of construction products and equipment are, price, quality and service. Service is quickly becoming the key issue. Builders who are trying to take advantage of the very active market for construction projects cannot afford delays in product delivery or equipment servicing. When foreign suppliers are involved, the construction companies want assurance that local representatives can provide a high level of product support.

SELLING TO CONSTRUCTION COMPANIES

Mexico's large construction companies are looking for the best construction technologies and ideas to compete for big contracts. They are constantly approached by suppliers from around the world. To be competitive, Canadian companies must develop a strategy for gaining and maintaining the attention of these important customers. The following approaches have proven successful:

- seek a local partner who can devote the necessary time to make and maintain contacts with the key construction firms;
- establish which of the large firms offer the best potential for your products. Investigate the projects that they are currently bidding on. Many of the large firms have started to focus their efforts into specific market niches such as roads, energy or water infrastructure. With help from your partner, develop a product demonstration or presentation and approach these firms directly. Many of the large Mexican firms are interrelated through joint-ventures, family ties, or industry associations. If one company is not interested in your products, they may direct you to other companies which may be more likely clients; and
- develop a financial strategy that offers advantages to the customer in terms of cost savings, payment terms or even equity participation in a project.



GOVERNMENT AGENCIES

Federal, state and municipal governments have long been major customers for construction materials and equipment. Recently, privatization policies have begun to diminish the influence of government agencies over purchasing decisions, especially on large projects. In the past, government entities did their own planning, design, materials specification and procurement. Now the government is turning entire projects over to the private construction companies. Nonetheless, government agencies are still important players in the industry, because a significant portion of projects have not been privatized.

GOVERNMENT PROCUREMENT UNDER THE NAFTA

The NAFTA government procurement provisions significantly expand opportunities for Canadian companies to participate in federal government procurement in Mexico. As of January 1, 1994 Canadian companies compete on an equal footing with their Mexican and American counterparts for construction materials and equipment acquisitions over stipulated thresholds:

- contracts with government entities > U.S. \$50,000; and
- contracts with government enterprises > U.S. \$250,000.

These thresholds will be adjusted every two years based on the U.S. inflation rate. In Mexico, the term government entities refers to the 18 federal *Secretarías* which are roughly similar to Canadian federal ministries. Government enterprises are the 37 *paraestatal* corporations, which are responsible for considerable spending. Eight of the enterprises covered by the agreement are significant buyers of construction products (see table).

SOME GOVERNMENT ENTERPRISES COVERED BY NAFTA

Government Enterprise	Area of Activity
<i>Aeropuertos y Servicios Auxiliares (ASA)</i> Airport Authority	building of airports
<i>Puertos Mexicanos</i> Mexican Port Authority	building of airports
<i>Petróleos Mexicanos (PEMEX)</i> National Oil Company	oil industry infrastructure
<i>Comisión Nacional del Agua (CNA)</i> National Water Commission	water distribution and treatment systems
<i>Camino y Puentes Federales de Ingresos y Servicios Conexos (CAPFISC)</i> Roads and Bridges Commission	construction and rehabilitation of regional roads
<i>Ferrocarriles Nacionales de México (FERRONALES)</i> Mexican National Railway	railroad infrastructure
<i>Comisión Federal de Electricidad (CFE)</i> Federal Electricity Commission	electricity infrastructure
<i>Instituto Mexicano del Seguro Social (IMSS)</i> Social Security Institute	building of hospitals



THE PURCHASING CYCLE

Government entities in Mexico operate on a fiscal year that coincides with the calendar year. While the value of government purchases of construction materials is relatively constant throughout the year, December purchases increase significantly, as the agencies attempt to use up their remaining budgets. December purchases are often double those of November.

PAYMENT DELAYS

Canadian exporters to Mexico report good experience in the eventual settlement of accounts, but payment delays are common, partly because of the high cost of working capital. During 1993, payment delays on government contracts were widely reported and this had a down-stream effect on subcontractors and suppliers. Such delays should be anticipated and built into third-party obligations.

SELLING TO GOVERNMENT

Despite the trend towards turnkey projects, government entities will continue to purchase many high volume items for major public works projects. For example, water and sewer pipe is purchased directly by the *Comisión Nacional del Agua (CNA)*, National Water Commission for most new projects.

Even in the case of turnkey projects, government officials continue to be involved in purchasing decisions. They are also instrumental in setting standards for new products. For these reasons, suppliers must devote marketing efforts to the relevant government officials, even though they may not be a purchaser of the company's products.

Selling to government customers is most effectively done through a local representative such as an agent, distributor or joint venture partner. It is essential that the partner have direct experience with the particular government agency involved.

It is no longer necessary to be registered with the federal government prior to bidding on government contracts. Nonetheless, many federal, state and municipal entities keep a list of qualified suppliers. Inclusion on these lists is an important means of creating awareness of a company's products.

THE INFORMAL MARKET

The informal construction sector includes construction activity undertaken by private homeowners and by small unregistered contractors. By its nature, this market is difficult to quantify. It has been estimated to include about 60 percent of all construction activity in Mexico.

About half of housing construction in Mexico is performed by the informal sector, usually by the owner and often without title to the land. Even in the case of low-income housing built by formal construction companies through government sponsored programs, the home owner is often responsible for finishing the home.



THE CEMENT MARKET

The cement market is a good illustration of the importance of the informal construction sector in Mexico. In most industrialized nations, cement is a commodity delivered mainly in bulk pre-mixed form. In Mexico, it is a consumer product, and about 80 percent of all cement is sold in 50 kilogram paper sacks.

The use of brand names is very important in developing customer loyalty. *Cemex*, the industry leader, markets its cement throughout Mexico under five different brand names.

THE EMERGENCE OF CHAIN STORES

In late 1993, the Monterrey steel and petrochemical giant *Grupo Alfa* signed a joint venture with *Payless Cashways*, the Kansas City-based home improvement chain, to open 25 stores in Mexico over the next five years. The project was described as the first opportunity for Mexican consumers to buy a wide assortment of hardware, kitchen and building supplies under one roof. The first *Payless/Alfa* store is scheduled to open in Monterrey in late 1994.

Typically, when such a home is first occupied it does not include interior doors, kitchen cabinetry, floor coverings or windows. These items are purchased by the home owner, generally through retail outlets, and the home is completed over a period of time.

The consumer market for home improvement products for the middle and upper-income consumers is only beginning to emerge. The concept of "do-it-yourself" is not widely accepted at these income levels because of the availability of low-cost labour.

SELLING TO THE CONSUMER MARKET

The consumer market for construction products is difficult for a foreign company to get into because the distribution system is highly fragmented.

In most major cities there are a large number of outlets, each carrying a very narrow range of stock. For the most part, building materials, hardware and fixtures are sold by separate specialized retailers. Painting products are sold in paint stores. Separate specialized outlets sell flooring, kitchen, bathroom and lighting products. Plumbing products are sold in hardware stores. Rough products such as cement, lime, gypsum, gravel, cardboard sheet, and steel rods are all sold separately.

Recently, large chain stores specializing in construction products have begun to enter the Mexican market. The Mexican-owned Home Mart recently opened its first retail outlet outside of Mexico City. It offers a department store environment similar to the U.S. retailer Home Depot. Many Mexican construction products suppliers are skeptical about the viability of this concept because of the transportation problem especially in Mexico City. Large construction products outlets are more common in Monterrey where more affluent consumers can access these stores with cars.

For the time being, Canadian companies aiming at the retail sector will have to contend with a fragmented distribution channel. Firms should be prepared to develop a network of distributors that is adequate to call upon the numerous individual outlets. As the number of large chain retailers increases, exporters will be able to make direct contact. Canadian retail suppliers should not neglect the opportunity to build upon sales made to foreign retail chains, primarily those in the U.S., that are planning to penetrate the Mexican market.



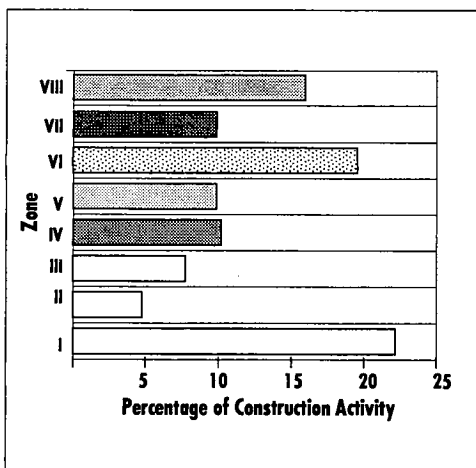
5. REGIONAL MARKETS

The size and nature of the market for construction products varies throughout Mexico. In a given region, the demand for construction products depends on the level of construction activity, the demographics of the region and the proximity to distribution sources. The three most important regions in Mexico are:

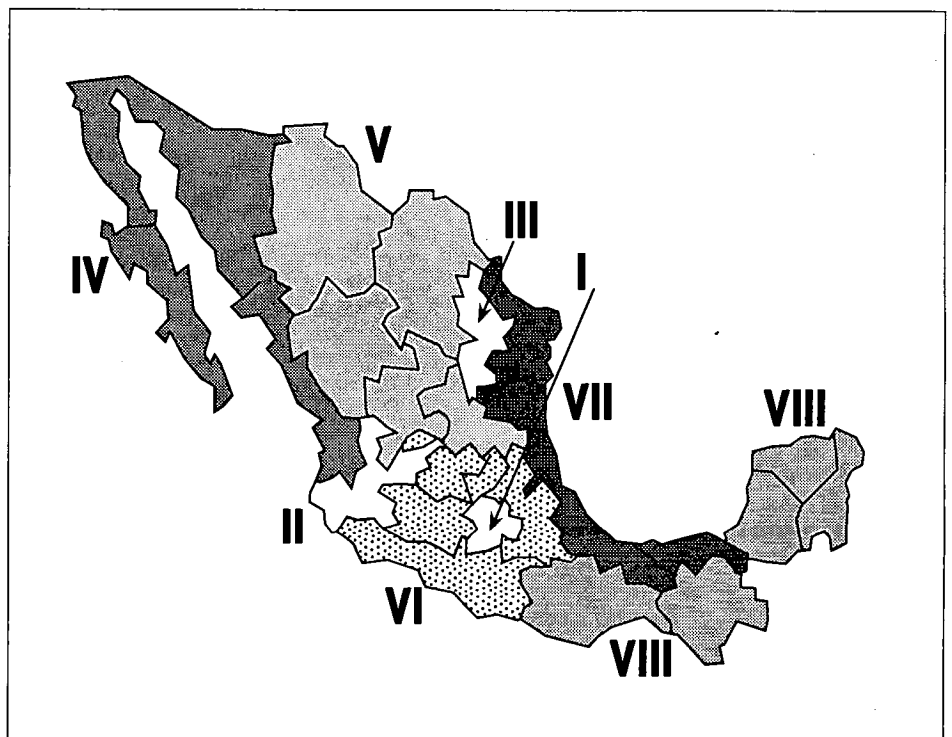
- the Federal District or Mexico City;
- Guadalajara;
- the state of Jalisco;
- Monterrey; and
- the state of Nuevo León.

These three areas account for over 30 percent of the country's construction activity. The state of Veracruz is also a leader in both industrial and construction activity. The state of Campeche, although not as well developed, has become important because of the petroleum projects underway.

REGIONAL CONSTRUCTION ACTIVITY, 1992

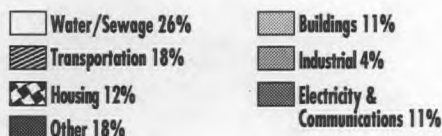


Source: Townsend Trade Strategies Inc.



THE FEDERAL DISTRICT

GUADALAJARA AND THE STATE OF JALISCO



Source: Arq. Raúl Díaz Gómez (Ed.). *Revista Mexicana de la Construcción*. Cámara Nacional de la Industria de la Construcción (CNIC), Mexican Construction Association. No. 467, December 1993. p. 20.

Distrito Federal or *D.F.*, the Federal District, is the municipal name for Mexico City. It is the country's economic, financial and industrial centre as well as the hub of the transportation network. *D.F.*'s total population is over 18 million people.

Purchases of construction materials in the Federal District account for close to half of all purchases nation wide. Its share of the market for imported products is about the same. It is also a major distribution point for neighbouring cities and states. In 1992, over one-third of the country's registered construction companies were located in the Federal District. In that year, the region accounted for 22 percent of national construction activity.

The distribution of building materials in the Federal District is fragmented. A large number of outlets carry a very narrow range of products. Due to difficulties in transportation, many distributors service only a small part of the city. However, there is a thriving street vendor business for some building materials.

GUADALAJARA AND THE STATE OF JALISCO

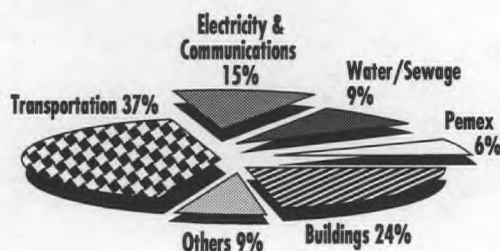
CONCENTRO

Concentro is a permanent construction trade centre in Guadalajara. It provides commercial space to manufacturers and distributors of a wide range of construction and decoration products. In addition, it houses both permanent and temporary exhibits of construction products. Its intention is to provide "one stop" shopping for companies seeking products, materials and services for all stages of construction, design, rough construction, finishes, equipment, furnishings, decoration and maintenance.

Guadalajara is Mexico's second largest city with a population of 3.5 million people. Its main industrial activities include food and beverage production, chemicals, textiles and machinery. Guadalajara has become an important centre for high technology and many multinational computer and telecommunications companies have established facilities there. The state of Jalisco, with a population of five million, is Mexico's 4th most populous state. In addition to the commercial activity of Guadalajara, the state has a thriving tourism industry.

In 1992, six percent of the country's registered construction companies were located in the state of Jalisco, and the region accounted for five percent of national construction activity.

CONSTRUCTION ACTIVITY IN JALISCO



Source: Arq. Raúl Díaz Gómez (Ed.). *Revista Mexicana de la Construcción*. Cámara Nacional de la Industria de la Construcción (CNIC), Mexican Construction Association. No. 462, July 1993. p. 46.

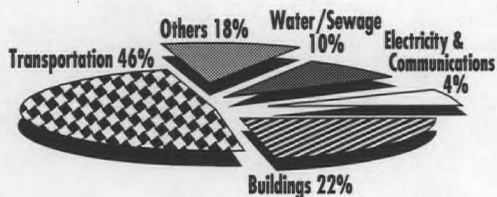
According to a representative of the *Centro Impulsor de la Construcción y la Habitación A.C. (CIHAC)*, Promotion Centre for Construction and Housing, Guadalajara is seen as a "middle-class" market. A relatively large part of construction activity is carried out by the formal sector and the market is therefore less volatile than other major Mexican markets.

In spite of this relative stability, the market in Guadalajara is regarded as demanding. Building products manufacturers often test new products in this city. It is felt that if a product succeeds in Guadalajara, it will be successful in other regions.

Tastes for construction products in this region are heavily influenced by the Federal District. Architects, engineers and buyers first look to Mexico City and then to California for a source of new products and design ideas.



CONSTRUCTION ACTIVITY IN NUEVO LEÓN



Source: Arq. Raúl Díaz Gómez (Ed.). *Revista Mexicana de la Construcción*. Cámara Nacional de la Industria de la Construcción (CNIC), Mexican Construction Association. No. 461, June 1993. p. 45.

MONTERREY AND THE STATE OF NUEVO LEÓN

Monterrey is Mexico's third largest city with a population of over 3 million. It is the capital of the state of Nuevo León and is situated in the northeast corner of the country about 240 kilometres from the Texas border. About half of Mexico's top 500 businesses are based in Monterrey. More than 250 foreign firms, including *maquiladoras*, operate in the state.

In 1992, six percent of the country's registered construction companies were located in the state and the region accounted for seven percent of national construction activity. Purchases of construction materials in the state account for 11 percent of all purchases.

In the last few years Nuevo León has experienced a construction boom. Private works account for close to 60 percent of this activity. They include industrial expansion, commercial development, particularly hotels and office buildings, and housing. Major public sector projects include:

- *Metrorrey* — an overhead metro system;
- water and sanitary sewer projects; and
- *Ciudad Solidaridad* — a major housing project involving the construction of 18,000 to 20,000 low-income houses over a number of years.

Interviews with a number of the major construction companies in Monterrey indicated that their construction technology and product choices are heavily influenced by the neighbouring United States. Imported products are routinely used in construction. A few of the larger companies import products directly and even have purchasing offices in Houston or San Antonio, Texas. Small and medium-sized companies purchase imports mainly through local distributors.

Monterrey has a very active *Asociación de Distribuidores de Materiales para Construcción de Nuevo León A.C.* Association of Construction Products Distributors which covers the state of Nuevo León (see contacts list). Canadian suppliers should contact the Association if they are seeking distribution in the state, or wish to conduct product demonstrations or seminars there. The *Cámara Nacional de la Industria de la Construcción, Delegación Nuevo León*, the state delegation of the National Chamber of the Construction Industry is also very active and can provide similar opportunities.

Department-store type outlets handling construction products are more popular in Monterrey than in other parts of Mexico. They include *Todo Fácil*, *Builder's Mart*, and *Payless/Alfa*.



6. GOVERNMENT REGULATIONS

The regulatory environment surrounding construction in Mexico is complex. It involves differing federal, state and municipal laws and building codes. For suppliers of construction products, the most important areas of concern are: product standards;

- building codes;
- tariff rates;
- product markings; and
- environmental regulations.

PRODUCT STANDARDS

Mexico has a system of official standards called *Normas Oficiales Mexicanas* or *NOMs*. These standards are an important consideration for companies exporting capital goods, machinery and building materials to Mexico.

The Mexican bureau of standards, the *Dirección General de Normas (DGN)* establishes the weight and measurement standards for the country. The metric system is used in Mexico and measurements are based on the International System of Units. Mexican standards generally follow those that are used in the industrialized countries. Mexico observes the standards set by the American Society of Mechanical Engineers (ASME) and the American Society for Testing of Materials (ASTM).

The *DGN* also administers a system of specific product *NOMs*. Many imported goods, including building and construction materials, require certificates of compliance with these *NOMs* before they enter the country. The *DGN* publishes quality standards for a wide range of construction products. Detailed information and copies of *DGN* standards for construction products may be obtained by contacting the *Secretaría de Comercio y Fomento Industrial (SECOFI)*, *Dirección General de Normas*, at the address provided in the contacts list at the end of this profile.

The first step in exporting a construction product to Mexico is to determine if a standard exists for that product. If there is a standard, a certificate of compliance will be required. There are two kinds of standards:

- voluntary standards for which products do not require certification; and
- mandatory standards for which products must be certified and bear “*NOM*” labelling.

There are more than 5,000 voluntary standards and over 250 mandatory standards. Voluntary standards cover quality issues, industrial processes and test methods. Mandatory standards generally concern consumer health and safety, the protection of the environment and ecology, and the disclosure of commercial information to consumers.



Traditionally, enforcement of the Mexican *NOMs* has not been strict. A common complaint of foreign and domestic companies alike has been that many of the labs authorized to carry out testing were owned by manufacturers and were biased against certification of competitor's products. In recent years, *SECOFI* has taken steps to establish "independent" testing labs. Nonetheless, exporters should be wary when the names of their competitors appear on the list of approved labs. The Canadian Standards Association (CSA) is currently working towards identifying unbiased third party laboratories in Mexico. Exporters can contact the CSA for assistance in identifying an appropriate lab.

STANDARDS UNDER THE NAFTA

Chapter 9 of the NAFTA covers standards-related measures. The Agreement has the goal of ensuring that standards are not used as non-tariff barriers to trade. Representatives of the Canadian Standards Association (CSA) and the Standards Council of Canada (SCC) have been working with their counterparts in Mexico and the United States to harmonize product standards. The NAFTA allows Mexico four years to implement these provisions. Meanwhile, it is under no obligation to accept product certifications from the other two countries. In other words, UL or CSA labelling is not sufficient for products requiring a mandatory standard in Mexico. Products must be tested and certified in Mexico by an authorized laboratory.

The penalty for non-compliance with mandatory standards includes prohibiting the sale of the item, fines or other sanctions, and the temporary or permanent closing of manufacturing facilities in Mexico.

THE CERTIFICATION PROCESS

Exporters can obtain a copy of the appropriate Mexican standard from *SECOFI's* catalogue of construction products. Certification requires the following steps:

1. The importer (not the Canadian manufacturer) must deliver product samples to one of the *SECOFI* authorized laboratories. A company can import up to three samples on a temporary import permit for testing at an authorized laboratory. There are about 120 certified laboratories in Mexico, of which 19 are authorized for construction products testing.
2. If the product meets the standard when it is tested, a certificate of compliance is issued, allowing the use of a *NOM* mark or label for imported products.
3. Products must be labelled according to regulations that are available from *SECOFI*.

All of the designated construction products testing laboratories indicate that their main area of expertise is in the testing of fresh and hard concrete. Canadian exporters of other products may find limited expertise in their area. They may also discover that only voluntary standards exist.

THE CANADIAN EXPERIENCE

When one Canadian manufacturer of high density polyethylene pipe (HDPE) for drainage applications first went to Mexico, they were astounded by the tremendous opportunity in sewer construction. However, Mexico did not have a standard for hermetically sealed HDPE sewer pipe. The company has since been active in the on-going process of developing a *NOM* for this product, potentially based on the existing CSA standard. They have found that the process involves lengthy discussions with *Comisión Nacional del Agua (CNA)*, the National Water Commission, competitive domestic pipe manufacturers, and potential users. Having a local partner with considerable clout in the industry is key to expediting the process.



ESTABLISHING A NEW STANDARD

When a company introduces a new construction product or technology to Mexico it will probably find that a product standard has not yet been established. When no Mexican standard exists, there is a tendency to adopt an international standard. This can be advantageous to Canadian suppliers, because competing local products may be sub-standard. But to be enforceable in Mexico, the international standard will generally have to be converted to a *NOM*, which can be a long and complex process.

The *Dirección General de Normas*, (*DGN*), Bureau of Standards, an intergovernmental body headed by *SECOFI*, is responsible for setting new standards. There are 42 National Consulting Committees, each responsible for a specific service or industry sector. The private sector is represented on these committees through national chambers of commerce or industry associations. The standard setting process is often initiated by the industrial association representing manufacturers of that product.

A Canadian company will need assistance from a local representative if it wants to establish a standard for a new product. The partner must be willing to pursue this objective and should have a reasonably high profile in the industry. Ideally, the partner will sit on the applicable Standard Committee. The Canadian exporter can assist in the standard-setting process by joining the appropriate industry association and "pre-selling" the product concept to association members. Establishing a standard within a reasonable time frame will require the lobbying strength of the association.

The Canadian Standards Association (*CSA*) can also assist in developing new standards in Mexico. The three NAFTA signatories are currently working to develop and coordinate standards for plumbing products and fixtures, plastic pipe, steel construction and welding. The *CSA* welcomes input from Canadian manufacturers in these and other sectors.

New mandatory *NOMs* are published in the *Diario Oficial*, the National Gazette which is the Government publication of new laws. They go into effect immediately. Voluntary *NOMs* are published in the *Gaceta de Industria, Comercio y Servicios*, and only their titles are published in the *Diario Oficial*.

BUILDING CODES

Unlike *NOMS*, which are controlled by one federal body, Mexican building codes vary from state to state. The codes set by el *Departamento del Distrito Federal*, the Department of the Federal District, are generally the most strict and are often modified for use in other regions. The building codes are specified to meet the requirements established in the *Reglamento de Construcciones del Departamento del Distrito Federal*, the Manual for the Construction Regulation from the Department of the Federal District. The laws are designed to guarantee livability, functionality, sanitation, environmental compatibility, access to transportation, safety in emergencies, structural safety and integration with the urban image of neighbouring buildings. The *Reglamento* is updated and published in the *Diario Oficial*. Complete details of technical standards and codes can be obtained from



the *Centro Impulsor de la Construcción y la Habitación A.C. (CIHAC)*, Promotion Centre for Construction and Housing.

In most cases, companies find that Canadian and U.S. building codes meet or exceed Mexican codes. However, some regions have more rigorous requirements. For example, in some sections of Mexico City, the building code calls for a Seismic 4 design. Construction along the Gulf areas of Mexico must resist wind loads of 115 m.p.h.

Canadian companies have found that although building codes in Mexico are quite detailed, the extent to which they are enforced can vary.

BUILDING CODES IN MEXICO

Type	Purpose
Zoning and building design	building size and types allowed
Service infrastructure	sanitation systems water systems electrical systems combustible fuels installations
Structural integrity	earthquake resistance load capacity design and construction of concrete structures design and construction of metal structures design and construction of wooden structures designs that are wind resistant

TARIFF RATES

Since 1986, Mexico's maximum import tariff has been cut from 100 percent to 20 percent. Tariffs on construction products average about 10 percent.

Under the NAFTA, most tariff barriers within North America will be eliminated over a period of ten years. A list of tariff rates, phase-out periods and rules of origin for construction products is provided in the report, NAFTA and the Construction Materials Sector, available through Industry Canada and the InfoCentre, DFAIT.

PRODUCT LABELLING

The Mexican government has begun enforcing a law under which certain products must be labeled in Spanish prior to importation into Mexico. This applies mainly to pre-packaged consumer products. Bulk products are generally exempt from these regulations. Mexican representatives, customs agents and freight forwarders can usually provide information on current and proposed labelling requirements.



Many Canadian exporters have found that getting products through the border can be the most complex and frustrating aspect of doing business in Mexico. To avoid customs problems, product labelling, marking and documentation regulations must be strictly adhered to.

ENVIRONMENTAL LEGISLATION

All new industrial construction projects in Mexico require an environmental impact statement and risk analysis. Construction permits are contingent upon receipt of the necessary approvals from the *Secretaría de Desarrollo Social (SEDESOL)*, the Secretariat for Social Development. The environmental impact statement must contain an outline of the measures employed, including materials and equipment, to mitigate or prevent pollution.

7. MARKET ENTRY STRATEGIES

SELECTING A MARKET NICHE

There is considerable competition in the construction products market in Mexico, especially from suppliers located in the southern United States. Canadian companies have succeeded in this market mainly by finding a market niche where they have a competitive advantage. Mexican construction companies and distributors of construction materials suggest that Canadian suppliers consider the following points:

- the greatest opportunities are for high value-added, unique products for which transportation costs represent a low portion of landed cost. Canadian suppliers have to overcome a cost disadvantage;
- unique technologies that reduce construction time and lower costs are well accepted. Such products are in particularly high demand in the road and housing sectors. Canadian exporters must transfer the necessary building skills along with new construction technologies; and
- Mexican construction companies perceive Canada to be a producer of superior quality wood and steel products, two markets which are currently underserved by domestic suppliers.

New environmental legislation has an impact on all areas of construction. Pollution control systems and environmentally safe building technologies are in high demand.



ESTABLISHING A LOCAL PRESENCE

Canadian firms that have been active in Mexico's construction sector stress that establishing a local presence is essential for success. This can mean retaining the services of a Mexican representative, agent or subcontractor; or establishing a strategic partnership with a Mexican firm. Alternatively a Canadian company may open its own office in Mexico. It is important to demonstrate a commitment to the market and assure clients that after-sales service will be available.

Canadian business people with experience in Mexico inevitably comment on the need to commit time to developing business there. It takes time to understand who the key players and buyers are in the industry and the building methods employed in Mexico. A firm must take a long-term approach to marketing in this highly competitive environment.

A local presence makes it easier to stay up-to-date on proposed construction projects. It is essential to know about them in advance of the materials procurement phase. A local agent or representative will maintain informal contacts within customers' organizations.

In order to overcome the transportation cost disadvantage, some firms may consider manufacturing all or part of their product in Mexico. A co-manufacturing agreement or a technology alliance with a Mexican company is a common way of doing this. Companies are advised to seek a strong local partner and to investigate Mexico's foreign investment regulations when considering this approach.

FINDING AN AGENT OR DISTRIBUTOR

Experienced distributors and agents for construction products are readily found in the three main commercial centres of Mexico City, Guadalajara and Monterrey. There are very few national distributors in the industry. Most representatives focus on a very localized region. Those that provide country-wide distribution are known to charge very high margins.

Some specialized distributors deal with very narrow ranges of construction products. Most distributors, however, deal with one of two classes of products:

- **obra negra.** Literally "black work". These are products used in the rough construction stage including steel, cement, glass, lumber, stone, roofing materials and some tools; and
- **acabados.** Finishing products. These include cabinetry, sanitary ware, wall and floor coverings, plumbing, air conditioning and other equipment.

For most products there are at least three levels in the distribution chain. At the highest level, distributors deal primarily with large construction companies. Second level distributors deal with small and medium-sized companies and often sell to the third level of distributors who sell to the informal construction industry.



Distributors are often found through contacts at construction-related trade shows. Many experienced distributors are members of regional associations of construction products distributors. These associations can be important contact points for finding qualified distributors or disseminating information on new products. In the major cities, the *Cámara Nacional de Comercio de la Ciudad de México (CANACO)*, the National Chamber of Commerce, will provide a listing of distributors in various product sectors. There is a fee for this service which depends on the number of names provided. Finally, a key client such as a large construction company or retail outlet may suggest particular distributors with whom they deal. In choosing a representative, consideration should be given to:

- the region covered;
- the price mark-up;
- transportation capability;
- competitive products carried; and
- the ability to offer after-sales service.

PROMOTING THE PRODUCT

Promotion is an important tool for introducing products into Mexico. Promotion is often the responsibility of the local agent or distributor, but Canadian exporters should be aware of the various promotional options. Few distributors have the budget to adequately promote products. A promotional plan should be jointly developed by the manufacturer and distributor.

Construction products are typically promoted through:

- specialized trade shows;
- trade magazines and publications;
- seminars; and
- product literature.

Construction trade shows are held throughout the year in Mexico's major cities. These include general construction shows where a variety of products are exhibited. Specialized shows focus on specific product areas such as cement and concrete, hardware, and products for housing.



Trade shows in Mexico City tend to be the largest, drawing participants from across the country. Regional shows held in Monterrey and Guadalajara have fewer visitors (typically 5,000 to 10,000) but are strongly supported by the local construction companies. *Expo CIHAC*, the annual International Exposition on Construction and Housing held each autumn in Mexico City, is one of the most important shows, drawing a crowd of over 30,000 construction professionals. Other important trade shows include:

- *Habitat* — held annually in Mexico City;
- *Construexpo* — held annually in Guadalajara (will coincide with the World of Steel in 1994);
- *Constructo* — trinationl construction forum, held in Monterrey in 1994; and
- *Expo Nacional Ferretera* — hardware show held annually in Guadalajara.

TRADE MAGAZINES

According to industry observers in Mexico, the most widely read monthly construction trade magazines are the following national publications:

- *Obras*, published by *Expansión*, Mexico's most important business magazine;
- *Ingeniería Civil*;
- *Construcción y Tecnología*, published by *Instituto Mexicano del Cemento y del Concreto (IMCYC)*, the Mexican Cement and Concrete Institute; and
- *Revista Mexicana de la Construcción*, published by the *Cámara Nacional de la Industria de la Construcción (CNIC)*, the National Chamber for the Construction Industry.

The most comprehensive catalogue of construction products and services is the annual publication of the *Centro Impulsor de la Construcción y la Habitación A.C. (CIHAC)*, the Promotion Centre for Construction and Housing. The *Catálogo del Centro Impulsor de la Construcción y la Habitación* publishes technical data, company profiles and a directory of distributors.

In addition, regional delegations of *Cámara Nacional de la Industria de la Construcción (CNIC)*, the National Chamber for the Construction Industry, publish monthly magazines which cater to a local audience. For example, in Monterrey, *Empresario Constructor* is the local publication of the Construction Association which covers the state of Nuevo León. Senior construction company representatives typically read major trade magazines from the U.S. in addition to those mentioned above.

The cost of advertisements in the popular trade magazines range between roughly U.S. \$1,000 for a half-page black and white advertisement to as much as U.S. \$3,000 for a full 4-colour page. One method of avoiding the high costs of advertising is to submit a technical article for publication.



THE CANADIAN EXPERIENCE

A significant number of the Canadian exhibitors of construction products at the Canada Expo '94 trade show in Mexico City have found that good distributors often have a background in architecture. These representatives have good contacts within the architectural community. This group is very instrumental in introducing new products and designs. The majority of Mexican architects are also engaged in contracting. Therefore they form an important customer base in terms of product purchases as well as design influence.

SEMINARS

Technical seminars are an excellent method of promoting materials and equipment for the housing and construction markets. Seminars can be held during trade shows or can be organized through an industry association. Some companies arrange for their local representative to hold a private seminar for a select group of potential customers.

Mexico's civil engineering and architectural communities have a strong influence over the selection of construction products. There is no clear distinction between the roles of architects and engineers in Mexico. Both can be involved in design, specification or contracting. Canadian companies may consider organizing seminars at the Architecture and Engineering Colleges as a means of introducing new products and technologies. The *Colegio de Arquitectos de México*, the School of Architects, also produces a monthly publication, *Enlace*, which offers an important opportunity for publishing technical articles on new materials or technologies.

SETTING PRICES

Mexico's protectionist trade policies and the rampant inflation of the early 1980s combined to sustain high prices for many products. Canadian exporters of construction products often find that prices in Mexico are higher than in Canada. In recent years, however, pricing has become more competitive and inflation has subsided. As a result, one building products catalog publisher recently reduced its frequency from monthly to quarterly. It is expected that the NAFTA will also contribute to more stable and competitive prices.

For generic products, pricing information can be found in published data. A number of organizations monitor the prices of construction materials in Mexico and publish catalogues or electronic data for the use of builders, architects and engineers. For example, *PRISMA*, a Mexican building cost analysis firm, publishes typical list pricing and lowest prices offered for 600 common building products. It also provides information on regional pricing and discounting practices. Finally, the catalogue provides current transportation costs within Mexico for various classes of building materials.

For specialty products, exporters may have to do their own price surveys. A survey can be made by visiting retail and wholesale outlets for construction products in various regions of Mexico. Canadian exporters should also examine product pricing in the southern United States, where many competing suppliers are located.

Exporters should give careful consideration to the payment terms offered to various customers. Small and medium-sized construction companies are known to go out of business frequently in Mexico. Credit and collection policies should be established with local distributors at the outset.

FURTHER READING

The following publications provide additional information on the market for construction products and guidance on various aspects of doing business in Mexico. These are available from the InfoCentre:

- Opportunities in Mexico: The Construction Services Market*
- NAFTA and the Construction Materials Sector*
- Canada-Mexico: Partnering for Success*
- A Report on the Construction Industry in Mexico*
- Documents and Regulations for Exporting to Mexico*
- Successfully Bidding for Mexican Government Industrial Procurements (in production)*
- Lumber and Wood Products, Mexico Market Profile*
- Mexico: Basic Legal Aspects of Doing International Business*



8. KEY CONTACTS

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 InfoCentre 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 can provide interested companies with copies of specialized export publications.

InfoCentre

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

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, ON K1A 0G2
Tel.: (613) 996-5547
Fax: (613) 943-8806

INTERNATIONAL TRADE CENTRES

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 Industry Canada (IC), 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, BC V6B 5H8
Tel.: (604) 666-0434
Fax: (604) 666-8330

Yukon:

300 Main Street
Room 210
Whitehorse, YT Y1A 2B5
Tel.: (403) 667-3925
Fax: (403) 668-5003

Alberta and Northwest Territories

Canada Place
9700 Jasper Avenue
Suite 540
Edmonton, AB T5J 4C3
Tel.: (403) 495-2944
Fax: (403) 495-4507

510-5th Street S.W.
11th Floor
Calgary, AB T5P 3S2
Tel.: (403) 292-6660
Fax: (403) 292-4578

Saskatchewan:

119-4th Avenue South
Suite 401
Saskatoon, SK S7K 5X2
Tel.: (306) 975-5315
Fax: (306) 975-5334

1919 Saskatchewan Drive
6th Floor
Regina, SK S4P 3V7
Tel.: (306) 780-6325
Fax: (306) 780-6679



Manitoba: 330 Portage Avenue
7th Floor
P.O. Box 981
Winnipeg, MB R3C 2V2
Tel.: (204) 983-8036
Fax: (204) 983-2187

Ontario: Dominion Public Building
1 Front Street West
4th Floor
Toronto, ON M5J 1A4
Tel.: (416) 973-5053
Fax: (416) 973-8161

Quebec: Stock Exchange Tower
800 Victoria Square
Suite 3800
P.O. Box 247
Montreal, PQ H4Z 1E8
Tel.: (514) 283-8185
Fax: (514) 283-8794

New Brunswick: Assumption Place
770 Main Street
P.O. Box 1210
Moncton, NB E1C 8P9
Tel.: (506) 857-6452
Fax: (506) 851-6429

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

Nova Scotia: Central Guaranty Trust Tower
1801 Hollis Street
5th Floor
P.O. Box 940, Strn M
Halifax, NS B3J 2V9
Tel.: (902) 426-7540
Fax: (902) 426-2624

Newfoundland: Atlantic Place
215 Water Street
Suite 504
P.O. Box 8950
St. John's, NF A1B 3R9
Tel.: (709) 772-5511
Fax: (709) 772-5093/2373

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 register on WIN Exports, call: (613) 996-5701.

PROGRAM FOR EXPORT MARKET DEVELOPMENT (PEMD)

This program seeks to increase export sales by sharing the costs of industry-initiated activities aimed at developing export markets. PEMD is administered by IC 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 pre-contractual stage for projects outside Canada;
- the establishment of permanent sales offices abroad in order to undertake sustained marketing efforts;
- 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); and
- new eligible costs include: product testing for market certification, legal fees for marketing agreements abroad, transportation costs for offshore company trainees, product demonstration costs and other costs necessary to execute the marketing plan.

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

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

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. IC also helps in program promotion. The program officers respond to requests to identify technology sources and opportunities for cooperation 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. For information, call: (613) 993-3996.

INVESTMENT DEVELOPMENT PROGRAM

This program helps Canadian companies find the investment they need. It actively promotes investments that take the form of new plant 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) 995-8400.

INDUSTRY CANADA

Industry Canada (IC) 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; and
- promote and provide support services for the marketing of Canadian goods, services and technology.

Construction Industries and Capital Projects
Industry Canada
235 Queen Street, 7th Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 952-0218
Fax: (613) 941-8464

Business Service Centre
Industry Canada
235 Queen Street, 1st Floor, East Tower
Ottawa, ON K1A 0H5
Tel.: (613) 952-4782
Fax: (613) 957-7942

NAFTA Information Desk
Industry Canada
235 Queen Street, 5th Floor, East Tower
Ottawa, ON K1A 0H5
Fax: (613) 952-0540

IC REGIONAL OFFICES

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 IC 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
- IC Business Intelligence.



THE BUSINESS OPPORTUNITIES SOURCING SYSTEM (BOSS)

BOSS is a computerized databank that profiles over 26,000 Canadian companies. It lists basic information on products, services and operations that is useful to potential customers. The system was established in 1980 by IC in cooperation 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

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.

REVENUE CANADA

NAFTA Information Desk
Revenue Canada - Customs, Excise and Taxation
191 Laurier Avenue West
6th Floor
Ottawa, ON K1A 0L5
Tel.: 1-800-661-6121
Fax: (613) 954-4494

NAFTA Spanish Help Desk

Revenue Canada Customs provides a NAFTA Help Desk telephone line with service available in Spanish
Tel.: (613) 941-0965

CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

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 Cooperation Program or CIDA/INC. CIDA's Industrial Cooperation Program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licencing 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 which 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 Cooperation 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 Cooperation Division
Canadian International Development Agency
200, Promenade du Portage
Hull, PQ K1A 0G4
Tel.: (819) 997-7905/7906
Fax: (819) 953-5024

ATLANTIC CANADA OPPORTUNITIES AGENCY

Atlantic Canadian 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 coordination 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, NB E1C 9J8
Toll free: 1-800-561-7862
Fax: (506) 851-7403



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

Nova Scotia: 1801 Hollis Street
Suite 600
P.O. Box 2284, Station M
Halifax, NS 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, PE 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, NB E3B 5A6
Tel.: (506) 452-3184
Toll free: 1-800-561-4030
Fax: (506) 452-3285

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

Toll free within Regina
city limits
Tel.: (306) 780-6725

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

Toll free within Calgary city limits
Tel.: (403) 292-5382

British Columbia: Bentall Tower 4
1200-1055 Dunsmuir Street
P.O. Box 49276
Vancouver, BC V7X 1L3
Tel.: (604) 666-6256
Fax: (604) 666-2353
Toll free within the Province
Tel.: 1-800-663-2008

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 which 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 coordinates 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 the Western Diversification Program and other activities of the department can be directed to any of the following regional offices:

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

EXPORT DEVELOPMENT CORPORATION (EDC)

EDC is a unique financial institution that helps Canadian business compete internationally. EDC facilitates export trade and foreign investment by providing risk management services, including insurance and financing, to Canadian companies and their global customers.

EDC's programs fall into four major categories:

- export credit insurance, covering short and medium-sized credits;
- performance-related guarantees and insurance, providing cover for exporters and financial institutions against calls on various performance bonds and obligations normally issued either by banks or surety companies;
- foreign investment insurance, providing political risk protection for new Canadian investments abroad; and
- export financing, providing medium and long-term export financing to foreign buyers of Canadian goods and services.

For information on the full range of EDC services, contact any of the following EDC offices:

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



Public Information: Tel.: (613) 598-2739

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

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

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

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

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

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

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

NATIONAL RESEARCH COUNCIL

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 offices 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 the following:

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



KEY CONTACTS IN CANADA

BUSINESS AND PROFESSIONAL ASSOCIATIONS

The Canadian Council for the Americas (CCA) is a non-profit organization formed in 1987 to promote business interests in Latin American 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
145 Richmond Street West, Third Floor
Toronto, ON M5H 2L2
Tel.: (416) 367-4313
Fax: (416) 367-5460

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

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

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

Forum for International Trade and Training (FITT)
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

Canadian Freight Forwarders Association (CFFA)
Box 929
Streetsville, ON L5M 2C5
Tel.: (905) 567-4633
Fax: (905) 542-2716

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

Canadian Standards Association (CSA)
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, Ontario
K1P 6N7
Tel.: (613) 238-3222
Fax: (613) 995-4564

Canadian Construction Association (CCA)
85 Albert Street
Ottawa, ON K1P 6A4
Tel.: (613) 236-9455
Fax: (613) 239-9526

Association of Consulting Engineers of Canada (ACEC)
130 Albert Street, Suite 616
Ottawa, ON K1P 5G4
Tel.: (613) 236-0569
Fax: (613) 236-6193

Royal Architectural Institute of Canada (RAIC)
55 Murray Street, Suite 330
Ottawa, ON K1N 5M3
Tel.: (613) 232-7165
Fax: (613) 232-7559

MEXICAN GOVERNMENT OFFICES

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

Mexican Consulate in Ottawa
Tel.: (613) 235-7782



Other Mexican Consulates General in Canada

Consulate General of Mexico
2000 Mansfield Street, Suite 1015
Montreal, PQ H3A 2Z7
Tel.: (514) 288-2502/4916
Fax: (514) 288-8287

Consulate General of Mexico
199 Bay Street, Suite 4440
P.O. Box 266, Stn. Commerce Court West
Toronto, ON M5L 1E9
Tel.: (416) 368-2875/8141/1847
Fax: (416) 368-8342

Consulate General of Mexico
810-1139 West Pender Street
Vancouver, BC V6E 4A4
Tel.: (604) 684-3547/1859
Fax: (604) 684-2485

Mexican Honorary Consulate
380, Chemin St. Louis
No. 1407
Québec, PQ G1S 4M1
Tel.: (418) 681-3192
Fax: (418) 683-7843

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

MEXICAN FOREIGN TRADE COMMISSIONS

Banco Nacional de Comercio Exterior (Bancomext) is the Mexican Foreign Trade Commission and has offices in Canada. It offers credits, export guarantees and counselling services for Mexican companies seeking to do business in Canada. *Bancomext* also sponsors trade fairs, international exhibitions and trade missions.

MEXICAN BANKS WITH OFFICES IN CANADA

Banco Nacional de México (Banamex), *Banco de Comercio (Bancomer)*, and *Banca Serfin* are private sector banks which 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 data bases throughout the world. These banks are located throughout Mexico, and maintain offices in Toronto.

Banco Nacional de México (Banamex)
1 First Canadian Place, Suite 3430
P.O. Box 299
Toronto, ON M5X 1C9
Tel.: (416) 368-1399
Fax: (416) 367-2543

Banco de Comercio (Bancomer)
The Royal Bank Plaza
South Tower, Suite 2915
P.O. Box 96
Toronto, ON M5J 2J2
Tel.: (416) 956-4911
Fax: (416) 956-4914

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



CANADIAN GOVERNMENT DEPARTMENTS AND SERVICES IN MEXICO

COMMERCIAL DIVISION

THE EMBASSY OF CANADA IN MEXICO

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 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 Business Centre
Centro Canadiense de Negocios
Av. Ejército Nacional No. 926
Col. Polanco
11540 México, D.F.
México
Tel.: 580-1176
Fax: 580-4494

Canadian Consulate
Edificio Kalos, Piso C-1
Local 108A
Zaragoza y Constitución
64000 Monterrey, Nuevo León
México
Tel.: 344-3200
Fax: 344-3048

KEY CONTACTS IN MEXICO

MEXICAN GOVERNMENT DEPARTMENTS AND AGENCIES

Secretariat of Communications and Transportation
Secretaría de Comunicaciones y Transportes (SCT)
Av. Universidad y Xola, Cuerpo C, Piso 1
Col. Navarte
03028 México, D.F.
México
Tel.: 538-5148/0450
Fax: 519-9748

Secretariat of Agriculture and Hydrological Resources
Secretaría de Agricultura y Recursos Hidráulicos
Insurgentes sur No. 476, Piso 13
Col. Roma Sur
06760 México, D.F.
México
Tel.: 584-0010/0808
Fax: 584-1887

Nacional Water Commission - Office of Construction Management
Comisión Nacional del Agua - Gerencia de Construcciones
Cda. J. Sánchez Azcona No. 1723
Col. del Valle
03100 México, D.F.
México
Tel.: 524-6985, 534-4650
Fax: 524-1129

National Oil Company
Petróleos Mexicanos (PEMEX)
Av. Marina Nacional No. 329
Col. Huasteca
11311 México, D.F.
México
Tel.: 250-2611
Fax: 625-4385

Mexican National Railway
Ferrocarriles Nacionales de México (Ferromex)
Jesús García No. 140, Piso 13 Ala A
Col. Buenavista
06358 México, D.F.
México
Tel.: 541-4004, 547-9317
Fax: 547-0959

Mexican Airport Authority
Aeropuertos y Servicios Auxiliares (ASA)
Avenida 602 No. 161
Col. San Juan de Aragón
15620 México, D.F.
México
Tel.: 571-4545/4911
Fax: 762-5951



Federal Electricity Commission
Comisión Federal de Electricidad (CFE)
Río Ródano No. 14
Col. Cuauhtémoc
06598 México, D.F.
México
Tel.: 553-7133
Fax: 553-6424

Secretariat of Social Development
(Subsecretariat of Housing)
Secretaría de Desarrollo Social (SEDESOL) -
Subsecretaría de Vivienda
Av. Constituyentes No. 947
Col. Belén de las Flores
01110 México, D.F.
México
Tel.: 271-1441
Fax: 271-1659

Housing Fund for Commercial Banks
Fondo de Operación y Financiamiento Bancario a la Vivienda
(FOVI)
Av. Ejército Nacional No. 180
Col. Anzures
11590, México, D.F.
México
Tel.: 255-3644
Fax: 203-7304

Housing Pension Fund for Private Sector Employees
Instituto del Fondo Nacional para la Vivienda de los
Trabajadores (INFONAVIT)
Barranca del Muerto No. 280
Col. San José Insurgentes
01029 México, D.F.
México
Tel.: 660-2779
Fax: 660-3418

Housing Pension Fund for Public Sector Employees
Fondo de la Vivienda del Sistema de Seguridad Social de los
Trabajadores (FOVISSSTE)
Miguel Noreña No. 28
Col. San José Insurgentes
03900 México, D.F.
México
Tel.: 680-6142
Fax: 680-1574

Federal Low Income Housing Fund
Fondo Nacional de Habitaciones Populares (FONHAPO)
Homero No. 203, Piso 10
11560 México, D.F.
México
Tel.: 254-8765
Fax: 254-7559

Secretariat of Tourism
Secretaría de Turismo (SECTUR)
Presidente Masaryk No. 172, Piso 8
Col. Polanco
11587 México, D.F.
México
Tel.: 250-8171/8828
Fax: 254-0014

National Tourism Development Fund
Fondo Nacional de Fomento al Turismo (FONATUR)
Insurgentes Sur No. 800
Col. del Valle
03100 México, D.F.
México
Tel.: 687-7437, 688-4222
Fax: 687-7533

Mexican Institute for Social Security
Instituto Mexicano del Seguro Social (IMSS)
Reforma 476, Piso 6
Col. Juárez
06600 México, D.F.
México
Tel.: 211-0188
Fax: 211-2623

Mexican Port Authority
Puertos Mexicanos
Municipio Libre 377, Piso 6, Ala A
Col. Santa Cruz Atoyac
03310 México, D.F.
México
Tel.: 604-7875, 688-2266
Fax: 688-9081

School Construction Program
Comité Administrativo del Programa Federal de Construcción
de Escuelas (CAPFCE)
Vito Alessio Robles No. 380
Col. Florida
01030 México, D.F.
México
Tel.: 659-5896, 557-1757
Fax: 554-6685/6422

Department of the Federal District
Departamento del Distrito Federal (DDF)
Dirección General de Construcción y Operación Hidráulica
Plaza de la Constitución y Pino Suárez No. 1, Piso 4
Col. Centro
06068 México, D.F.
México
Tel.: 510-0349, 512-9637
Fax: 512-9637

Federal Roads and Bridges Commission
Caminos y Puentes Federales de Ingresos y Servicios Conexos
(CAPFISC)
Av. Plan de Ayala No. 629
Col. Lomas del Mirador
62350 Cuernavaca, Morelos
México
Tel.: 11-5400
Fax: 11-5347



**Secretariat for Commerce and Industrial Promotion
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: 729-9477

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

Instituto Nacional de Estadística, Geografía e Informática
(INEGI)
Av. Héroe de Nacosari 2301 Sur
Fraccionamiento Jardines del Parque
20270 Aguascalientes, Aguascalientes
México
Tel.: 918-6947
Fax: 918-6945

BUSINESS ASSOCIATIONS

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.: 665-0424/1500
Fax: 606-6720

Promotion Centre for Construction and Housing

Centro Impulsor de la Construcción y la Habitación A.C.
(CIHAC)
Av. Minerva No. 16
Col. Crédito Constructor
03940 México, D.F.
México
Tel.: 661-0844, 662-5085
Fax: 661-0600

**National Association of Distributors of Construction
Materials**

*Asociación de Comerciantes de Materiales para la Construcción
de la República Mexicana A.C.*
José María Velasco No. 21
Col. San José Insurgentes
03900 México, D.F.
México
Tel.: 593-4995
Fax: 593-6047

**Mexican Association of Firms Specializing in
Installation for Construction**

*Asociación Mexicana de Empresas del Ramo de Instalaciones
para Construcción A.C.*
San Antonio No. 319
Col. San Pedro de los Pinos
03800 México, D.F.
México
Tel.: 611-5414
Fax: 611-5456

**National Chamber of Commerce of Mexico
Cámara Nacional de Comercio de la Ciudad de México
*(CANACO)***

Paseo de la Reforma No. 42
Col. Centro
06030 México, D.F.
México
Tel.: 592-2677/2665
Fax: 592-3403, 705-7412

**National Chamber of Industry Transformation
Cámara Nacional de la Industria de Transformación
*(CANACINTRA)***

Av. San Antonio No. 256
Col. Nápoles
03849 México, D.F.
México
Tel.: 563-3400
Fax: 598-9467

Canadian Chamber of Commerce in Mexico

Cámara de Comercio de Canadá en México
Paseo de la Reforma No. 369 Mezzanine
Col. Juárez
06500 México, D.F.
México
Tel.: 525-0961/0541
Fax: 525-0438

National Chamber of Cement

Cámara Nacional del Cemento (CANACEM)
Leibnitz No. 77
Col. Anzures
11590 México, D.F.
México
Tel.: 533-0132/1033/1034
Fax: 203-4102

National Chamber of the Iron and Steel Industry

Cámara Nacional de la Industria del Hierro y del Acero
(CANACERO)
Amores No. 338
Col. del Valle
03199 México, D.F.
México
Tel.: 543-4443 to 4447
Fax: 687-0517

Mexican Cement and Concrete Institute

Instituto Mexicano del Cemento y del Concreto (IMCYC)
Insurgentes Sur No. 1846
Col. Florida
01030 México, D.F.
México
Tel.: 660-2778/3198
Fax: 534-2118

National Advisory Board for Wood in Construction

Consejo Nacional de la Madera en la Construcción A.C.
(COMACO)
Quintana Roo No. 141-603
Col. Hipódromo Condesa
06170 México, D.F.
México
Tel.: 564-5007
Fax: 277-6715



Mexican Association of Fibro-Cement Manufacturers
Asociación Mexicana de Fabricantes de Fibro-Cemento A.C.
Reforma No. 30, Piso 1
Col. Juárez
06040 México, D.F.
México
Tel.: 533-4441, 207-2254
Fax: 286-7723

Mexican Association of Plastic Pipe Manufacturers
Asociación Mexicana de Industrias de Tuberías Plásticas A.C. (ITP)
Alabama No. 35
Col. Nápoles
03810 México, D.F.
México
Tel.: 669-0510
Fax: 687-3702

Association of Consulting Engineers
Cámara Nacional de Empresas de Consultoría
Miguel Laurent No. 70, Piso 3
03100 México, D.F.
México
Tel.: 559-9888
Fax: 559-4914

School of Architects
Colegio de Arquitectos
Av. Constituyentes No. 800
Col. Lomas Altas
11950 México, D.F.
México
Tel.: 570-0007
Fax: 259-5423

Mexican Investment Board
Consejo Mexicano de Inversión (CMI)
Paseo de la Reforma 915
Col. Lomas de Chapultepec
11000 México, D.F.
México
Tel.: 202-7804
Fax: 202-7925

Prisma, Construction Product Pricing
Prisma Control de Calidad S.A. de C.V.
Paseo de la Reforma No. 36 PH.
Col. Juárez
06048 México, D.F.
México
Tel.: 566-8166
Fax: 566-8166

MAJOR CONSTRUCTION COMPANIES IN MEXICO

Grupo Bufete Industrial S.A. de C.V.
Moras No. 850
Col. del Valle
03100 México, D.F.
México
Tel.: 659-3555, 726-9066
Fax: 658-5941/3477

Gutsa Construcciones S.A. de C.V.
Av. Revolución No. 1387
Col. Campestre San Angel
01040 México, D.F.
México
Tel.: 662-7346
Fax: 662-2471

Grupo Mexicano de Desarrollo
Culiacán No. 108
Col. Condesa
06170 México, D.F.
México
Tel.: 272-1867
Fax: 272-1627

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

Triturados Basálticos y Derivados S.A. de C.V. (TRIBASA)
Bosques de Ciruelos No. 130
Col. Bosques de las Lomas
11700 México, D.F.
México
Tel.: 596-5121/5023
Fax: 596-5337

Construcciones y Canalizaciones S.A. de C.V. (CYC)
Sor Juana Inés de la Cruz No. 280
Col. Benito Juárez
54020 Tlalnepantla, Estado de México
México
Tel.: 390-4522
Fax: 565-2896

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

Compañía Contratista Nacional S.A. de C.V.
Arenal No. 550
Col. Tepepan Xochimilco
16020 México, D.F.
México
Tel.: 676-5555
Fax: 676-1932



CCC Fabricaciones y Construcciones S.A. de C.V.
Miguel de Cervantes Saavedra No. 157, Piso 7
Col. Granada
11520 México, D.F.
México
Tel.: 254-0511
Fax: 254-8381

Cemex
Av. Masarik No. 101, Piso 18
Col. Polanco
11570 México, D.F.
México
Tel.: 726-9040
Fax: 203-2593

Tolmex
Av. Tolteca 203
Col. San Pedro de los Pinos
01180 México, D.F.
México
Tel.: 723-4400
Fax: 723-4400

APASCO
Campos Eliseos No. 345, Piso 18
11550 México, D.F.
México
Tel.: 202-1144
Fax: 540-0011

MAJOR DEVELOPERS

Fondo Opción
Av. Revolución No. 1601
Col. San Angel
01000 México, D.F.
México
Tel.: 227-7227
Fax: 550-3014

Aurum Promociones
Periférico Sur. No. 3395 A-201
Col. Rincón del Pedregal
14120 México, D.F.
México
Tel.: 326-7033
Fax: 326-7034

MAJOR CONSTRUCTION COMPANIES IN MONTERREY

Constructora Maiz Mier S.A. de C.V.
Matamoros Oriente No. 506
64000 Monterrey, Nuevo León
México
Tel.: 343-0321
Fax: 344-0662

Constructora Garza Ponce S.A. de C.V.
Zaragoza Sur 1000, Mezzanine
64000 Monterrey, Nuevo León
México
Tel.: 340-7752
Fax: 345-6654

Desarrollo y Construcciones Urbanas S.A. de C.V.
Paricutín No. 390
Col. Roma
64700 Monterrey, Nuevo León
México
Tel.: 358-4200
Fax: 359-6655

Grupo Protexa S.A. de C.V.
Apartado Postal 2933
Carretera Monterrey - Saltillo Km. 339
66350 Santa Catarina, Nuevo León
México
Tel.: 336-3030
Fax: 336-2964
Houston Purchasing Office-IMXPORT
Tel.: (713) 820-3300

Grupo Alfa
Av. Gómez Morín 1111
Col. Carrizalejo
66254 Garza García, Nuevo León
México
Tel.: 335-3535
Fax: 335-8135

Bufete Industrial de Monterrey S.A. de C.V.
Madero 1820 Poniente, Piso 2
Monterrey, Nuevo León
México
Tel.: 273-1603
Fax: 372-4907

Promesa Constructora
Av. San Pedro 112 Sur
con Río Volga
Col. del Valle
66220 Garza García, Nuevo León
México
Tel.: 335-4216
Fax: 335-0766

Arellano Bortoni Construcciones y Aislamientos S.A. de C.V.
Sierra Nevada 103
66230 Garza García, Nuevo León
México
Tel.: 338-2080

Cemex
Av. Constitución 444 Poniente
64000 Monterrey, Nuevo León
México
Tel.: 345-2000
Fax: 345-2025



Tolmex

Av. Independencia 901 Oriente
Col. Cementos
64520 Monterrey, Nuevo León
México
Tel.: 351-5100
Fax: 328-3979

National Chamber of the Construction Industry for the State of Nuevo León

*Cámara Nacional de la Industria de la Construcción
Delegación Nuevo León*
Av. Dr. I. Morones Prieto Oriente 1101
Col. Nuevo Repueblo
64700 Monterrey, Nuevo León
México
Tel.: 345-6147
Fax: 345-6327

Nuevo León Association of Distributors of Construction Materials

Asociación de Distribuidores de Materiales para Construcción de Nuevo León A.C.
Benito Juárez No. 233
Col. Chulavista
67180 Guadalupe, Nuevo León
México
Tel.: 360-0012/3888
Fax: 360-0012

National Chamber of Commerce - Nuevo León

Cámara Nacional de Comercio (CANACO)
Delegación Nuevo León
Ocampo Poniente No. 250, Piso 1
Edificio de las Instituciones
64000 Monterrey, Nuevo León
México
Tel.: 344-8144
Fax: 345-6700

COMPANIES AND CONTACTS IN GUADALAJARA

Civil Engineering Planning and Design:

Construcción e Infraestructura Mexicana S.A. de C.V.
Miguel de la Madrid 100
49000 Ciudad Guzmán, Jalisco
México
Tel.: 91-341

Industrial Engineering, Planning and Design:

Abastos y Proyectos de Ingeniería S.A. de C.V.
Lapislázuli 3139
Col. Residencial Victoria
44570 Guadalajara, Jalisco
México
Tel.: 632-3586

Urban Engineering:

URDEN Construcciones
Morelos No. 530
Fraccionamiento Los Altos
04550 Tlaquepaque, Jalisco
México
Tel.: 635-4746
Fax: 635-4746

Hydraulic Works:

Riego Por Aspersión del Centro S.A. de C.V.
Calzada González Gallo 2000
Col. Atlas
44870 Guadalajara, Jalisco
México
Tel.: 635-6508

National Chamber of the Construction Industry for the State of Jalisco

*Cámara Nacional de la Industria de la Construcción
Delegación Jalisco*
Lerdo de Tejada No. 2151 S.J.
44100 Guadalajara, Jalisco
México
Tel.: 615-7212/0352
Fax: 615-2310

National Chamber of Commerce - Jalisco

Cámara Nacional de Comercio - Jalisco
Av. Vallarta No. 4095
Fraccionamiento Camino Real
44680 Guadalajara, Jalisco
México
Tel.: 647-3300/3171
Fax: 647-8411

Grupo Situr

Av. Agustín Yáñez No. 2343, Piso 3
44100 Guadalajara, Jalisco
México
Tel.: 630-2900
Fax: 615-0734

Concentro

Av. Vallarta y Periférico No. 6503 Local Z1
Col. Granja
45010 Guadalajara, Jalisco
México
Tel.: 110-0398/1045
Fax: 110-0782

COMPANIES AND CONTACTS IN CHIHUAHUA

Internacional de Cerámica

Prolongación Av. Pacheco y Ferrocarril CHP
Apartado Postal 167
Col. Marmol
31080 Chihuahua, Chihuahua
México
Tel.: 20-2122
Fax: 29-1145



Reader Survey

HELP US TO SERVE YOU BETTER

We are interested in your views on this publication. Please take a few minutes to respond to the questions below.

1. What is your overall opinion of this publication?
- very useful
 useful
 moderately useful
 not useful
2. Please provide your assessment of each of the following aspects of this publication.
- a) Quality of text discussion (mark one only):
- excellent
 good
 fair
 poor
- b) Presentation of information (mark one only):
- excellent
 good
 fair
 poor
- c) Use of graphics and other visual aids (mark one only):
- excellent
 good
 fair
 poor
3. If this publication were updated, revised and re-issued in the future, would you be interested in receiving a copy?
- yes, very interested
 probably interested
 no, not interested
 not sure
4. How did you find the structure and format of this publication?
- clear and easy to follow
 confusing and difficult to follow
5. For your purposes, did this publication provide a sufficiently complete treatment of the subject(s) reviewed?
- yes, definitely
 to some extent
 no
 can't say/don't know
6. This publication would have been more useful to me if it had (mark all that apply):
- provided more qualitative information
 provided less qualitative information
 made greater use of graphs, charts and tables
 contained a longer textual discussion
 contained a shorter textual discussion
 used more examples, case studies, company profiles
7. In your opinion, was there important information missing from this publication?
- yes — please specify:

8. Are there any issues relevant to the subject of this publication that you would like to have seen covered in more detail?
- _____

9. Please offer any suggestions for improving the next version of this publication.
- _____

10. Will this publication assist you in your business development?
- yes no
11. a) Does your company currently export?
- Yes, go to 11 b)
 No, go to 11 c)
- b) If yes, to which foreign markets?
- U.S.A. Europe Japan
 Mexico Latin America
 Other (please specify) _____
- c) If not, are you planning to export within the next 12 months?
- Yes, where?
 U.S.A. Europe Japan
 Mexico Latin America
 Other (please specify) _____
12. What is the approximate size of your company?
- under \$1 million
 \$1 to \$5 million
 \$5 and \$10 million
 over \$10 million

Please return the completed survey by fax to (613) 943-8806 or to the address below:

Latin America and Caribbean Trade Division
Department of Foreign Affairs and International Trade
Lester B. Pearson Bldg., 125 Sussex Drive
Ottawa, Ontario K1A 0G2



MARKET PROFILE
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