# Minerals and Metals

## THE OPPORTUNITY

The Mexican metals and minerals sector is expanding rapidly, and there are significant opportunities for Canadian producers.

- Minerals are in strong demand from Mexico's manufacturing sector, which is presently enjoying an export boom as the result of the devaluation of the peso.
- Mexico has major mineral reserves and is among the world's top ten producers of 15 different minerals. But it has not been able to keep pace with domestic demand for some products.
- The Government of Mexico has sold all but one of its mining operations to the private sector. Most of them were burdened with antiquated equipment and it will take time for productivity to rise to international levels.
- Canada is Mexico's most important supplier of sulphur, asbestos, copper and bituminous coal. There have been recent sales of several other minerals to markets traditionally dominated by the United States.
- Canadian companies have been prominent among the foreign firms moving into Mexico to open new mines. They have established access to major buyers and are in a position to arrange sales of imported minerals and metals.

## FULL SPEED AHEAD

Mexico's mining sector has arguably been the biggest beneficiary of the nation's broad economic reforms. Deregulation has opened up tens of thousands of hectares of mineral reserves to development. Privatization policies have transferred responsibility for mineral exploitation, smelting, refining and metals manufacturing to the private sector. New ownership laws have opened the door to foreign investors, while restrictions on the repatriation of dividends have been eliminated. At the same time, liberalized trade has boosted both imports and exports of minerals.

The mining industry has been one of the few sectors to benefit from the December 1994 devaluation of the peso. For the most part, sales are in dollars while costs are in pesos. These factors have combined to create a boom in mineral development that has been led by foreign investment.

In December 1994, the administration of President Ernesto Zedillo took the liberalization process even further. The *Secretaría de Energía, Minas e Industria Paraestatal (SEMIP),* Secretariat of Energy, Mines and State-owned Industries, was dismantled. Energy policy was assigned to a new energy secretariat while mining responsibilities were shifted to the *Secretaría de Comercio y Fomento Industrial (SECOFI),* Secretariat of Commerce and Industrial Development. The new mining division of *SECOFI* has a mandate to further develop the sector. These moves have been positively received by the international mining community.

## SUMMARY REPORT

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

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

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

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



Cat. No. E73-9/50-1995-1E
ISBN 0-662-23818-4

Disponible en français.

SPONSORED BY

Baker & McKenzie

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

Canadian companies were quick to take advantage of these emerging opportunities and are among the leaders in developing partnerships with Mexican mining firms. According to media reports, the two largest mining developments currently underway involve Canadian Eldorado and Extall Resources. Other large Canadian companies active in Mexico include Cominco, Noranda and Placer Dome. Still, Canadian investment in Mexican mining was only about US $50 million in 1994, which is very small compared to Canadian involvement in Chile's mining sector.

In spite of rapid expansion brought about by the relaxed regulatory environment, the Mexican mining sector has not been able to keep up with growing demand, especially from the nation's export-oriented industries. Moreover, the exports of the mining sector itself jumped by 68 percent in the first eight months of 1995. As a result, imports of metals and minerals increased to a record US $373 million in 1994.

The participation of many Canadian companies in the Mexican mining industry has helped to increase awareness of Canada as a source of minerals. Canada's market share is very large compared with other industrial sectors. Canadian sales of minerals increased by 31 percent in 1994, to reach US $63.4 million, about 17 percent of the import market.

**Mineral and Metallurgic Production**
in tonnes

| | 1993 | 1994 |
|---|---|---|
| **Precious Metals*** | | |
| Gold | 11.1 | 14.6 |
| Silver | 2,415.8 | 2,334.2 |
| **Non-Ferrous Metals*** | | |
| Lead | 181,740.6 | 163,836.1 |
| Copper | 303,988.6 | 305,487.3 |
| Zinc | 366,432.0 | 358,952.6 |
| Antimony | 1,494.1 | 1,758.3 |
| Arsenic | 4,447.2 | 4,440.3 |
| Bismuth | 907.6 | 1,046.8 |
| Tin | 3.2 | 2.8 |
| Cadmium | 1,923.9 | 1,870.3 |
| Selenium | 0.0 | 0.0 |
| Tungsten | 0.0 | 0.0 |
| Molybdenum | 1,704.7 | 2,613.4 |
| **Siderogenous Metals and Minerals** | | |
| Mineral Carbon** | 5,718,012.8 | 6,392,936.8 |
| Coke** | 1,941,832.2 | 1,984,730.3 |
| Iron* | 5,596,952.1 | 5,516,193.2 |
| Manganese* | 115,999.8 | 91,272.4 |
| **Non-metallic Minerals**** | | |
| Sulphur | 905,713.0 | 876,897.0 |
| Graphite | 43,588.8 | 30,862.8 |
| Cawk | 135,891.3 | 86,604.6 |
| Dolomite | 545,493.9 | 601,648.9 |
| Flourite | 282,987.9 | 327,378.4 |
| Kaolin | 12,094.7 | 9,511.2 |
| Silica*** | 1,310,133.7 | 1,360,548.7 |
| Feldspar | 123,512.3 | 133,440.7 |
| Gypsum | 3,283,443.9 | 3,438,109.3 |
| Phosphorus | 228,329.3 | 536,532.3 |
| Salt | 7,490,820.0 | 7,458,414.0 |
| Wollastonite | 705.1 | 284.2 |
| Celestite | 71,903.4 | 111,485.2 |

Notes: * metallic content; ** mineral volume; *** includes sand for glass, quartz and silicones.

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

## THE MINING SECTOR

Government policies have succeeded in increasing the rate of mining production growth. The value of the mineral production rose by more than 24 percent in 1994 to reach $9.6 billion pesos. Although the rate of growth declined during 1995, as a result of the economic crisis brought about by the devaluation of the peso, the industry continues to outperform the overall economy. Observers believe that the devaluation will benefit the industry, because it is heavily export oriented. Mining exports increased by 68 percent in the first eight months of 1995, more than double the increase for all exports.

In addition to the effects of the new mining regulations, export demand has been stimulated by the North American Free Trade Agreement (NAFTA), the Mexico-Costa Rica Free Trade Agreement and the Group of Three Free Trade Agreement between Mexico, Colombia and Venezuela.

Total production of the mining industry in 1993 was 2.5 million tonnes according to estimates by the United States Department of Commerce. The fastest growing mineral products were coal, gypsum, copper and lead.

During the first three quarters of 1995, the real value of mineral production in Mexico rose by almost 10 percent, compared with the same period a year earlier. Precious metal production increased by 19 percent. Non-metallic minerals and those related to the steel industry were up by 13.4 percent and 7.4 percent, respectively.

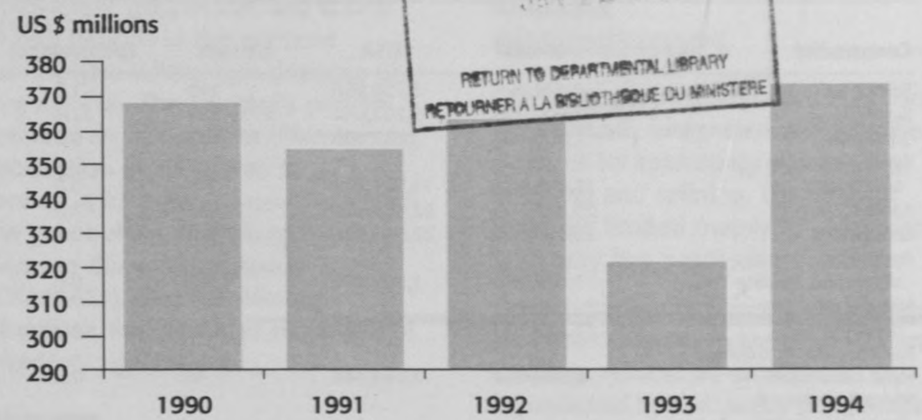
## FOREIGN TRADE

In spite of the expansion and modernization of the domestic mining industry, Mexico's imports of minerals and metals have grown along with its manufacturing output. Until the economic crisis brought about by the devaluation of the peso in December 1994, the nation had enjoyed several years of sustained growth. There was a sharp drop in economic growth in 1993, which was reflected in reduced mineral imports. The economy rebounded in 1994 with overall growth of 3.5 percent. Industrial production dropped sharply in early 1995, but it gradually improved in the second half. The reduction for the year as a whole has been estimated at about 4 percent. Growth has been forecast by the Mexican government at 3 percent for 1996.

Mexico's imports include a wide variety of minerals and metals. The largest single category is metallurgical coal and coke, which account for close to one-fifth of the total. Calcium phosphates, asbestos and copper are also imported in large quantities.

Canada's mineral exports to Mexico totalled US $63.4 million in 1994. Sales are concentrated in a small number of categories. There are several substances for which exports have been recorded in less than commercial quantities. These are presumably samples. Those substances include salt, barium, cement and iron ore, among others. Canada is Mexico's most important supplier of four minerals: sulphur, asbestos, copper and bituminous coal. In addition, Canadian suppliers shipped almost US $19 million worth of coke to Mexico in 1993, although sales fell off to about US $10 million in 1994. Including coke, all five substances accounted for 97 percent of Canada's

**Mineral and Metal Imports**
1990–1994




**Sources**: Government of Mexico and Statistics Canada.



1994 mineral exports to Mexico, and more than 16 percent of Mexico's total mineral imports. This record stands in stark contrast to Canada's experience in most other sectors, where typical market shares are in the 2 to 4 percent range.

## PRECIOUS METALS

### Gold

The gold deposits that Canadians and Americans have long exploited throughout the Rocky Mountains extend southward into Mexico's *Sierra Madre*. But since the development of Mexico's deposits have been held back by government polices, they remain relatively unexploited. The same policies that encouraged domestic ownership also restricted imports of modern technology. The new mining law has changed this situation. In 1994, gold production rose by 32 percent to reach 14.6 tonnes, largely due to several new projects that went into production during the year.

### Silver

Mexico is the world's leading producer of silver, accounting for about 16 percent of global production. Output in 1994 was 2,334 tonnes, a 3.4 percent decline from the year before. A large proportion of silver production is exported.

Two companies, *Minera Fresnillo* and *Minera Real de los Angeles*, are responsible for almost one-third of all Mexican silver production. Silver is normally associated with lead, zinc and copper, and most of the larger operators produce more than one mineral.

## NON-FERROUS METALS

### Copper

Mexico's copper production increased slightly in 1994 to reach 305,487 tonnes, which was more than 3 percent of total world production. Mexico's raw copper production has shown an annual average increase of 3.6 percent over the past decade. Capacity has been increased to meet growing demand from Mexico's export-oriented industries, particularly the *maquiladora* companies. Mexico imports copper, mainly from Canada, but it is a net exporter of refined copper.

### Zinc

Mexico is the world's sixth largest zinc producer. Production in 1994

### Imports of Minerals and Metals to Mexico, 1994
US $

| Commodity | World | USA | Canada | Canada's share (percentage) |
|---|---|---|---|---|
| Salt | 5,874,027 | 5,750,960 | 290 | <1.0 |
| Sulphur | 10,940,935 | 5,202,041 | 5,735,854 | 52.4 |
| Graphite | 2,003,860 | 923,599 | 198,605 | 9.9 |
| Sands, including silica and quartz | 12,675,608 | 12,501,468 | 0.0 | 0.0 |
| Kaolinic clays | 23,223,625 | 22,439,889 | 1,337 | <1.0 |
| Other clays | 23,174,542 | 22,903,829 | 0.0 | 0.0 |
| Andalusite, kyanite, sillimanite, mullite | 1,474,251 | 1,369,351 | 0.0 | 0.0 |
| Natural calcium phosphates | 48,162,793 | 6,020 | 1,118 | <1.0 |
| Natural barium sulphate and carbonate | 2,338,631 | 1,044,744 | 8 | 0.0 |
| Natural abrasives including emery, corundum and garnet | 1,274,918 | 1,142,627 | 83,045 | 6.5 |
| Slate, marble, granite and other building stone | 3,750,444 | 1,151,065 | 0.0 | 0.0 |
| Gravel, pebbles, chippings, powder etc. | 897,822 | 812,873 | 0.0 | 0.0 |
| Dolomite | 2,878,155 | 2,529,833 | 273,767 | 9.5 |
| Magnesium carbonate | 1,442,883 | 960,720 | 96,169 | 6.7 |
| Magnesia | 8,311,185 | 4,498,642 | 0.0 | 0.0 |
| Plasters, gypsum, limestone | 4,855,098 | 4,150,030 | 0.0 | 0.0 |
| Portland cement | 11,971,367 | 11,795,546 | 376 | <1.0 |
| Aluminous cement | 4,997,606 | 4,513,596 | 0.0 | 0.0 |
| Other hydraulic cements | 746,332 | 688,932 | 1,280 | <1.0 |
| Asbestos | 20,807,462 | 312,183 | 15,125,415 | 72.7 |
| Steatite and talc | 7,465,011 | 5,639,845 | 0.0 | 0.0 |
| Borates and concentrates thereof | 518,728 | 463,101 | 0.0 | 0.0 |
| Feldspar | 1,931,820 | 1,925,280 | 0.0 | 0.0 |
| Flourspar | 2,995,133 | 2,989,424 | 0.0 | 0.0 |
| Leucite, nepheline and nepheline syenite | 2,119,484 | 1,432,827 | 683,107 | 32.2 |
| Vermiculite, perlite and chlorites | 926,186 | 909,235 | 12,972 | 1.4 |
| Other mineral substances | 8,687,402 | 5,605,325 | 187,397 | 2.2 |
| Iron ores including iron pyrites | 2,316,474 | 1,061,098 | 103 | <1.0 |
| Manganese ores and concentrates | 5,279,435 | 68,837 | 0.0 | 0.0 |
| Copper ores and concentrates | 31,391,729 | 497 | 20,235,699 | 64.5 |
| Aluminum ores and concentrates | 2,351,036 | 1,144,075 | 0.0 | 0.0 |
| Lead ores and concentrates | 12,683,290 | 926,044 | 0.0 | 0.0 |
| Tin ores and concentrates | 1,499,567 | 62,704 | 0.0 | 0.0 |
| Chromium ores and concentrates | 1,118,329 | 382,971 | 0.0 | 0.0 |
| Molybdenum ores and concentrates | 6,853,562 | 6,853,321 | 0.0 | 0.0 |
| Titanium ores and concentrates | 14,762,041 | 3,658,713 | 0.0 | 0.0 |
| Zirconium ores and concentrates | 306,914 | 125,029 | 0.0 | 0.0 |
| Antimony ores and concentrates | 212,537 | 0.0 | 0.0 | 0.0 |
| Slag and dross | 7,567,034 | 3,348,936 | 0.0 | 0.0 |
| Ash and residue | 1,173,698 | 1,173,698 | 0.0 | 0.0 |
| Bituminous coal | 15,818,478 | 5,614,845 | 10,203,633 | 64.5 |
| Anthracite coal | 1,236,553 | 1,218,669 | 0.0 | 0.0 |
| Lignite | 581,769 | 511,986 | 0.0 | 0.0 |
| Peat | 218,748 | 97,610 | 121,095 | 55.4 |
| Coke and semi-coke | 48,252,418 | 24,414,498 | 10,421,947 | 21.6 |
| Other | 3,586,836 | 2,934,529 | 2,155 | <1.0 |
| **Totals** | **373,655,756** | **177,261,045** | **63,385,372** | **17.0** |

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

totalled 358,953 tonnes, almost 6 percent of world production of newly-mined zinc. Approximately half of Mexico's zinc production is exported to the United States, Japan and Belgium in the form of either zinc metal or zinc concentrates.

### *Lead*

Mexico is a major supplier of lead to the world market and ranks seventh amongst world producers. Production volume was 163,836 tonnes in 1994, a drop of about 10 percent from the year before. The industry exports more than 60 percent of lead production. Mexico's smelter and refinery capacity is the largest in Latin America. About 60 percent of domestic consumption of lead is for the manufacture of batteries and 14 percent is for pigments.

## NON-METALLIC MINERALS

Production of non-metallic minerals continues to grow as both domestic and international demand increase. The growth of this sector has also been bolstered by extensive reserves, the relatively small investments required, and the labour-intensive nature of this type of mining.

Mexico is the world's top producer of celestite. This mineral is used primarily to produce strontium carbonate for the manufacture of colour television picture tubes, x-ray equipment and ceramic magnets.

Although Mexico remains among the world's top ten sulphur producers, output has fallen steadily for the past decade, and significant quantities are now imported from Canada and the United States. Production in 1994 was 876,897 tonnes, compared with a 1987 peak of 2.3 million tonnes.

Mexico is the world's eighth largest producer of salt, with about 4 percent of world production. Output in 1994 was about 7.5 million tonnes.

## MINERALS RELATED TO THE STEEL INDUSTRY

The Mexican steel industry has undergone drastic changes in recent years. In 1982, the government began to relax its control over steel production by privatizing more than 50 steel production facilities. It converted others to different uses and closed down the least efficient. The newly-privatized steel companies have modernized and increased efficiency. Production increased by 11 percent in 1994 to reach 10.2 million tonnes.

*Altos Hornos de México (AHMSA)* is the largest steel producer in Mexico, with more than one-quarter of the nation's production. It also accounts for 90 percent of total production of metallurgical coal and two-thirds of coke production.

Iron ore production was 5.5 million tonnes in 1994. Four companies dominate iron mining in Mexico. The *Peña Colorada* mine alone produces more than one-third of Mexico's iron ore.

### Coal and Coke

The principal producers of metallurgical coal in Mexico are *Grupo Acerero del Norte, Industrial Minera México* and *Siderúrgica Lázaro Cárdenas. Minera Corbonífera Río Escondido (MICARE)* is the largest producer of thermal coal.

Total coal production increased by 12 percent in 1994 to reach 6.4 million tonnes. Coke production increased slightly to just under 2 million tonnes.

This production was insufficient to meet domestic requirements. In 1994, imports of coal and coke amounted to 293,000 tonnes and 584,000 tonnes, respectively. The import balance shifted sharply towards coal, with coke imports falling by 21 percent. Canada was the principal supplier of coal.

### Manganese

Mexico ranks eighth worldwide in manganese production and is one of two nations in the western hemisphere with major deposits of this mineral. The country's proven reserves are about 10 million tonnes. Production in 1994 was 91,272 tonnes, a 21 percent reduction from the year before. According to the *Cámara Minera de México (CAMIMEX)*, Mexican Mining Chamber, the drop was the result of inventory adjustments.

## CUSTOMERS

Mexico has no established commodity market. Sales of minerals are generally arranged through established private networks and the industry associations. The industry associations publish information on supply and demand pertaining to key minerals. The larger mineral producers have direct contacts with the key industrial users of their products. Smaller mining companies sometimes sell through distributors, but the trend is toward direct sales.

Major buyers of minerals are found throughout the manufacturing sector. In general, buyers are in the same industries that comprise the market for minerals in Canada. The steel industry is presently the most important buyer for Canadian producers, because coal, coke and related products make up more than one-third of sales to Mexico. Asbestos, copper and sulphur are used by a wide range of manufacturing firms.

## COMPETITORS

The larger mining companies in Mexico are vertically integrated and include facilities for extracting, processing, smelting and refining. The smaller firms are limited mainly to extraction, with very few processing facilities.

Government enterprises are no longer important players in Mexican mineral markets. Almost all of Mexico's salt is produced by *Compañía Exportadora de Sal*, which is the last significant government holding in the mining industry. *Petróleos Mexicanos (PEMEX)*, the national oil company, is the principal producer of sulphur.

The United States is by far the largest foreign competitor, accounting for about half of the market in 1994. Other major suppliers of minerals include Peru and Morocco.

The United States has an obvious competitive advantage for products with low value-to-weight ratios. It provides virtually all of Mexico's imports of salt, clay, sand, cement, feldspar, flourspar, limestone and gypsum. Those products account for more than half of American mineral exports to Mexico. Canada has recently begun to move into some product markets that are otherwise dominated by the United States. In 1993 and 1994, for example, there were small but significant sales of graphite, natural abrasives, dolomite and magnesite.

**Largest Mining Companies, 1994**

| | Sales $ '000s pesos | Employees |
|---|---|---|
| Mexico Desarollo Industrial Minero | 2,777,352 | 14,353 |
| Met-Mex Peñoles | 1,454,422 | 2,700 |
| Empresas Frisco | 387,800 | 1,395 |
| Minera del Norte | 280,330 | 1,178 |
| Compañía Minera Autlán | 267,210 | 1,724 |
| Exportadora de Sal | 220,308 | 1,032 |
| Materias Primas Monterrey | 164,259 | 532 |
| **Total** | **5,551,681** | **22,914** |

Source: *Expansión*, August 1994.

## TRENDS AND OPPORTUNITIES

The steel industry is the most important customer for Canadian minerals. This industry is in a state of transition. Over the past few years, the government has sold all of the state-owned steel producers to the private sector. The newly-privatized companies are facing an unprecedented level of competition. As a result, they are rationalizing their operations, and in many cases looking for new sources of supply.

Although there are some 150 steel companies in Mexico, the industry is dominated by a few large firms. According to the *Cámara Nacional del Hierro y el Acero (CANACERO)*, Mexican Chamber of the Iron and Steel Industry, eight large integrated producers account for 83 percent of national output. The most important trend among these companies has been a rush to form joint ventures with foreign firms:

- *Altos Hornos de México (AHMSA)* is owned by *Grupo Acerero del Norte*. In association with Inland Steel, it has formed *Ryerson de México*. This company will produce steel, non-ferrous metals and industrial plastics.
- *HYLSA* is a subsidiary of the giant conglomerate *Grupo Alfa*. It has formed a joint venture company called *Acerex* in association with Ohio-based Worthington Industries. *Acerex* is located in Monterrey and will produce an average of 240,000 tonnes of steel annually. The facility was due to go into production in late 1995.
- *Ispat Mexicana* has formed a joint venture with WHX Corporation, a subsidiary of Wheeling Pittsburgh Steel. This company will purchase steel slabs from *Ispat*'s facilities in Canada (formerly Sidbec-Dosco) and will market hot-rolled coils in Mexico.

As in other industries, the devaluation of the peso has sharply cut domestic demand while stimulating exports. According to an executive of *HYLSA*, domestic demand for steel has fallen by as much as a quarter in 1995. *HYLSA* exported 6 percent of its production in 1994, but expected to export 25 percent in 1995.

**Mexican Steel Producers**
Production and market shares, 1995

| Company | '000s tonnes | Percentage |
|---|---|---|
| Altos Hornos de México (AHMSA) | 2,490 | 24.3 |
| HYLSA | 2,181 | 21.3 |
| ACERIAS | 2,043 | 19.9 |
| Siderúrgica Lázaro Cárdenas "Las Truchas" (SICARTSA) | 1,761 | 17.2 |
| IMEXA | 1,345 | 13.1 |
| Tubos de Acero de México (TAMSA) | 427 | 4.2 |
| **Total** | **10,247** | **100.0** |

**Source:** *Cámara Minera de México (CAMIMEX)*, Mexican Mining Chamber, 1995.

## THE REGULATORY ENVIRONMENT

In early 1995, the government of Ernesto Zedillo announced that the *Secretaría de Energía, Minas e Industria Paraestatal (SEMIP)*, Secretariat of Energy, Mines and State-owned Industries, would be dismantled. Mining is now part of the mandate of *Secretaría de Comercio y Fomento Industrial (SECOFI)*, Secretariat of Commerce and Industrial Development. *SECOFI* has set up a new mining division to handle this responsibility. The requirement that all gold and silver sales be handled by the government has been rescinded, and there are currently no non-tariff barriers against mineral imports.

### Mining Law

The Mexican constitution assigns ownership of all subsoil mineral resources to the public. This has been reinterpreted over the years by a series of mining laws. Mexico's current mining law came into force in September 1992, and it was followed by new mining regulations in early 1993. The new law creates a much larger role for the private sector. It also provides greater security for holders of exploration and exploitation concessions. The list of strategic minerals reserved for the state has been drastically cut.

Uranium mining is still regulated, and oil and gas remains exclusively in the hands of *Petróleos Mexicanos (PEMEX)*, the national oil company.

### Foreign Investment Law

The changes to the mining law have been reinforced by a new law to promote Mexican investment and to regulate foreign investment. This law was published in the *Diario Oficial*, Official Gazette, in March, 1993. Article 5 of this law specifies that foreign individuals and corporations can hold up to 49 percent of operations engaged in the exploitation and use of ordinary concessions and 34 percent of special concessions for the exploitation of national mining reserves. These restrictions are overridden by other provisions of the mining law that allow the temporary majority foreign ownership of up to 100 percent of new mining ventures for an initial 12-year period.

## MARKET ENTRY STRATEGIES

Canadian companies most commonly enter the Mexican market by forming partnerships or joint ventures with Mexican firms. This might involve an exclusive agent or a distributor of complementary products. For many products, Mexican producers are also potential partners, because many of them lack the capacity to meet domestic demand. The Canadian mining companies now operating in Mexico could also act as agents for imported minerals.

Sales of some minerals can be arranged through Mexican industry associations. In addition to the *Cámara Minera de México (CAMIMEX)*, Mexican Mining Chamber, there are separate associations of copper processors, cement manufacturers, aluminum processors, iron and steel producers and jewellery manufacturers. Contact information is provided at the end of this market summary.

## KEY CONTACTS

### CANADA

#### *Canadian Government*

***Department of Foreign Affairs and International Trade (DFAIT)***

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

**InfoCentre**
Tel.: 1-800-267-8376 or
(613) 944-4000
Fax: (613) 996-9709
FaxLink: (613) 944-4500
InfoCentre Bulletin Board (IBB):
Tel.: 1-800-628-1581 or
(613) 944-1581
Internet:
http://www.dfait-maeci.gc.ca

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

***Note:*** *to telephone Mexico City, dial: 011-52-5 before the number shown. For contacts in other cities in Mexico, consult the international code listing at the front of your local telephone directory for the appropriate regional codes.*

**Trade and Economic Division**
The Embassy of Canada in Mexico
Schiller No. 529
Col. Polanco
Apartado Postal 105-05
11560 México, D.F.
México
Tel.: 724-7900
Fax: 724-7982

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

**Canadian Consulate**
Hotel Fiesta Americana
Local 30-A
Aurelio Aceves No. 225
Col. Vallarta Poniente
44110 Guadalajara, Jalisco
México
Tel.: 616-6215
Fax: 615-8665

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

**World Information Network for Exports (WIN Exports)** is a computer-based information system designed by DFAIT to help Canada's trade development officers abroad match foreign needs to Canadian capabilities. It provides users with information on the capabilities, experience and interests of more than 23,000 Canadian exporters. To register on WIN Exports, call (613) 996-5701, or fax 1-800-667-3802 or (613) 944-1078.

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

**Market Intelligence Service (MIS)** provides Canadian businesses with detailed market information on a product-specific basis. The service assists Canadian companies in the exploitation of domestic, export, technology transfer and new manufacturing investment opportunities. MIS is offered free of charge by fax, letter or telephone. For more information, call (613) 954-5031, or fax (613) 954-2340.

### *Natural Resources Canada*

**International Relations, Mineral and Metals Policy Branch**
Natural Resources Canada
580 Booth Street
Ottawa, ON K1A 0E4
Tel.: (613) 995-9571
Fax: (613) 992-5244

### *Canadian International Development Agency (CIDA)*

CIDA is an important possible source of financing for Canadian ventures in Mexico. A special fund is available through the CIDA under the Industrial Cooperation Program (CIDA/INC). This program provides financial contributions to stimulate Canadian private-sector involvement in developing countries by supporting long-term business relationships such as joint ventures and licensing arrangements. For more information, call (819) 997-7905/7906, or fax (819) 953-5024.

### *Export Development Corporation (EDC)*

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

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

### *Revenue Canada*

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

### *Sponsoring Organizations*

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

### *Business and Professional Association*

**Mining Association of Canada**
350 Sparks Street
Suite 1105
Ottawa, ON K1R 7S8
Tel.: (613) 233-9391
Fax: (613) 233-8897

**International Council on Metals and the Environment (ICME)**
294 Albert Street
Suite 506
Ottawa, ON K1P 6E6
Tel.: (613) 235-4263
Fax: (613) 235-2865

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

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

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

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

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

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

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

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

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

### *Mexican Embassy in Canada*

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

## MEXICO

### *Government Departments*

**Secretariat of Commerce and Industrial Development**
*Secretaría de Comercio y Fomento Industrial (SECOFI)*
*Sub-Secretaría de Promoción de la Industria y el Comercio Exterior*
Insurgentes Sur No. 1940 – P.H.
Col. Florida
01030 México, D.F.
México
Tel.: 229-6560/6561/6100
Fax: 229-6568

**Secretariat of Commerce and Industrial Development**
*Secretaría de Comercio y Fomento Industrial (SECOFI)*
*Dirección General de Minas*
Morena No. 811, Piso 2
Col. Narvarte
03020 México, D.F.
México
Tel.: 639-4700
Fax: 639-9814

**National Oil Company**
*Petróleos Mexicanos (PEMEX)*
Av. Marina Nacional No. 329
Col. Huasteca
11311 México, D.F.
México
Tel.: 725-2200, 250-2611
Fax: 625-4385

**Houston Purchasing Offices**
*Petróleos Mexicanos (PEMEX)*
3600 South Gessner, Suite 100
Houston, TX 77065
U.S.A.
Tel.: (713) 978-6269
Fax: (713) 978-6298

**Secretariat of Energy**
*Secretaría de Energía (SE)*
Insurgentes Sur No. 552
Col. Roma Sur
06769 México, D.F.
México
Tel.: 564-9789/9790/9629
584-4304/2962
Fax: 564-9769, 574-3396

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

**Mexican Mining Chamber**
*Cámara Minera de México (CAMIMEX)*
Sierra Vertientes No. 369
Col. Lomas de Chapultepec
11000 México, D.F.
México
Tel.: 540-6788/6380
Fax: 540-6061

**Mexican Copper Association**
*Asociación Mexicana del Cobre (AMECOBRE)*
Sonora No. 166, Piso 1
Col. Hipódromo Condesa
06100 México, D.F.
México
Tel.: 207-2254, 553-4191/4441
Fax: 286-7723

**National Chamber of Silver and Jewelry Industry**
*Cámara Nacional de la Industria de Platería y Joyería (CNIPYJ)*
Reynosa No. 13
Col. Hipódromo Condesa
06100 México, D.F.
México
Tel.: 516-1771
Fax: 516-1067

**Mexican Aluminium Institute**
*Instituto Mexicano del Aluminio (IMEDAL)*
Francisco Petrarca No. 133, Piso 9
Col. Polanco
11560 México, D.F.
México
Tel.: 531-2614/7892
Fax: 531-3176

**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
Fax: 687-0517

**Fund for Mining**
*Fideicomiso Minero*
Av. Puente de Tecamachalco No. 26
Col. Lomas de Chapultepec
11000 Méxioco, D.F.
México
Tel.: 540-3400/6660
Fax: 540-0342

**Mexican Confederation of National Chambers of Commerce**
*Confederación de Cámaras Nacionales de Comercio (CONCANACO)*
Balderas No. 144, Piso 3
Col. Centro
06079 México, D.F.
México
Tel.: 709-1559
Fax: 709-1152

**The Canadian Chamber of Commerce in Mexico**
*Cámara de Comercio de Canadá en México*
c/o Bombardier
Paseo de la Reforma No. 369, Mezzanine
Col. Juárez
06500 México, D.F.
México
Tel.: 729-9903, 207-2400
Fax: 208-1592

**Major Mexican Mining and Metallurgical Companies**

*Minera Carbonífera Río Escondido (MICARE)*
Ramón Cepeda No. 306 Norte
Col. Buenavista
26040 Piedras Negras, Coahuila
México
Tel.: 3-3856
Fax: 3-3796/3362

*HYLSA, S.A. de C.V.*
Jaime Balmes No. 11
Torre D, Piso 3
Col. Los Morales
11510 México, D.F.
México
Tel.: 728-9909
Fax: 728-9291

*Grupo Industrial Minera México, S.A. de C.V.*
Av. Baja California No. 200
Col. Roma Sur
06760 México, D.F.
México
Tel.: 564-7066
Fax: 264-7664

*Grupo Alfa*
Av. Gómez Morín No.1111
Col. Carrizalejo
66254 Garza Garcia, Nuevo León
México
Tel.: 335-3535
Fax: 335-8135

*Siderúrgica Lázaro Cárdenas Las Truchas, S.A. (SICARTSA)*
Francisco J. Mújica No. 1
Col. Centro
60950 Ciudad Lázaro Cárdenas, Michoacán
México
Tel.: 2-0602
Fax: 2-2320

*Tubos de Acero de México (TAMSA)*
Campos Eliseos No. 400
Col. Polanco
11560 México, D.F.
México
Tel.: 282-9900
Fax: 282-9964

*Industrias Peñoles*
Río de la Plata No. 48, Piso 15
Col. Cuauhtémoc
06500 México, D.F.
México
Tel.: 286-8133/3555
Fax: 286-2367

*Compañía Fresnillo, S.A. de C.V.*
Prolongación Av. Hidalgo s/n
Col. Centro
99000 Fresnillo, Zacatecas
México
Tel.: 2-1270
Fax: 2-0752

*Compañía Real del Monte y Pachuca, S.A. de C.V.*
Venustiano Carranza No. 106
Col. Las Cajas
42000 Pachuca, Hidalgo
Tel.: 3-4900/4101
Fax: 5-0107

## Trade Publications

*Minería* monthly
c/o *Cámara Minera de México (CAMIMEX)*
Sierra Vertientes No. 369
Col. Lomas de Chapultepec
11000 México, D.F.
México
Tel.: 540-6788/6380
Fax: 540-6061