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R K E T S U M M A R Y - M E X I C O

# Forestry, Pulp and Paper Equipment



## THE OPPORTUNITY

The Mexican forestry sector offers interesting opportunities for Canadian producers of forestry, pulp and paper equipment.

- About 80 percent of the nation's 50 million hectares of forest is controlled by about 9,000 small communal landholders.
- Mexican producers use mainly obsolete technology and their current methods are highly inefficient and wasteful.
- Changes to the Mexican constitution are now making it possible for communal landholders to combine their operations and form joint ventures with foreign companies.
- The Mexican forest sector will have to modernize in order to compete with a flood of imports resulting from trade liberalization.

## COMMUNITY-CONTROLLED FORESTRY

Mexico has one of the largest community-controlled forestry sectors in the developing world. Since the Mexican Revolution, the

bulk of the nation's agricultural land has been held by *ejidos*, communal land holdings. More than 9,000 of these entities control about 80 percent of Mexico's 50 million hectares of forest resources. These properties are communally owned, with individual *ejidatarios* being given rights over small sections. Until recently, these communal rights could be inherited, but not sold or mortgaged.

By law, the rights to all forest resources in Mexico belong to the government. Traditionally, cutting rights were given to logging companies in the form of concessions. The companies, most of them government-owned, paid the *ejidatarios* a small fee for the forest rights. But in the 1980s, the government was pressured to stop this practice and give the *ejidos* the right to manage their own forest resources which, in theory, they owned. Beginning in 1983, a few experiments were conducted and as a result, this community-based approach was extended to the nation as a whole in a forestry law enacted in 1986. Locally-owned logging operations and sawmills sprang up throughout the forestry states. Logging permits were non-transferable and the operators were free to hire their own technical advisors. Unfortunately,

## SUMMARY REPORT

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the small scale of these operations resulted in a pattern of production that was inefficient and wasteful.

This legal environment was short-lived. The community-control regulations did not come into full force until 1988. Four years later, a constitutional amendment and a new forestry law brought sweeping changes that some critics fear are the beginning of the end for community-controlled forestry. But the government's intention was actually to strengthen forestry communities by giving the *ejidatarios* stronger tenure over their land. The objective was to give them access to capital and to foster the development of forestry plantations. For the first time, *ejidatarios* can gain clear title to their property, sell it, or enter into joint ventures with investors.

Constitutional limits on property size were liberalized so that a widely held corporation can now own up to 20,000 hectares. And complementary changes to the forestry law provide for long-term stewardship of forest resources as well as technical assistance for developing forest management plans. The new laws have already resulted in a number of joint ventures between Canadian and American forest companies and unions of *ejidos*. These joint ventures, known as *agroasociaciones*, may include partners who provide technology, capital and marketing expertise, but the land contribution must be in the form of special shares that return the land to the original owners on dissolution of the corporation.

Many barriers stand in the way of the full implementation of the new laws. The law itself is ambiguous. There is no system for valuation of land holdings. The borders between *ejidos* are in doubt in many cases, and violence has erupted as the government has attempted to implement its land titling program. Some of the *ejidos* are in national parks or other

## PRINCIPAL FORESTRY STATES



Source: From data supplied by the *Secretaría de Agricultura y Recursos Hidráulicos (SARH)*, the former secretariat of agriculture, 1995.

protected areas. At least three and up to five government bureaucracies are involved in the land titling process.

In spite of these obstacles, most observers believe that the reforms will eventually proceed. As the sector becomes mechanized and adopts more sophisticated technologies, important new markets for Canadian forestry equipment will emerge, along with excellent opportunities for joint ventures.

## MEXICO'S FOREST RESOURCES

Mexico's national territory is estimated at between 191 and 198 million hectares. Data published by the *Secretaría de Agricultura y Recursos Hidráulicos (SARH)*, the former secretariat of agriculture, in 1994 put the total at 197.8 million hectares, of which 56.8 million hectares consists of forests and jungles. According to estimates by the *Cámara Nacional de la Industria Forestal (CNIF)*, National Forest Industry Chamber, just under 50 million hectares are

regarded as forest resources. Less than half of these resources are presently regarded as commercially available. The total standing inventory of commercial forests was estimated at 2 billion cubic metres in 1993.

## PRINCIPAL FORESTRY STATES

Temperate and cold forests are the main source of trees for the forest industry. According to estimates by the World Forest Institute, they account for about 90 percent of Mexico's production. They are mostly made up of the genus *Pinus*, including 72 different species, varieties and forms. Other important wood producers include *Abies*, *Juniperus* and *Cupressus*. There are very few single-species stands. These forests are located mostly in the mountains, in the states of Chihuahua, Durango, Jalisco, Michoacán, Guerrero, Oaxaca and Chiapas. About 85 percent of the timber harvested is pine, 7 percent is oak and the rest consists mostly of tropical hardwoods.

## MEXICO'S FOREST RESOURCES, 1993

Millions of Hectares

Forest Type	Total Resources	Commercially Available Resources
Temperate and cold-climate species	25.4	15.0
Softwood	17.3	
Hardwood	8.1	
Tropical and subtropical	24.2	6.0
Mid- and low-forests	19.7	
High forests	4.5	
<b>Total</b>	<b>49.6</b>	<b>21.0</b>

Source: *Cámara Nacional de la Industria Forestal (CNIF)*, National Forest Industry Chamber, 1994.

The tropical forests are concentrated in the south and southeast. Although they constitute about half of the nation's forest resource, they have not been extensively exploited. The most popular species are *Cedrela odorata*, cedar, and *Swietenia macrophylla*, mahogany, which are commonly referred to as "the beautiful woods" and used mainly for furniture manufacturing.

Deforestation is an ongoing problem. According to government estimates, more than 30 percent of the nation's forest lands have been lost since 1960, with an annual deforestation rate of 340,000 hectares. Most of the loss is concentrated in the tropical forests and is caused by the expansion of cattle ranching as well as fires and illegal cutting. Severe environmental damage, including water pollution, floods and reduced biodiversity has been attributed to deforestation. A comprehensive national forest inventory was completed in October 1994, and updates are scheduled every 10 years, to support the reforestation program.

Although almost all of Mexico's forest production comes from natural forests, there have been recent attempts to develop commercial plantations. Most of this activity is in the states of Veracruz, Tabasco and Yucatán. There have also been greatly increased reforestation efforts, by large multinational forest product producers as

well as government-supported community groups. For example, the *Grupo Ecológico Sierra Gorda*, Sierra Gorda Ecology Group, with support from the State of Querétaro and *Secretaría de Desarrollo Social (Sedesol)*, the Secretariat of Social Development, planted 600,000 trees in 1994 alone. The government has recently created the *Fondo de Desarrollo Forestal (Fondfor)*, National Fund for Forest Development, which is expected to spend some US \$1 billion reforesting 500,000 hectares of southwestern Mexico. The government has received substantial loans from the World Bank and the Inter-American Development Bank to support reforestation efforts and other forest management practices by *ejidos*. In addition, the Japanese government has loaned money for the reforestation projects in the states of Morelos and México.

The government of Canada is also assisting Mexico with its efforts to develop modern forest management practices. Natural Resources Canada is supporting three model forests in Mexico, at Calakmul, Chihuahua and Mariposa Monarca. Each of these forests is in a different climatic region.

## THE FORESTRY SECTOR

Although Mexico's formal forest industry is some 70 years old, it is

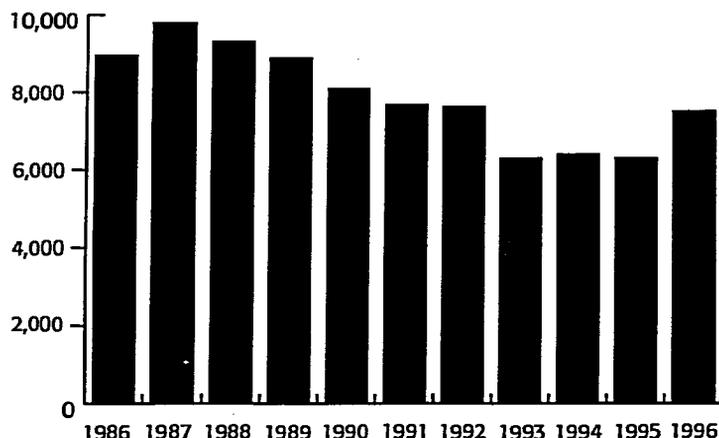
still in its infancy in terms of technology, infrastructure and forest management practices. About 80 percent of all forestry resources are exploited by small-scale producers using outdated technology and wasteful forestry practices.

As a result, forest yields are relatively low. Output is only about one cubic metre round per hectare annually. This compares with 3.5 cubic metres per hectare in the US and 2.3 in Canada. According to the *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (Semarnap)*, Secretariat of Environment, Natural Resources and Fisheries, the Mexican forest products sector is about 40 percent less productive than the world average.

Logs and lumber are typically stored outdoors for considerable periods, resulting in sun-dried wood with moisture content in the 12 to 14 percent range. Some producers have begun to install kiln drying facilities in response to demand for better-quality lumber from the construction and furniture industries. But modernization efforts are hampered by transportation problems. Because there are few rivers near the commercial forests, wood has to be hauled over land on trucks, mostly on small mountain roads. In the lumber states of Durango and Chihuahua, for example, the density of forest roads is only 2.6 and 7.0 metres per hectare, respectively. This compares with about 16 metres per hectare that is considered necessary by *Semarnap* officials.

These factors make it difficult for the domestic industry to compete against foreign timber suppliers, which are all the stronger because of trade liberalization policies. According to World Forest Institute estimates, wood production costs in Mexico are between 35 and 40 percent higher than the world average.

## COMPOSITION OF THE MEXICAN PRODUCTION OF TIMBER



Sources: *Memoria Económica 1991-1992* — *Cámara Nacional de la Industria Forestal (CNIF)*, National Forest Industry Chamber, 1986 to 1993, and *Secretaría del Medio Ambiente, Recursos Naturales y Pesca (Semarnap)*, Secretariat of Environment, Natural Resources and Fisheries, *Dirección General Forestal*, 1984.

A new *Ley Forestal*, Forestry Law, enacted in December 1992 is expected to encourage long-term investments in forestry. The government has recognized that a 20-year tenure is a minimum for the development of commercial plantations. In early 1995, the administration of President Zedillo began another re-organization of the sector when it created *Semarnap*. One of the new secretariat's missions is to create the conditions for sustainable forestry development.

### TIMBER PRODUCTION

Timber production has declined in recent years both in absolute terms and relative to the economy. Production fell by one-third between 1987 and 1993, and by 10 percent in 1993 alone. There was a slight increase to about 6.4 million cubic metres round in 1994, followed by a decline to about 6.3 million cubic metres round in 1995. Production for 1996 increased as a result of increased exports, mainly to the United States. Production for the year was forecast at 7.5 million cubic metres based on first-quarter data, but the US Department of Agriculture has estimated

that 1996 production could increase by as much as 30 percent.

About three-quarters of Mexico's roundwood production is sold as sawnwood or peeler logs. Another 19 percent takes the form of cellulose for paper production. Other significant products include posts and piles, sleepers and charcoal. More than two-thirds of forestry production comes from three states. Durango is the largest forestry state, accounting

for 31 percent of 1995 production, followed by Chihuahua and Michoacán with 21 percent and 17 percent respectively.

The devaluation of the peso in December 1994, gave the industry a boost. But Mexican producers will have difficulty competing with imported wood products in the long run. 1994 production was only about 43 percent of domestic consumption, which is estimated at 15 million cubic metres. This suggests opportunities for joint ventures with Canadian forestry companies that could help their Mexican counterparts to modernize and adopt modern forest management practices.

### PULP PRODUCTION

In Mexico, wood pulp is known as *celulosa*, cellulose. The cellulose industry has been severely affected by trade liberalization. Domestic production fell from 551,000 tonnes in 1988 to only 276,300 tonnes in 1993. The industry suffered from a world oversupply of pulp between 1991 and 1993, and at least four Mexican pulp plants were shut down. The recovery of prices in 1994 and the devalued peso have allowed two

## TIMBER PRODUCTION IN MEXICO, 1995

Cubic metres round

State	All Timber		Pine	
	Total Production	Percent by State	Total Production	Percent by State
Durango	1,942,737	30.8	1,838,714	34.4
Chihuahua	1,293,053	20.5	1,188,588	22.2
Michoacán	1,084,172	17.2	857,497	16.0
Oaxaca	408,855	6.5	393,148	7.3
Jalisco	368,253	5.8	326,828	6.1
Puebla	297,478	4.7	228,833	4.3
Guerrero	167,181	2.7	156,031	2.9
México	96,202	1.5	47,254	0.9
Others	644,486	10.2	314,830	5.9
<b>Total</b>	<b>6,302,417</b>	<b>100.0</b>	<b>5,351,723</b>	<b>100.0</b>

Source: *Secretaría de Agricultura y Recursos Hidráulicos (SARH)*, Secretariat of Agriculture and Water Resources, the former agriculture secretariat, 1995.



of them to re-open. Production of mechanical wood pulp ceased altogether in 1994, following a steady drop from 118,100 tonnes in 1988 to 13.4 tonnes in 1993. White fibres made up 42 percent of 1994 production, followed by non-bleached wood pulp with another 27 percent.

As a result of these declines in domestic production, pulp imports rose by 8 percent to reach 1.6 million tonnes in 1994. Even after the devaluation of the peso in December 1994, 1995 pulp imports fell by only 9 percent to 1.5 million tonnes, a remarkably small reaction compared with other industries. Mexico exported some pulp and fibre in 1995 for the first time in recent years, but the volume was only about 5,000 tonnes.

The recovery of the pulp industry will require larger plants that can take advantage of economies of scale. Mexico's pulp plants average 100,000 tonnes of annual capacity, compared with an international average of about 250,000 tonnes. The industry would also benefit from the development of commercial plantations, to ensure a more competitive supply of raw materials.

## PAPER PRODUCTION

There are eight firms producing pulp and paper and another 58 producers of paper in Mexico. Paper production capacity reached barely 3.8 million metric tonnes in 1991, and it has contracted since then. This includes the capacity of plants that were temporarily closed during 1994. Total production of paper rose by 3.5 percent in 1994, to reach 2.9 million tonnes — about 75 percent of capacity. Paper for box materials and cardboard dominate the industry, accounting for more than half of all production. A small upturn was predicted for 1995, because the peso devaluation was expected to bring some idle plants back online. Paper exports nearly tripled to 387,000 tonnes,

while imports fell by 43 percent to 584,000 tonnes during the year. While this represented a substantial improvement in the balance of trade, it was more than offset by declining domestic sales. These reacted sharply to price increases caused by the reliance of Mexican paper producers on imported pulp and fibre.

Access to state-of-the-art papermaking technology is relatively easy in Mexico, since most Mexican paper companies are affiliated with companies in the US, or Europe. *Productores e Importadores de Papel (PIPSA)*, the state-owned newsprint company, is the main exception. Some of its mills were closed for years and are now re-opening with old machinery. *PIPSA* is now in the process of privatization and most of the major paper producers in Mexico have submitted bids for its assets.

## FOREIGN TRADE

There is no reliable data describing Mexico's imports of forestry, pulp and paper equipment from Canada or from the rest of the world. Much of the equipment used is not specific to forest products and it shows up in the trade statistics as agricultural or transportation equipment. Moreover, for the most part, Mexico's system of customs statistics, which is the root source of all import data, lumps forestry equipment into "other" categories.

Specialized forestry equipment is not manufactured in Mexico. Local manufacturers provide basic equipment but the rest is imported. The US is by far the most important supplier of industrial equipment to Mexico. Mexico imports about half of its agricultural equipment, for an import market of about US \$200 million. Almost 90 percent of it comes from the United States. The paper industry uses some German equipment, while

Asian technology is used by smaller producers and manufacturers.

## CUSTOMERS

About 80 percent of Mexico's forest resources are part of *ejidos*, community land holdings, which have been officially assigned by the *Secretaría de la Reforma Agraria (SRA)*, Secretariat of Agricultural Reform. There are just over 9,000 *ejidos* and indigenous communities with forest resources. Another 15 percent of forest resources are distributed among about 100,000 small, private owners. The remaining 5 percent is publicly owned and in some cases is concessioned either to large forest companies or cooperatives.

## TIMBER PRODUCTION

Amendments to the Mexican constitution in 1992 changed the system of land tenure to give *ejidatarios* title to their property. As a result of the new legislation, larger forestry operations are expected to be developed. So far, however, progress has been slow. The constitutional reforms have been controversial and there has been some opposition. The State of Guerrero provides a good example. There are two new forestry developments in the Costa Grande region of the state. One of them is operated by Boise Cascade through its subsidiary, Costa Grande Forest Products. The company has set up associations with 24 *ejidos* belonging to *Unión de Ejidos Hermenegildo Galena (UEHG)*, the Hermenegildo Galena *Ejido* Coalition. In the same area, a Canadian company has formed a partnership with the *Unión de Ejidos Rubén Figueroa Figueroa (UERFF)*, the Rubén Figueroa Figueroa *Ejido* Coalition. The project will export pine sawlogs to Japan, but only those of the highest quality. According to some environmentalists, this will leave a surplus of low-quality trees.

Local environmentalists and militant farmers have staged violent protests against the Guerrero state government, which has strongly promoted these projects. In June 1995, 17 farmers were killed and 20 more were wounded in a clash with police, attracting worldwide attention from human rights groups. The federal government has launched an enquiry and the state governor was forced to resign in March 1996, after being accused of orchestrating a police attack on the peasants.

Most of the protest in Guerrero is due to concerns that logging efforts are too intensive to be sustainable, not as a result of fundamental objections to agrarian reforms per se. Most observers believe that the reforms will slowly have their intended effects.

Recent developments include an announcement in June 1996 by *Empresas la Moderna* that it will spend US \$300 million over the next seven years to develop logging and agriculture operations in the states of Tabasco and Chiapas. The logging operations will focus on harvesting eucalyptus pulp. The projects are expected to occupy 300,000 hectares of *ejido* land.

As larger parcels of land are accumulated and as modern forestry practices are put in place, a strong increase in the demand for forestry equipment is anticipated. Many of the companies now moving into this industry are large multinationals with their own sources of equipment suppliers. Independent cooperatives are the ones that are likely to be more promising customers for Canadian-made equipment, and they may also be good candidates for joint ventures with Canadian companies. There are also a few large Mexican forestry companies, including *Grupo Forestal Industrial* and *Ponderosa de México*. Canadian forestry companies oper-

ating in Mexico are also potential customers. MacMillan Bloedel, for example, is involved in a joint-venture plant in Durango, with an annual output of 100,000 cubic metres of particleboard and 40 million board feet of lumber.

### PULP AND PAPER PRODUCTION

Whereas the timber subsector is dominated by a large number of small, communal landowners, the paper industry is the opposite. Ten companies dominate the industry.

The largest manufacturers of industrial and business paper are *Kimberley-Clark de México*, *Compañía Industrial de San Cristóbal* and *Smurfit Cartón y Papel de México*. They manufacture a full range of papers except for newsprint. They have pulp mills throughout the south, east and central regions of the country. Some of these mills are integrated with papermaking facilities. Others send the pulp to a paper mill closer to major markets.

All of Mexico's newsprint is produced by *Productores e Importadores de Papel (PIPSA)*, the state-owned newsprint company. In fact, *PIPSA*

is comprised of a group of three government-owned or government-backed plants, which are now in the process of privatization.

Paper companies are in the forefront of Mexico's recent initiatives to develop commercial plantations. *Smurfit*, *Simpson*, *Temple-Inland*, *Grupo Pulsar* and *Intemational Paper* are reportedly among several companies that are starting eucalyptus plantations in southern Mexico

### TRENDS AND OPPORTUNITIES

The forest products sector was hurt badly by the economic crisis spawned by the sharp devaluation of the peso in December 1994. During 1995, gross domestic product (GDP) fell by about 7 percent. In that year, the construction industry, which consumes almost 60 percent of the nation's wood, reduced in size by 23 percent. As well, the paper industry, which uses almost one-quarter of Mexico's wood, declined by 11.5 percent during 1995.

### MEXICO'S TOP PAPER PRODUCERS

Thousands of \$ Mexican pesos	1995 Sales
Kimberley-Clark de México	6,901,376
Compañía Industrial de San Cristóbal	2,621,188
Grupo Industrial Durango	2,358,833
Smurfit Cartón y Papel de México	1,380,045
Ponderosa Industrial	1,048,195
Grupo Industrial de Atenquique	1,022,123
Compañía Paperela Maldonado	847,883
Empaques Ponderosa	756,516
Cartones Ponderosa	750,185
Papelería de Chihuahua	583,973
Envases Especializados de la Laguna	460,292
Fábrica de Papel San Francisco	205,684
Serpasa	133,724
Productora de Papel	131,273

Source: *Expansión*, August 1996.

The economy began to recover in the second quarter of 1996, following a 1 percent drop in the first quarter, compared with the same quarter in 1995. The recovery has been stronger than anticipated, with year-over-year increases of 7.2 percent and 7.4 percent in the second and third quarters respectively. A GDP increase of 4.5 percent is predicted for 1996 as a whole, and growth in 1997 is forecast at about 5 percent. Growth was especially strong in the industrial sector with the construction industry experiencing a rebound of 25 percent growth in the third quarter.

Forestry production also rebounded on the strength of this market growth. Industry observers are predicting an increase of as much as 30 percent in roundwood production during 1996, with continued expansion in 1997. Wood industry GDP rose by 16.8 percent and 9.3 percent during the second and third quarters of 1996 respectively. Paper products was one of the last industries to recover, with declines in production continuing in the first half, followed by growth of 2.2 percent in the third quarter. This growth has been fuelled mainly by export markets, while domestic demand remains weak.

## REGULATORY ENVIRONMENT

The Mexican forestry sector is regulated under the authority of Article 27 of the Mexican constitution. This article establishes natural resources as public property subject to special control. The administration of the forestry sector is governed by the *Ley Forestal*, forestry law, of December 1992. Regulations under the *Ley Forestal* are the principal means of managing the sector. The *Ley General del Equilibrio Ecológico y la Protección al Ambiente*, the General Law of Ecological Balance

and Environmental Protection, also influences decisions in this sector.

Under the administration of former president Salinas, the *Secretaría de Agricultura y Recursos Hidráulicos (SARH)*, Secretariat of Agriculture and Water Resources, was the administrative body responsible for the enforcement of the *Ley Forestal*. It was also responsible for the maintenance of an inventory of resources and for publishing statistical data on the sector.

In early 1995, the Zedillo administration created a new department, the *Secretaría de Medio Ambiente, Recursos Naturales y Pesca (Semarnap)*, Secretariat of Environment, Natural Resources and Fisheries. It took over responsibility for the forestry sector from SARH. The inspection and regulation of forest product imports rests with *Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar)*, the new Secretariat of Agriculture, Livestock and Rural Development, although this may change in the future.

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

The exploitation of forestry resources is reserved exclusively for Mexican citizens and requires the prior authorization from Semarnap. Permits are issued only after technical and socioeconomic studies are submitted, including an environmental impact assessment. These regulations are presently under revision.

Virtually every aspect of forestry exploitation is subject to permits, studies and a variety of other requirements. Most observers believe that compliance with these requirements will become less onerous under Semarnap, given the policies of the government, which encourage the development of forestry resources.

## MARKET ENTRY STRATEGIES

The Mexican market for forestry, pulp and paper equipment is specialized and developing rapidly. Statistical data describing this market is scarce, and historical patterns are unlikely to provide much guidance. Canadian companies seeking to enter this market are advised to consult with the major industry associations. They include the *Cámara Nacional de la Industria Forestal (CNIF)*, National Forest Industry Chamber, as well as the *Cámara Nacional de las Industrias de la Celulosa y del Papel (CNICP)*, the National Chamber of the Paper and Cellulose Industries. Membership in a national chamber is mandatory under Mexican law, and these organizations are responsible for statistical gathering and industry analysis.

In addition to being generally familiar with emerging technological trends, these chambers maintain directories of their members and are also aware of upcoming trade shows of interest to companies in their sectors. Many Canadian companies have found that participation in trade shows is the most effective way to learn about the market and meet potential customers and partners. The Canadian Embassy in Mexico City and the consulates in Monterrey and Guadalajara will also provide assistance to companies that have prepared an export strategy and are looking for specific market intelligence.

## 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**

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**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.

#### **Trade and Economic Division**

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**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 24,000 Canadian exporters. For general information, call (613) 944-4WIN (4946); to register on WIN Exports, call (613) 996-2057, or fax 1-800-667-3802 or (613) 944-1078.

#### **Program for Export Market Development (PEMD)**

PEMD is DFAIT's primary export promotion program. It supports a variety of activities to help Canadian companies expand into export markets. PEMD shares up to 50 percent of eligible expenses. Program financial assistance is a repayable contribution, not a grant, and must be approved in advance. For general information, call the InfoCentre at 1-800-267-8376. For applications for assistance through this program, call the International Trade Centre nearest you. In Quebec, PEMD is administered by the 13 regional offices of the Federal Office of Regional Development (FORD Q).

#### **Natural Resources Canada**

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

CIDA is an important possible source of financing for Canadian ventures in

Mexico. A special fund is available through CIDA under the Industrial Cooperation Program (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, or fax (819) 953-5024.

#### ***Export Development Corporation (EDC)***

EDC helps Canadian exporters compete in world markets by providing a wide range of financial and risk management services, including export credit insurance, financing to foreign buyers of Canadian goods and services, and guarantees.

EDC has established relationships with leading commercial and public sector institutions in Mexico and Latin America. For information on the full range of EDC services, call (613) 598-2500, or fax (613) 598-6858.

#### ***Revenue Canada***

Revenue Canada, Trade Administration Branch provides service in English, French and Spanish. Revenue Canada publications and customs notices are also available by calling or faxing the NAFTA Information Desk: 1-800-661-6121 or (613) 941-0965; fax: (613) 952-0022.

#### ***Business and Professional Associations***

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

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

**Canadian Pulp and Paper Association**  
Sun Life Building  
Nineteenth Floor  
1155 Metcalfe Street  
Montreal, PQ H3B 4T6  
Tel.: (514) 866-6621  
Fax: (613) 866-3035

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

**Council of Forest Industries of British Columbia**  
555 Burrard Street  
Twelfth Floor  
Vancouver, BC V6E 3N9  
Tel.: (604) 684-0211  
Fax: (614) 687-4930

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

**Alliance of Manufacturers and Exporters Canada**  
99 Bank Street  
Suite 250  
Ottawa, ON K1P 6B9  
Tel.: (613) 238-8888  
Fax: (613) 563-9218

**Alliance of Manufacturers and Exporters Canada**  
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.  
Etobicoke, 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 for Social Development

*Secretaría de Desarrollo Social*  
(Sedesol)

Av. Constituyentes No. 947-B, P.B.  
Col. Belén de las Flores  
01110 México, D.F.  
México  
Tel.: (52-5) 271-1616/8521  
Fax: (52-5) 271-8862

#### Secretariat for the Environment, Natural Resources and Fisheries Forestry Division

*Secretaría de Medio Ambiente,  
Recursos Naturales y Pesca*  
(Semarnap)

*Dirección General Forestal*  
Av. Progreso No. 5, Edif. Principal, P.B.  
Col. Del Carmen  
04100 México, D.F.  
México  
Tel.: (52-5) 554-5620  
Fax: (52-5) 554-3599

#### Secretariat of Agrarian Reform *Secretaría de la Reforma Agraria* (SRA)

Av. Heróica Escuela Naval Militar  
No. 701  
Col. Presidentes Ejidales  
04801 México, D.F.  
México  
Tel.: (52-5) 608-2418/3359,  
632-3676/2953  
Fax: (52-5) 656-27778

#### Secretariat of Agriculture, Livestock and Rural Development *Secretaría de Agricultura, Ganadería y Desarrollo Rural (Sagar)*

Insurgentes Sur No. 476, Piso 13  
Col. Roma Sur  
06760 México, D.F.  
México  
Tel.: (52-5) 584-0786/0271/6288  
Fax: (52-5) 584-2699

#### Paper Producer and Importer *Productores e Importadores de Papel. (PIPSA)*

Poniente 140 No. 840  
Col. Industrial Vallejo  
02300 México, D.F.  
México  
Tel.: (52-5) 729-7001  
Fax: (52-5) 567-4482/1555

#### Mexican Business and Professional Organizations

##### Mexican Association of Machinery Distributors

*Asociación Mexicana de  
Distribuidores de Maquinaria, A. C.*  
Av. Tenayuca No. 107  
Col. Vértiz Navarte, Del. Benito  
Juárez  
03900 México, D.F.  
México  
Tel.: (52-5) 604-8807/8654  
Fax: (52-5) 604-6328, 605-2877

##### National Association of Wood Boards Manufacturers

*Asociación Nacional de Fabricantes  
de Tableros de Madera, A.C.*  
Viaducto Miguel Alemán No. 277  
Col. Escandón  
11800 México, D.F.  
México  
Tel.: (52-5) 573-0986, 273-0004  
Fax: (52-5) 273-0933

##### National Council of Wood in Construction

*Consejo Nacional de la Madera en  
la Construcción (Comaco)*  
Av. Quintana Roo No. 141-603  
Col. Hipódromo Condesa  
06170 México, D.F.  
México  
Tel.: (52-5) 564-5007/1124  
Fax: (52-5) 271-6715

##### National Institute for Agricultural and Forestry Research

*Instituto Nacional de Investigaciones  
Forestales y Agropecuarias (Inifap)*  
Av. Serapio Rendón No. 83  
Col. San Rafael  
México, D.F.  
México  
Tel.: (52-5) 546-8959/0951 Ext.286  
Fax: (52-5) 546-9020

#### Mexican Association of Technicians for the Pulp and Paper Industries

*Asociación Mexicana de Técnicos de  
las Industrias de la Celulosa y del  
Papel, A.C. (Atcp)*  
Av. Lafayette No. 138  
Col. Anzures  
11590 México, D.F.  
México  
Tel.: (52-5) 254-7776/7990/7153  
Fax: (52-5) 203-8521

#### National Chamber of the Paper and Cellulose Industries

*Cámara Nacional de las Industrias  
de la Celulosa y del Papel (CNICP)*  
Privada San Isidro No. 30  
Col. Reforma Social  
11650 México, D.F.  
México  
Tel.: (52-5) 202-8603  
Fax: (52-5) 202-1349

#### National Forest Industry Chamber *Cámara Nacional de la Industria Forestal (CNIF)*

Viaducto Miguel Alemán No. 277  
Col. Escandón  
11800 México, D.F.  
México  
Tel.: (52-5) 273-0986  
Fax: (52-5) 273-0933

#### National Chamber for Lumber and Related Products Industry

*Cámara Nacional de la Industria  
Maderera y Similares*  
Av. Santander No. 15 Desp. 301  
Col. Insurgentes Mixcoac  
03920 México, D.F.  
México  
Tel.: (52-5) 598-6725, 6932  
Fax: (52-5) 598-6932

#### National Chamber for Manufacturing Industry

*Cámara Nacional de la Industria de  
la Transformación (Canacindra)*  
Av. San Antonio No. 256  
Col. Ampliación Nápoles  
03849 México, D. F.  
México  
Tel.: (52-5) 563-3400  
Fax: (52-5) 598-8044

**Mexican Association For Importers  
And Exporters**

*Asociación Nacional de  
Importadores y Exportadores de la  
República Mexicana (ANIERM)*  
Av. Monterrey No. 130  
Col. Roma  
06700 México, D. F.  
México  
Tel.: (52-5) 564-9379, 584-9522  
Fax: (52-5) 584-5317

**Selected Mexican Companies**

*Empresas la Moderna*  
Río Caura No. 359 Oriente  
Plaza Las Villas, Altos  
Col. Del Valle  
San Pedro Garza García, Nuevo León  
México  
Tel.: (52-8) 399-0800  
Fax: (52-8) 399-0836/0851 to 0860

*Grupo Ecológico Sierra Gorda A.C.*  
Calle Juárez No. 9  
Col. Centro  
76340 Jalpan de Serra, Querétaro  
México  
Tel.: (52-4) 296-0242/6029  
Fax: (52-4) 296-0242

*Celulosa y Derivados (CYDSA)*

Av. Presa No. 8  
San Juan Iztahuantepec  
Tlanelpantla  
Estado de México  
México  
Tel.: (52-5) 328-9904  
Fax: (52-5) 718-2450

*Grupo Pulsar*

Plaza Comercial Las Villas  
Río Caura 358 Oriente, Altos  
Col. del Valle  
66220 Garza García, Nuevo León  
México  
Tel.: (52-8) 399-0812/0800/0801  
Fax: (52-8) 356-7332

*Kimberley-Clark de México*

Av. José Luis Lagrange No. 103,  
Piso 3  
11510 México, D.F.  
México  
Tel.: (52-5) 282-7300/7200  
Fax: (52-5) 282-7342

*Plywood Ponderosa de México, S.A.*

Blvd. Juan Pablo II Km. 2.5  
31390 Chihuahua, Chihuahua  
México  
Tel.: (52-14) 20-0477  
Fax: (52-14) 20-0022

*Smurfit Cartón y Papel de México*

Av. J. Balmes No. 11, 7D  
11050 México, D.F.  
México  
Tel.: (52-5) 729-2300  
Fax: (52-5) 395-5776

**Media**

**Machinery and Technology**

*Tecnología y Maquinaria*  
Monthly, 6,000  
*Asociación Mexicana de  
Distribuidores de Maquinaria, A.C.*  
Av. Tenayuca No. 107  
Col. Vértiz Navarte, Delegación  
Benito Juárez  
03900 México, D.F.  
México  
Tel.: (52-5) 604-8807/8654  
Fax: (52-5) 604-6328, 605-2877

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