President Salinas Visits China, Japan To Strengthen Economic Ties

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Category/Department: Mexico
Published: 1994-01-05

President Carlos Salinas de Gortari completed a six-day tour of China and Japan on Dec. 23, culminating a concerted effort to strengthen Mexico's presence in Asia. During the trip, Salinas signed seven economic, technical, and cultural cooperation accords with China and obtained a promise from Japanese automobile companies and banks to consider new investments in Mexico. Accompanying Salinas on the trip were Trade Secretary Jaime Serra Puche, Foreign Minister Manuel Camacho Solis, Energy and Mines Secretary Emilio Lozoya Thalmann, and representatives from the private sector.

Funding investment projects
The accords signed with China included an agreement by the two governments to fund major investment projects in each country. The two sides also signed cooperation accords in the areas of agriculture, fisheries, and petrochemicals. According to Luis German Carcoba, a representative from the Business Coordinating Council (Consejo Coordinador Empresarial, CCE) who accompanied Salinas on the trip, the two governments agreed to provide US$200 million worth of long-term loans for two major investment projects, one in each country. In one project, an unspecified Mexican company will participate in a major construction project in the Chinese city of Bayucan.

In the second project, Mexican and Chinese companies will participate jointly in the construction of a textile-oriented industrial park in Mexicali, Baja California state, Carcoba said. During the trip, Salinas also warned that the Mexican government will not allow China to use Mexico as a springboard to export Chinese products to the US, adding that his administration seeks more direct foreign investment in Mexico, not just more trade.

Salinas emphasized that the US, Mexican, and Canadian governments, in negotiating the North American Free Trade Agreement (NAFTA), did not seek to erect barriers for other countries to export to the region. Still, he emphasized that Mexico will strictly apply the NAFTA regulations regarding rules of origin.

The Mexican President did not make any public statements regarding the dumping dispute between Mexico and China (SourceMex, Dec. 15, 1993). However, the CCE's Carcoba told La Jornada newspaper that Salinas informed Chinese officials that Mexico will continue to investigate cases of dumping and apply appropriate anti-dumping measures under guidelines established by the General Agreement on Tariffs and Trade (GATT).

Japan worried about NAFTA
During the second leg of the trip, President Salinas traveled to Tokyo, where he met with Japanese Prime Minister Morihiro Hosokawa and other officials, as well as members of the Japanese automobile and banking sectors.
Salinas attempted to appease Japanese fears regarding NAFTA, telling representatives of Japan's financial industry that under the trade pact, Japanese banks with subsidiaries in the US or Canada will now be allowed to do business in Mexico. Salinas urged Japan to boost investments in Mexico and promised to seek a special trade agreement with Japan sometime in 1994.

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