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In late November, Presidents Ernesto Zedillo of Mexico and Jiang Zemin of China signed six bilateral agreements intended to enhance economic and political cooperation between the two countries. The agreements which cover such areas as trade, diplomatic affairs, the war on drugs, and farm production were signed during Zedillo's visit to Beijing on Nov. 22-23, which was one of the stops in a 10-day tour of several countries in the Pacific Rim. The tour included participation in the Asia-Pacific Economic Cooperation (APEC) meeting in the Philippines on Nov. 24-25.

Government officials and business leaders who accompanied Zedillo on the trip said a key concession obtained by the Mexican delegation was a commitment from China to seek ways to increase imports of Mexican products. Statistics released by the Mexican and Chinese governments differ on the total amount of trade between the two countries. Chinese government statistics indicate that the two nations exchanged a total of US$400 million in goods and services in 1995, while the Mexican government estimates bilateral trade at US$600 million.

In any case, both governments are in agreement that the trade balance has tended to favor China, even with the countervailing duties imposed by Mexico on a number of Chinese products. The Chinese report puts China's trade surplus with Mexico at US$385 million, while the Mexican report says the figure is about US$520 million. Juan Rebolledo, Mexico's deputy foreign relations secretary for bilateral affairs, said an opening of the Chinese market carries "enormous" potential for Mexican exporters, who would gain access to one-fifth of the world's population.

According to some estimates, total Mexico-China trade has the potential to reach US$500 billion on an annual basis. Mario Abedrop, president of the Mexico-China Business Council, said the accords would open the door for Mexico to increase sales of beer, auto parts, cement, and other construction materials to China. Abedrop also said the accords will promote Chinese investment in Mexico, which could provide Mexican businesses with access to inexpensive Chinese technology in the fisheries, textile, and mining industries. For its part, notwithstanding its already huge trade surplus with Mexico, China still has the potential to increase exports of capital and consumer goods to the Mexican market. In addition, the agreements with Mexico also provide China with another way to access the US and Canadian markets, as well as other markets in Latin America.

Members of the Mexican delegation said the two countries also agreed on several political questions, such as joint support for the reelection of UN Secretary General Boutros Boutros Ghali and joint opposition to the US restrictions against trade with Cuba via the Helms-Burton legislation. Foreign Relations Secretary Jose Angel Gurria told reporters a key agreement reached by leaders of the two countries was an initiative to combat drug trafficking. This initiative, which Gurria considered the "most important" of the six accords, establishes guidelines for the two countries to
control the chemicals to produce a new generation of narcotics such as the "designer" drugs "ice" and "ecstasy."

Addressing participants at the APEC conference in the Philippines after his trip to Beijing, Zedillo urged China and three other Pacific Rim countries Taiwan, South Korea, and Japan to eliminate "excessive" protectionism, which is hindering Mexican exports to these markets. Mexico and other countries also called for the more industrialized members of APEC to reduce tariffs on imports of computer equipment and other technology-related items. On this matter, Trade Secretary Herminio Blanco Mendoza submitted a nine-point plan that proposes to liberalize technology markets through the lowering of tariffs and trade barriers, measures that will hopefully open up the doors to greater foreign investment. "Mexico already exports almost US$1 billion worth of computers," said Blanco. "We would be very interested in expanding these sales."

Among other things, the Mexican delegation also called for the 18 members of APEC to create more flexible rules for foreign investment. Mexican representatives said this would increase the flow of capital to APEC's Latin American members, Chile and Mexico, as well as facilitate investments from Chilean and Mexican companies in the Pacific Rim. "A growing number of Mexican companies, such as Cemex and Grupo ICA, are interested in investing in Asia," said a document submitted by the Zedillo administration at the APEC conference. (Sources: Reuter, 11/19/96; Spanish news service EFE, 11/22/96; The News, Excelsior, 11/21/96, 11/22/96, 11/25/96, 11/26/96; La Jornada, El Universal, 11/22/96, 11/25/96, 11/26/96; El Economista, Novedades, 11/25/96, 11/26/96)

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