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News In Brief: Recent Bilateral Agreements

by *Carlos Navarro*

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Japanese government approves credit guarantees for Mexico In mid-March, President Ernesto Zedillo and Japanese Prime Minister Ryutaro Hashimoto signed a series of agreements that authorize credit guarantees from the Japanese government to the Mexican government for transportation and environmental projects in Mexico. The guarantees were announced during President Ernesto Zedillo's state visit to Japan March 11-13. One of the loan guarantees, totaling US\$250 million, was approved by Japan's export-import bank (Eximbank) for completion of the "B" line of Mexico City's metro subway system. The 10-year loan guarantee will be disbursed via the Mexican government's public works bank (BANOBRAS). The Eximbank also announced a loan of US\$200 million for construction of three waste-water treatment plants in Guadalajara. This loan will be provided via the Mexican Finance Secretariat (SHCP). Finally, the Japanese government approved US\$360 million for various projects to eliminate air pollution in Mexico City. Mexico and Israel may seek bilateral trade agreement In mid-February, the Mexican and Israeli governments announced plans to explore a possible bilateral free trade agreement. The decision to begin exploratory talks was reached during a visit to Jerusalem by Foreign Relations Secretary Jose Angel Gurria. Among others, Gurria met with Israel's trade and industry minister, Natan Sharansky, and with Bank of Israel director Yaacov Frenkel. Gurria said Israel is very interested in negotiating a bilateral accord, but the process is only beginning. As a first step, the two countries are now establishing technical working groups to handle the exploratory talks. "We really want to have this moving quickly," said Eli Kazhdan, a Sharansky advisor. Mexican officials hope an agreement would narrow Mexico's trade deficit with Israel, which in recent years has surpassed US\$40 million annually. During the visit to Israel, Gurria and Israeli Foreign Minister David Levy signed two other agreements, one that authorizes joint anti-drug trafficking efforts and another that waives visa requirements for holders of diplomatic passports. Gurria and Levy also drafted a memorandum establishing a mechanism for regular consultations between their ministries on political affairs. Mexico and Cuba reach agreement on agricultural investment In late February, Mexico and Cuba announced a new agreement to promote the use of Cuban technology to produce food goods as well as tools and inputs for agricultural production. The agreement was signed by representatives of Mexico's private sector, the Mexican government, and Cuban state agencies. According to Carlos Fuentes, Mexico's agricultural attache in Havana, the products developed under this cooperation program will be sold on international markets. Fuentes said the two countries are already moving forward with two projects related to the agreement. In one project, the joint Mexican-Cuban company Agroingenieria has announced plans to manufacture a sophisticated plow designed by Cuba's Instituto de Investigacion de Mecanizacion Agropecuaria. The plow will be produced at a still-to-be-determined factory in Mexico. In the second project, the Cuban company Tecnomar will join with the Mexican dairy industry to produce yogurt at a factory in Guanajuato. According to Fuentes, the joint venture will use Cuban production technology and Mexican raw materials. (Sources: Spanish news service EFE, 02/16/97; The News, El Universal, 02/16/97, 02/18/97; El Universal, 02/16/97, 02/18/97; Excelsior, 02/16/97, 02/28/97)

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