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EU to Expedite Framework Accord to Negotiate Trade Agreement with Mexico

by LADB Staff  
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In early March, the European Commission said it will seek a fast-track approach to gain approval for the framework agreement from the European Parliament and each of the 15 European Union (EU) member nations. The commission, the EU's executive body, said the fast-track approach would preclude any amendments to the framework agreement negotiated with Mexico in December 1997. This would be only the second time the European Commission has invoked fast-track rules to obtain approval for a trade agreement.

The EU previously used the procedure to negotiate an accord with Turkey. The framework agreement, which sets the parameters for negotiations, commits both sides to work toward "progressive and bilateral" reduction of tariffs to increase access to each other's markets (see SourceMex, 12/17/97).

European Commission spokesman Josep Col i Carbo said fast-track approval would respond to Mexico's request that negotiations begin as soon as possible and would prevent further delays in European access to the Mexican market. "It is in the clear interest of the EU to be present in that fast-growing market," said Col i Carbo.

In recent years, the EU has gradually increased commercial relations with Mexico, with EU exports to Mexico totaling US$8.9 billion in 1997 and imports from Mexico totaling US$3.6 billion. But the EU share of Mexico's trade has dwindled to about 6% in both 1996 and 1997, compared with 11.4% in 1990. Col i Carbo said the EU share has declined because of the North American Free Trade Agreement (NAFTA), which has given the US and Canada easier access to the Mexican market.

In a follow-up to the December framework agreement, the European Commission has proposed to reduce or eliminate tariffs for 90% of the products traded between Mexico and the EU member countries. EU hopes to begin negotiating full accord by September Col i Carbo said the Commission wants approval for the framework accord by the second quarter of this year to enable negotiations on a full-scale accord to begin by September or October.

In the text sent to ministers from member nations, the EU proposed that negotiations begin with trade in goods and services, market-opening mechanisms, the movement of capital and payments, protection of intellectual property, and strict rules of origin. Col i Carbo said the rules of origin are needed to prevent the US and Canada from bypassing restrictions on their exports to Europe by sending goods via Mexico.

The decision to seek fast-track approval is based in part on concerns that approval could get bogged down in a lengthy debate in the European Parliament over the Mexican government's commitment to human rights and democratic principles within its borders.
In the December framework accord, the two sides agreed to include the matters in a section dealing with political dialogue. However, the agreements were concluded before a massacre of 45 Tzotzil Indians in Acteal, Chiapas, which brought an international outcry. Opposition parties accused the governing Partido Revolucionario Institucional (PRI) of failing to take steps to prevent the massacre (see SourceMex, 01/07/98 and 01/14/98). Some members of the European Parliament have proposed to tie further negotiations on an EU-Mexico accord to progress on a peace agreement in Chiapas.

But Foreign Relations Secretary Rosario Green Macias said she did not expect concerns about Chiapas to derail an agreement because most members of the European Parliament support the framework accord. "This incident must be put in the context of the difficult situation that Chiapas has experienced for several years as well as the Mexican government's efforts to resolve the conflict," said Green during an address to the European Parliament. She reiterated President Ernesto Zedillo's commitment to negotiate a peace agreement with the Ejercito Zapatista de Liberacion Nacional (EZLN). [Sources: Reuter, Agence France-Presse, 03/04/98; The News, 03/04/98, 03/05/98; Novedades, El Universal, 03/05/98; Notimex, 03/04/98, 03/09/98; Spanish news service EFE, 03/04/98, 03/08/98, 03/10/98; La Jornada, 03/05/98, 03/10/98; Excelsior, 03/05/98, 03/06/98, 03/10/98; El Economista, 03/06/98, 03/10/98]