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Mexico Formalizes Export, Investment Agreement with India

by LADB Staff

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In early March, Mexico's Banco Nacional de Comercio Exterior (BANCOMEXT) signed an agreement with the Import- Export Bank of India to promote bilateral trade and develop economic partnerships between the two nations. The agreement was signed by BANCOMEXT director Enrique Vilatela Riba and Y.R. Desai, president of India's Eximbank.

The agreement, which will be renewed annually, will assist exporters in setting up joint ventures or strategic alliances and sharing technology. The agreement also creates mechanisms to protect credit transactions and offers opportunities to organize trade fairs in Mexico and India. Vilatela said the agreement will also boost trade.

In 1997, Mexican exports to India totaled only US\$38 million, while imports from India amounted to US\$185.5 million. Jose Ludlow, Mexico's industrial representative in New Delhi, said India has shown particular interest in acquiring crude oil and petroleum products from Mexico. In turn, India hopes to increase exports of textiles, pharmaceutical products, and chemicals to Mexico. Indian companies, which account for only 1% of foreign investment in Mexico, are also interested in investing in the Mexican software, automobile, and heavy-machinery industries.

Ludlow said the best opportunity for Mexican exports and investments is India's electrical power industry, highway construction, shipbuilding, and airport development. "Major business opportunities for Mexican investors include exportation by some of the country's largest pipeline manufacturers," said Ludlow. He said Mexican engineering companies ICA, Bufete, Protexa, and Tuvacero, are leading contenders for pipeline construction in India's oil industry. (Sources: Notimex, 03/04/98; The News, 03/05/98)

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