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Trade Briefs: Apple Complaint, European Accord, China Agreement

by LADB Staff

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Mexico investigates apple-workers' complaint under NAFTA

In early December, the Secretaria del Trabajo y Prevision Social (STPS) initiated an investigation of a complaint filed by apple pickers in Washington state against their employers. The complaint was filed under labor provisions in the North American Free Trade Agreement (NAFTA). The complaint was originally filed by a coalition of 30 Mexican labor unions in May of this year (see SourceMex, 06/03/98). The action is supported by the US International Brotherhood of Teamsters, the United Farm Workers of America, and the International Labor Rights Fund.

The STPS decision to investigate the complaint reflects growing concern among Mexican government officials, legislators, and labor unions about abuses of Mexican immigrants working on US farms, in meat-packing plants, and in other low-paying jobs. Mexican apple pickers and warehouse workers have accused their employers of violating their labor rights by exposing them for long periods to harmful chemicals and pesticides. Furthermore, the workers contend they are subject to frequent verbal and physical abuse and intimidation. Workers have also been thwarted in their effort to organize labor unions.

The complaint against the Washington apple growers is one of 20 cases filed under NAFTA labor provisions since the accord was enacted in January 1994. But this is the first case that has gone to a hearing in Mexico. The other 19 cases have been reviewed either by US or Canadian labor authorities.

The Washington state case also represents the most comprehensive action taken against an employer under NAFTA and could set far-reaching precedents for laborers in North America. The other cases have primarily considered complaints that companies or national laws inhibited worker efforts to unionize or punished striking workers. "This is a tremendous forum for exposing the reality that workers face, which in the long run could be more important than the single case itself," said Teamsters spokesperson John August.

Under NAFTA provisions, if the STPS rules in favor of the Washington apple workers, the case could go before a special NAFTA labor panel. This panel would have the power to impose sanctions against the US government for failing to enforce its labor laws. At the very least, the case could increase awareness of Mexican workers in the US to protect their rights. "More and more workers are going to become vigilant of labor violations that involve cross-border disputes," said August.

European Union, Mexico begin negotiations on full accord

In mid-November, the European Union (EU) and Mexico initiated the first round of negotiations on a free-trade agreement by designating working groups to examine differences in 10 areas of

trade. The EU and Mexico signed an interim accord in December 1997 that set the parameters for negotiations on a full agreement (see SourceMex, 12/17/98). In July of this year, the EU and Mexico created a special council to oversee negotiations on the full accord (see SourceMex, 09/02/98). The working groups will identify differences in such areas as protection of intellectual property, dispute-resolution mechanisms, unfair trade practices, investment, agriculture, and other sensitive areas.

The two sides are scheduled to meet every six weeks between January and June 1999. The first round of talks is scheduled for Mexico City in January, with the second and third rounds scheduled for Brussels. The talks will alternate between Mexico City and Brussels thereafter. Some Mexican business and agricultural organizations expect negotiations to last beyond mid-1999 because of wide differences in key areas, including agriculture, rules of origin, and textiles. The Mexican negotiating team will be led by deputy trade secretary Fernando de Mateo Venturini, although negotiating strategy will be coordinated by Jaime Zabludovsky.

Zabludovsky is awaiting confirmation from the Mexican Senate as ambassador to the EU. While negotiations continue among EU and Mexican trade officials, legislators are attempting to strengthen relations. In early November, a delegation of Mexican senators from the three major political parties traveled to Brussels to meet with counterparts from the European parliament. The two sides exchanged information on the economic and political situations in their countries or regions, including the continuing tensions in Chiapas state. "We had a very fruitful dialogue," said European Parliament member Jose Ignacio Salafranca. A delegation of European Parliament members is scheduled to travel to Mexico City in March 1999 for a follow-up meeting with Mexican senators.

Mexico, China announce agreement

The Mexican and Chinese governments have taken the first step to defuse the bitter dispute concerning illegal exports of Chinese products to Mexico. The agreement, signed by Mexican Trade Secretary Herminio Blanco and Chinese Economic Cooperation Vice Minister Zhang Xiang in mid-November, provides a consultation and cooperation mechanism to prevent underinvoicing of Chinese exports to Mexico.

Under the agreement, the Mexican and Chinese governments will more closely monitor shipments of thousands of products that have been entering Mexico without payment of the appropriate import tariffs. These products which include textiles, shoes, and toys either carry a false invoice or are routed to Mexico through third countries. Mexico has agreed to review a list of hundreds of Chinese products to determine whether countervailing duties will be maintained. These products include Chinese machinery, tools, and organic chemical products.

Even if duties are removed on all or most of these products, Mexico is expected to maintain anti-dumping duties on 1,300 other products imported from China. (Sources: Reuters, 11/09/98; El Universal, 11/10/98; Novedades, 11/11/98; The Journal of Commerce, 11/18/98; El Economista, 11/13/98, 11/23/98; El Financiero Internacional, 11/23/98; Spanish news service EFE, Notimex, 12/01/98; The Washington Post, 12/03/98; Associated Press, 11/10/98, 12/04/98)

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