



# TRADE LINKS LAZOS COMERCIALES

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**M**exico and the European Union (EU) announced the launching of a joint program for competitiveness and innovation oriented to facilitate the Small and Medium Enterprises (SMEs) with exporting capacity.

The announcement was made by the Undersecretary for Foreign Trade of the Ministry of the Economy, Beatriz Leycegui, and the Head of the EU Delegation in Mexico, Ambassador Marie-Anne Coninx, during the inauguration of the Seminar “Benefits of the Mexico - EU Free Trade Agreement (MEUFTA)”, which took place in Mexico City, and commemorated the 10th anniversary of the entry into force of the MEUFTA.

During her opening speech the Undersecretary Leycegui said that trade relationship between Mexico and the EU is at its best moment and it has been strengthened by the new status of Strategic Partners. Additionally, the Undersecretary mentioned that in 2009 the commercial exchanges with the EU reported 41 billion dollars, 127% more than in 1999.

On the other hand, Ambassador Marie-Anne Coninx acknowledged the importance of the MEUFTA, since it was the first one signed with a country out of the European region. She explained that this agreement has a solid, clear and transparent legal framework, that has allowed the trading of banking services, telecommunications and manufactures. Moreover, she added that SMEs from both economies have a great potential that can be useful to strength the economic growth.

During the seminar the participants reviewed topics such as: economic relations between Mexico and the EU, the fulfillment of the European market regulations, trade certifications and support program to facilitate exports.

The Ministry of the Economy and the EU Delegation in Mexico seek to promote MEUFTA benefits through seminars like this one which are part of the dissemination activities of the MEUFTA Facilitation Project (PROTLCUEM) with the

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## New economic cooperation program between Mexico and the EU

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support of the Mexican Entrepreneur Council for Foreign Trade, Investment and Technology, A.C. (COMCE).

In the PROTLCUEM take part different areas of the Federal Government that are interrelated with the administration of the MEUFTA and the trade exchange with the EU.

These entities are: the Directorate General for Standards and the Directorate General for Foreign Investment of the Ministry of the Economy; the General Customs Administration; the National Service for Animal Health, Food Safety, and Agricultural and Food Quality Assurance; the Federal Competition Commission; the Federal Agency for Consumer Protection, the Mexican Institute for Industrial Property, the Federal Commission for the Protection Against Sanitary Risks and the National Commission on Fisheries.



Undersecretary Beatriz Leycegui and Ambassador Marie-Anne Coninx during the Seminar "The benefits of the FTA between Mexico and the EU".

## 50th anniversary of diplomatic relations between Mexico and the EU

**M**exico and the European Union (EU) commemorated the establishment of diplomatic relations 50 years ago, on November 30th, 1960.

On this occasion, the Minister of Foreign Affairs of Mexico, Ambassador Patricia Espinosa, and the High Representative of the Union for Foreign Affairs and Security Policy / Vice-President Catherine Ashton have exchanged messages to mark this important event.

In her message, Catherine Ashton stresses that the EU and Mexico have accomplished a lot during this half century. Mexico was the first country in Latin America with which the EU concluded a Global Association Agreement, including a free trade area, which entered into force 10 years ago. This agreement has resulted in greatly increased bilateral trade and investment flows.

The EU highly values the role Mexico plays in world affairs, and the intense cooperation on most international issues, notably in the context of the United Nations.

Minister Espinosa on her side recalled that the two sides have constantly reinforced, over the years, the links that unite them, notably through the Global Agreement and the Strategic Partnership.

Mexico and the EU decided to grant each other the status of Strategic Partners in order to further enhance their bilateral and multilateral cooperation in a variety of areas such as climate change, security, human rights and macro-economic issues. The aim is for the relationship to continue to grow for the greater benefit of the citizens and the promotion of common values.

Mexico's Total Trade in November			
	2009	2010	%
<b>Total</b>	44.9	56.4	25.7
<b>Exports</b>	22.4	28.1	25.9
<b>Exports (excluding oil)</b>	19.2	24.0	24.8
<b>Imports</b>	22.5	28.3	25.6

Source: Banco de México

Mexico's Trade with EU and EFTA (million US\$)			
January - November	2009	2010	%
<b>Exports to the EU</b>	10,440.1	12,809.8	22.7
<b>Imports from the EU</b>	24,717.0	29,538.6	19.5
<b>Exports to the EFTA</b>	434.0	836.8	92.8
<b>Imports from the EFTA</b>	1,263.4	1,582.1	25.2

Source: Banco de México

## More investments in Mexico

### Rubenius invest 4 billion dollars in Mexico

The firm Rubenius will invest 4 billion dollars in Mexico, during the next seven years, to contribute to the development of the largest electricity energy bank in the world, which will be located in Mexicali, Baja California, in a land of 140 hectares.

Rubenius, which has its headquarters in Dubai, United Arab Emirate, will install and operate a storage and regulation system of energy obtained from sustainable processes and to be delivered according to demands from the final consumers. This new investment will create 800 direct employments.

Moreover, the massive storage of energy will allow to differ and to optimize the energy flows, reducing the emissions of the supplier companies, which in this particular case are located in the States of California (USA) and Baja California and Sonora (in Mexico).

In fact, several eolic farms are built in Baja California, with a potential of between 4,000 and 8,000 Megawatts and requires a storage system to permanently have enough supplies in order to assure an uninterrupted delivery of energy.

### Iberdrola expands its investment in Mexico

The Spanish firm Iberdrola announced its plans to invest 400 million dollars in Mexico between 2011 and 2012, ratifying its strong compromise to this country as one of the most important in its internationalization strategy. This announcement was made public during a meeting held on December 7, 2010 between Mexico's President Felipe Calderon and Iberdrola's President, Ignacio Galán.

Iberdrola has invested 2.7 billion dollars in Mexico, becoming a reference electric operator, being both pioneer in developing renewable energies and private leader in generating it – producing 14.5% of the total electricity – and being a key element in improving and widening the distribution networks.

Iberdrola, which currently has approximately 770 employees in this country, account to a potential production of 5,000 megawatts (MW), mainly through facilities of cycled-combined gas.

Moreover, "La Ventosa" park accounts to 80 eolic MW in operation and it is building one more in "La Venta III" that will soon provide an additional potential production of 103 MW.

Mr. Galan has also presented the most relevant Iberdrola's projects in Mexico, both in the renewable energy field and in the transmission infrastructure area for electrical energy. For example, in mid 2009 it got the biggest contract in its whole history: 160 million dollars for modernizing the network of the states of Veracruz and Chiapas through the setting up of nine new lines and six sub-stations.

### Pirelli built a tire factory in Mexico

The Italian firm Pirelli, fifth tire producer in the world, announced the construction of its first factory in Mexico, which will be located in the City of Silao, 400 kilometer approximately from Mexico City.

This new plant will produce High Performance y Ultra-High Performance tires to be used in cars and trucks, applying state of the art technology, one of the company's features in the world.

Pirelli will initially invest 210 million dollars approximately, generating 700 direct and 300 indirect jobs. With a land of 120,000 square meters, the plant will start its operations in 2012, with the purpose to produce 10,500 tires daily and a production of 3.5 million annually by 2014 and reaching 5 millions in 2015.

The Pirelli's facility in Mexico will be the eighth plant in Latin America and the second in the North American region. The new project responds to the growing demand in the American Continent markets.

#### Mexico's Economic Indicators

<p><b>Inflation rate:</b> 0.50% (December, 2011); 4.40 % (2010, annual)</p> <p><b>Industrial Production:</b> 5.3% (November 2010 / November 2009) <b>Manufacturing:</b> 6.6%; <b>Construction:</b> 5.7%, <b>Mining:</b> 1.1%</p> <p><b>Global Index of Economic Activity:</b> 4.31% (October 2010 / Oct 2009)</p> <p><b>Consumer Confidence Index:</b> 91.2 pts. (December 2010) 11.1 percentage points (December 2010 / December 2009)</p> <p><b>Open unemployment rate:</b> 4.94 % (December 2010) <i>Source: INEGI</i></p>
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#### Mexico's Financial Indicators

<p><b>Foreign exchange rate:</b> 12.09 peso/dollar (January 25, 2011)</p> <p><b>International reserves:</b> \$116,573 million dollars (January 14, 2011)</p> <p><b>Mexican stock market index (IPC):</b> 37,471 (January 25, 2011)</p> <p><b>Interest rate treasury bonds CETES 28 days:</b> 4.05 % (January 27, 2011)</p>
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*Source: Banco de Mexico*

## Mexico's Official Gazette Notices

- **01/12/2010** Final determination of the sunset review of the countervailing quota imposed on imports of frozen bovine meat originating from the EU, regardless the shipping country. This merchandise is classified, according to the Mexican Custom Tariff Schedule, under items 0202.10.01, 0202.20.99 y 0202.30.01.
- **17/12/2010** Agreement that publicizes the tariff-rate quota to import duty free in 2011, powder milk originating from the WTO Members.
- **17/12/2010** Agreement that publicizes the tariff-rate quota to import, granting the duty set out in 2011, dairy products containing over 50% weight of milk solids, other than products covered by the Mexican tariff-schedule item 1901.90.04.
- **22/12/2010** Decree promulgating the Protocol modifying the Agreement between Mexico and Switzerland to avoid double taxation on income taxes, signed in Mexico City on August 3, 1993.
- **28/12/2010** Rules for the celebration of international public auctions under the scope of the free trade agreements signed by Mexico.
- **28/12/2010** Rules for the application of the level of preference into the price of the national origin goods in relation with the price of imported goods, under the international public procurement procedures carried out by agencies and entities of the Federal Administration.
- **28/12/2010** Final determination of the sunset review of the countervailing quota imposed on imports of flat cold-rolled products originating from Russia, Kazakhstan and Bulgaria, regardless the shipping country. This merchandise is classified, according to the Mexican Custom Tariff Schedule, under items 7209.16.01 and 7209.17.01.
- **28/12/2010** Rules for the application of the set-asides covered in the government procurement chapters of the free trade agreements signed by Mexico.

## EU Official Journal

- **01/12/2010 L315** Council Implementing Regulation (EU) No 1105/2010 of 29 November 2010 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of high tenacity yarn of polyesters originating in the People's Republic of China and terminating the proceeding concerning imports of high tenacity yarn of polyesters originating in the Republic of Korea and Taiwan
- **16/12/2010 L332** Council Implementing Regulation (EU) No 1187/2010 of 13 December 2010 terminating the anti-dumping proceeding on imports of glyphosate originating in the People's Republic of China
- **31/12/2010 L347** Commission Regulation (EU) No 1266/2010 of 22 December 2010 amending Directive 2007/68/EC as regards labelling requirements for wines
- **31/12/2010 L347** Council Regulation (EU) No 1264/2010 of 20 December 2010 amending Regulation (EU) No 7/2010 opening and providing for the management of autonomous tariff quotas of the Union for certain agricultural and industrial products

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