



# TRADE LINKS LAZOS COMERCIALES

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The fifth Summit between Mexico and the European Union (EU) was held on 16 May 2010 in Comillas, Spain, in which a wide range of bilateral, multilateral and regional issues were discussed.

The summit was headed by the President of Mexico, Felipe Calderón Hinojosa, while the EU was represented by the President of the European Council, Herman Van Rompuy and José Manuel Durão Barroso, President of the European Commission, with the participation of José Luis Rodríguez Zapatero, President of the Government of Spain and President in turn of the Council of the EU.

Both delegations highlighted the maturity and dynamism of the relations between Mexico and the EU under the Economic Partnership, Political Coordination and Cooperation Agreement (Global Agreement) and recognized that, a decade after entering into force, it has produced tangible benefits for both Parties.

Regarding the economic aspects of the bilateral relationship, both sides expressed satisfaction of the positive framework for trade flows, which have increased by 122 per cent since the entry into force of the Global Agreement, in spite of the aftermath on trade caused by the global financial and economic crisis in 2009. Foreign direct investment and trade in services reported also a positive trend, with the EU being the second largest source of foreign capital in Mexico. The leaders reiterated their commitment to carry on the negotiations to the aim of modernizing trade relations, and fully unlock the potential benefits of the Mexico – EU Free Trade Agreement.

On global issues, the Parties stressed the importance of the multilateral trading system and an ambitious and balanced outcome of the WTO's Doha Development Round as soon as possible.

One of the most important outcomes of this Summit was the formal approval of the Joint Executive Plan of the Strategic Partnership set up by Mexico and the EU (see next section), which reflects a shared commitment to continue building a closer, deeper and more mature relationship by means of concrete actions and joint initiatives.

For more information visit:

- Text of the Joint Statement [www.consilium.europa.eu](http://www.consilium.europa.eu)
- Summary of the press conference: [www.eu2010.es](http://www.eu2010.es)
- Messages from President Calderón: [ww.presidencia.gob.mx](http://ww.presidencia.gob.mx)

## New Strategic Partnership between Mexico and the EU

**O**n October 13th, the Council of the European Union (EU) adopted a proposal of the European Commission to establish the Mexico-EU Strategic Partnership (see “Trade Links” of November 2008).

As a global actor, the EU has developed strategic partnerships with the major actors on the international stage: The United States, Russia, China, Canada, Japan, India, South Africa, Brazil and now Mexico.

Mexico is an important global player, its weight and influence has been growing, even beyond Latin America. Indeed, Mexico is part of the G20 and the G8+G5 groups and has consistently been an active and supportive member of the UN, being its tenth largest contributor and the first in Latin America. Mexico is also an active member of the World Trade Organisation (WTO) as well as in the Asia Pacific Economic Cooperation (APEC) and it was the first Latin American country member of the Organisation for Economic Cooperation and Development (OECD).

In this context, during the fifth summit between Mexico and the EU, held on 16 May in Spain (see previous section), both Parties subscribed a Joint Executive Plan with the aim of implementing the priority projects referred in this Strategic Partnership.

The establishment of a Strategic Partnership between Mexico and the EU reflects the readiness of both players to strengthen coordination on matters of global importance and further intensify their political, economic and cooperation links.

The guiding objectives of the Strategic Partnership between Mexico and the EU are: the consolidation of democracy and the rule of law; the protection of human rights; sustainable economic development; equal opportunities; and a mutual commitment to fighting poverty and social exclusion.

To fulfill those objectives, both parties agree to cooperate on three levels.

First, Mexico and the EU will work together at bilateral, regional and multilateral level on several global issues of common interest.

Second, Mexico and the EU will extend their dynamic links to third countries and regions in which the two parties have shared interests, such as Latin America and the Caribbean. Consequently, Mexico and the EU undertake to strengthen the areas of political dialogue in the region, encouraging bi-regional dialogue, especially with the Rio Group, at EU-Latin America and Caribbean Summits and promoting triangular cooperation via the Mesoamerican Integration and Development Project. Mexico and the EU will also explore possibilities on engaging in triangular cooperation with other regions of the world, such as Africa.

Third, Mexico and the EU will take forward the most significant bilateral subjects on their agenda: economic and trade relations; cooperation in the field of the environment and sustainable development, in particular combating climate change; security matters; human rights; education and culture; science, technology and innovation; regional development; social cohesion; statistics; and public health.

The mechanisms for institutionalised dialogue between Mexico and the EU are: the Summit (biennial); the Joint Council (biennial); the Joint Committee (annual); the Civil Society Dialogue Forum (biennial); the Joint Parliamentary Commission (six-monthly), and various sectoral dialogues for subjects on the international agenda such as Education, Science and Technology, Social Cohesion, and the Political Dialogue on the Environment.

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Mexico's Total Trade in March (billion US\$)			
	2009	2010	%
<b>Total</b>	37.2	51.7	38.8
<b>Exports</b>	18.7	25.9	39.0
<b>Exports (excluding oil)</b>	16.7	22.6	35.2
<b>Imports</b>	18.6	25.7	38.6

Source: Banco de México

Mexico's Trade with EU and EFTA (million US\$)			
January – March	2009	2010	%
<b>Exports to the EU</b>	2,519.3	3,148.2	25.0
<b>Imports from the EU</b>	6,363.6	7,209.0	13.3
<b>Exports to the EFTA</b>	120.5	271.0	124.9
<b>Imports from the EFTA</b>	287.8	365.0	26.8

Source: Banco de México

# New Strategic Partnership between Mexico and the EU

(Continued from page 2)

## Economic and Trade Relations

The economic and trade relations between the parties has been consolidated with the Free Trade Agreement, in force since July 2000, which has led to a major increase in trade and investment flows in both ways.

Mexico and the EU also share the view that the discussion of economic issues (such as sustainable development and macro-economic stability) within the framework of the Strategic Partnership will provide important guidelines for progress on the trade agenda and matters relating to the Treaty.

In response to the world economic and financial crisis, Mexico and the EU have discussed in various fora their concerns about the necessary measures to return to the path of growth.

Mexico and the EU confirm their adherence to the G20 stand against protectionist measures and to the commitment of rectifying any such measures so as to avoid further deterioration of international trade.

Both Mexico and the EU expressed their determination to continue working to achieve the necessary agreements in order to move forward towards a prompt conclusion of the Doha Round.

In this context, Mexico and the EU agree to continue working within the framework of the institutional mechanisms established in their Free Trade Agreement in order to strengthen their economic and trade links, and agree in particular to:

- Promote coordination within the framework of the WTO in pursuit of a Doha Round agreement that is ambitious, balanced and comprehensive in order to combat protectionism, foster trade flows and address the needs of developing countries.

- Pursue joint efforts in order to improve the conditions for bilateral trade and investment relations as provided for in the EU-Mexico Free Trade Agreement.
- Work to enhance economic integration with our common partners in Latin America in order to encourage economic development in the region and enhance competitiveness.
- Establish a dialogue on transport in order to increase air links between Mexico and the EU, expanding trade and tourist flows.

For more information visit:

[www.consilium.europa.eu](http://www.consilium.europa.eu)



**Official photo of the V EU-Mexico Summit**

(from left to right) José Luis Rodríguez Zapatero, President of the Spanish Government, Felipe Calderón Hinojosa, President of México, Herman Van Rompuy, President of the European Council, and José Manuel Durão Barroso, President of the European Commission.

### Mexico's Economic Indicators

<b>Inflation rate:</b> -0.32% (April 2010); 4.27 % (2010, annual)	
<b>Industrial Production:</b> 7.6% (Mar. 2010 / Mar. 2009)	
<b>Manufacturing:</b> 13.1%; <b>Construction:</b> -1.8%; <b>Mining:</b> 4.1%	
<b>Global Index of Economic Activity:</b> 6.9% (Mar. 2010 / Mar. 2009)	
<b>Consumer Confidence Index:</b> 82.5 pts. (April 2010)	
0.4 percentage points (April 2010 - April 2009)	
<b>Open unemployment rate:</b> 5.4% (April 2010)	Source: INEGI

### Mexico's Financial Indicators

<b>Foreign exchange rate:</b> 12.99 peso/dollar (May 26,2010)
<b>International reserves:</b> \$98,062 million dollars (May 21,2010)
<b>Mexican stock market index (IPC):</b> 31,328 (May 26,2010)
<b>Interest rate treasury bonds CETES 28 days:</b> 4.55% (May 27,2010)

Source: Banco de Mexico

## Mexico Official Journal

- **01/04/2010** Fifth resolution modifying the general rules and practices on foreign trade for the year 2009 and its annex 22.
- **01/04/2010** Regulation of the Law for organic products.
- **07/04/2010** Decree approving the protocol between Mexico and the United Kingdom and North Ireland which modify the agreement to avoid double taxation and tax evasion on payments of income and capital gains, and its protocol signed in Mexico City on 02/06/94, signed in Mexico City on 23/04/09.
- **07/04/2010** Decree approving the protocol between Mexico and Austria modifying the agreement to avoid double taxation and tax evasion on payments of income and assets, and its protocol signed in Mexico City on 13/04/04, signed in Vienna on 18/09/09.
- **15/04/2010** Agreement modifying certain rules determining the application of the Decree which support the automotive industry competitiveness and foster the automotive domestic market development.
- **22/04/2010** Agreement modifying certain provisions in order to simplify the proceedings applied by the Ministry of the Economy.
- **27/04/2010** Agreement modifying the formats approved to be used in the proceedings carrying out before to the Ministry of the Economy, the National Center of Metrology, the Mexican Geological Service, the Fostering Mining Trust, and the Federal Consumer Agency.

## EU Official Journal

- **01/04/2010 L086** Commission Regulation (EU) No 276/2010 of 31 March 2010 amending Regulation (EC) No 1907/2006 of the European Parliament and of the Council on the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) as regards Annex XVII (dichloromethane, lamp oils and grill lighter fluids and organostannic compounds).
- **22/04/2010 L100** Commission Regulation (EU) No 328/2010 of 21 April 2010 amending Regulation (EC) No 341/2007 opening and providing for the administration of tariff quotas and introducing a system of import licences and certificates of origin for garlic and certain other agricultural products imported from third countries.
- **29/04/2010 L107** Implementing Regulation of the Council (EU) No 363/2010 of 26 April 2010 amending Regulation (EC) No 1001/2008 imposing a definitive anti-dumping duty on imports of certain tube and pipe fittings of iron or steel originating, inter alia, in Malaysia.
- **29/04/2010 L107** Implementing Regulation of the Council (EU) No 364/2010 of 26 April 2010 amending Regulation (EC) No 1487/2005 imposing a definitive anti-dumping duty and collecting definitively the provisional duty imposed on imports of certain finished polyester filament fabrics originating in the People's Republic of China.

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For more detailed information or questions regarding this issue please contact us: e-mail [info@economia-bruselas.be](mailto:info@economia-bruselas.be), fax: 32 (02) 644 04 45, or visit our website at: <http://www.economia-bruselas.gob.mx>