



TRADE LINKS LAZOS COMERCIALES

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Mexico enters the negotiations of the Trans-Pacific Partnership

On June 18, 2012, in the framework of the G20 Leader's Summit in Los Cabos, Mexico, the nine countries that integrate the Trans-Pacific Partnership (TPP) welcomed Mexico into joining the negotiations for this initiative.

Mexico's motivation to join the TPP is not new. Since the entry into force in 2006 of the commercial agreement originally known as "P4" (founded by Brunei, Chile, New Zealand and Singapore), Mexico has followed with great interest its development. In recent years, Australia, Malaysia, Peru, United States and Vietnam have joined this trade initiative, and now Mexico enters to the negotiations, together with Canada, and eventually Japan will join as well.

The TPP is nowadays the most relevant and ambitious commercial initiative worldwide to establish a free trade area linking nations among the Pacific region. The aim of the negotiations is to develop an agreement that is able to adapt and incorporate current issues, sensibilities and interests of the members.

The TPP economies are currently covering more than 500 million people, and have a combined share of 26% of the global GDP. With the incorporation of Mexico, Canada and eventually Japan, the TPP would cover almost 40% of the global GDP, 27% of imports and 24% of the world exports.

Mexico initiated a process of technical consultations with the entire TPP membership following the announcement of its interest to join the negotiations. Throughout the visits and meetings held, it became clear the huge importance of incorporating Mexico into the agreement negotiations: the projections of institutions like the International Monetary Fund (IMF) forecast that in 2050 Mexico will occupy the 7th or 8th place in the world's economy and the Brookings Institution estimates that the middle class will account for 80% of its population in 2030.

In fact, Mexico enters the TPP negotiations as the largest Latin American economy in the Pacific, and one of the largest among all TPP members.

In addition, the Asia-Pacific region is of particular commercial interest for Mexico. Mexican exports to Asia have shown an annually average growth of 20%.

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In recent years some countries have stand out recording growth rates well above the average, like Australia with 36% and New Zealand with 57%.

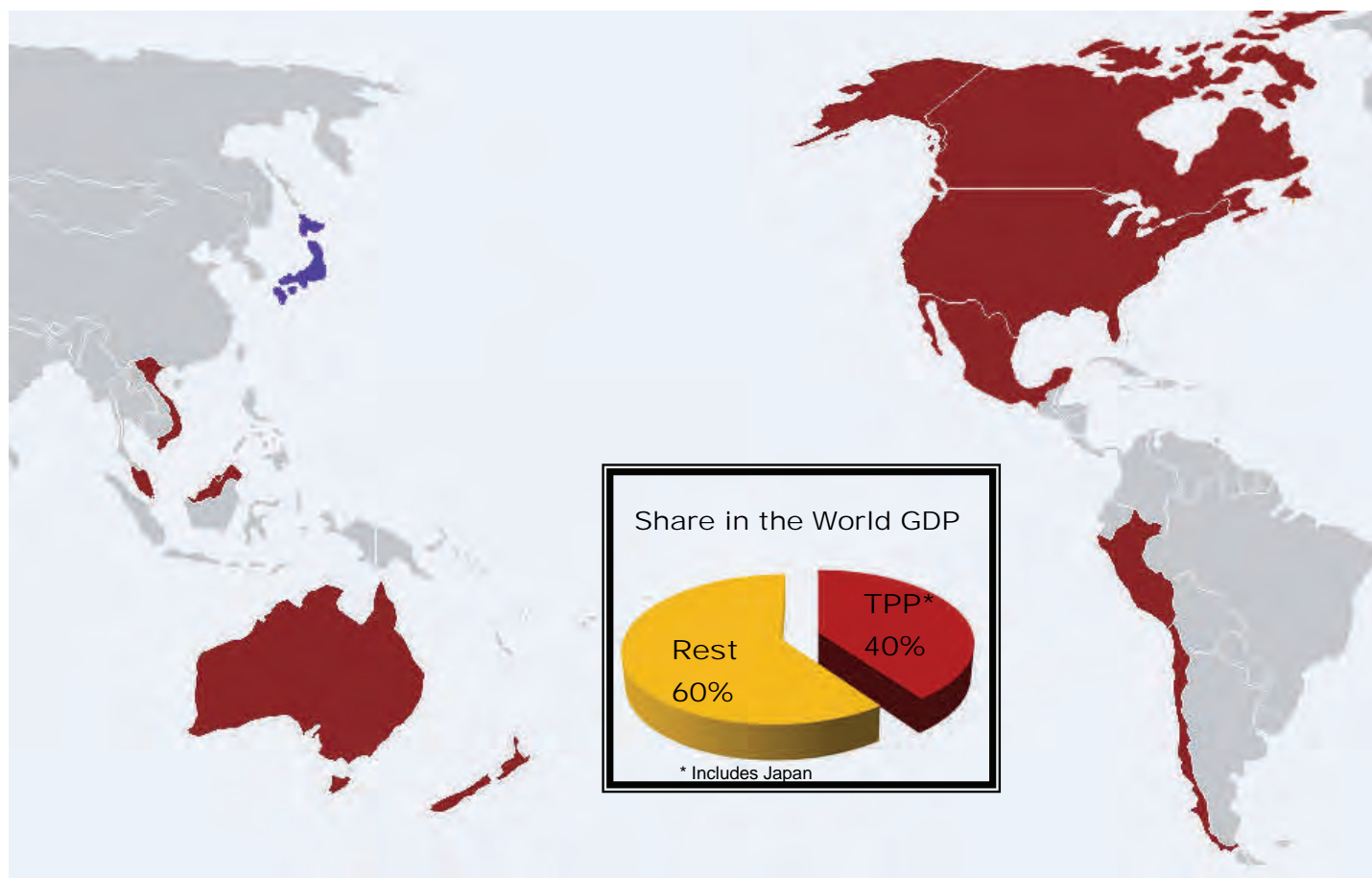
In this sense, the TPP will give Mexico the opportunity to have a bigger presence in the region, and it will also bring the opportunity to access markets such as Malaysia, Singapore and Vietnam, whose economic cycles are linked with those of China and India.

Moreover, Mexico's prior experience in negotiating free trade agreements is an asset to TPP. As the first devel-

oping country to negotiate a fully comprehensive and true free trade agreement with the United States, Mexico has the capacity to contribute to the successful negotiation of TPP. Mexico's vast experience with free trade is further exemplified by its network of 12 FTA's with 44 countries which encompasses 70% of world GDP, two-thirds of global imports and a billion consumers.

In conclusion, the TPP will offer Mexico the possibility to consolidate as a strategic node in the global value chains of Asia and North America, raising the proportion of Mexican added value embodied in the exports to these regions.

Countries involved in the TPP



Mexico's Total Trade in July (billion US\$)			
	2011	2012	%
Total	56.9	61.0	7.2
Exports	27.8	30.3	8.7
Exports (excluding oil)	23.3	26.5	13.7
Imports	29.0	30.7	5.8

Source: Banco de México

Mexico's Trade with EU and EFTA (million US\$)			
January - July	2011	2012	%
Exports to the EU	10,825.8	12,893.4	19.1
Imports from the EU	21,332.5	23,490.9	10.1
Exports to the EFTA	772.8	678.4	-12.2
Imports from the EFTA	959.8	1,003.0	4.5

Source: Banco de México

Mexichem acquired Wavin creating the world's largest plastic pipe supplier

The Mexican company Mexichem acquired the Dutch company Wavin for €351 million euros, creating the world's largest plastic pipe supplier, with €4 billion euros in annual sales.

With more than 50 years of experience, and with a market capitalization of approximately €5.2 billion euros, the Mexican company Mexichem is listed as a leader in plastic pipe systems and in the chemical and petrochemical industry in Latin America.

Mexichem exports to more than 50 countries, and has solid presence in Latin America, North America, Europe and Asia. The company has more than 10,000 employees throughout the entire American continent, UK and Japan. Furthermore, Mexichem manages the largest fluorspar mine in the world and is the only fully integrated coolant gas producer in America.

The Dutch company Wavin is the leading supplier of plastic pipe system and solution in Europe. It is headquartered in Zwolle (The Netherlands), it has a presence in 25 European countries, employs about 6,000 people and in 2011 reported a revenue of approximately €1.3 billion euros.

Mexichem and Wavin stated that they have little overlap in their current markets, therefore, its merger is unlikely to generate anti-competitive hindrances. "The geographic footprint and product portfolio of Wavin and Mexichem are highly complementary" said Ricardo Gutierrez Muñoz, Mexichem Chief Executive.

Wavin is to retain its current management and brand, and the company's headquarters and research facilities will remain in the Netherlands.

Audi establishes in Mexico its first plant at the American Continent

The German carmaker Audi, producer of premium type vehicles, announced its decision to set up in Mexico its first plant within the American Continent, which will be the most modern among all Audi's production network regarding resource efficiency and manufacturing processes.

In the upcoming months, the company will start the construction of its new facilities that will be located in the State of Puebla, and in which Audi will invest 1.3 billion dollars to produce 150,000 units per year of the Audi Q5 model.

From the beginning of its operations in 2016, this factory will generate up to ten thousand direct and indirect jobs in the region. In fact, this plant in Mexico is the only place worldwide where the Audi Q5 will be assembled.

The Audi CEO, Rupert Stadler, declared that Mexico "offers the best conditions to supply the world market." Meanwhile, Walter Hanek, Director of the Audi brand in Mexico, said that "the conditions of the land to locate the plant, the options of logistics connectivity, infrastructure, skilled labor and quality of life in the region, were decisive criteria for the choice of the location".

Mexico's Economic Indicators

<p>Inflation rate: 0.30% (August, 2012); 4.57 % (2012, annual)</p> <p>Industrial Production: 4.9% (July 2012 / July 2011) Manufacturing: 5.4%; Construction: 6.8%, Mining: 1.2%</p> <p>General Index of Economic Activity: 3.8% (June 2012 / June 2011)</p> <p>Consumer Confidence Index: 97.6 pts. (August 2012) 4.2 percentage points (August 2012 / August 2011)</p> <p>Open unemployment rate: 5.02 % (July 2012)</p>	<p><i>Source: INEGI</i></p>
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Mexico's Financial Indicators

<p>Foreign exchange rate: 12.90 peso/dollar (September 20, 2012)</p> <p>International reserves: \$161,101 million dollars (Sep. 20, 2012)</p> <p>Mexican stock market index (IPC): 40,500 (September 20, 2012)</p> <p>Interest rate treasury bonds CETES 28 days: 4.15% (September 20, 2012)</p>	<p><i>Source: Banco de Mexico</i></p>
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Mexico's Official Gazette Notices

- **06/08/2012** Agreement that discloses the Decision No. 69 of the Joint Committee to the FTA between Mexico and Colombia, adopted on July 2, 2012.
- **06/08/2012** Final determination of the antidumping investigation on imports of chicken legs originating from the United States, regardless of shipping country (Mexican tariff item 0207.13.03 and 0207.14.04).
- **08/08/2012** General determination establishing the criteria for the application to the article 17 of the Law of Foreign Investment related to the establishment of foreign legal entities in Mexico.
- **09/08/2012** Decree establishing a tariff-rate quota on imports of eggs.
- **15/08/2012** Supplement of the National Program of Standardization 2012.
- **17/08/2012** Final determination of the anti-subsidy investigation on imports of sodium dicloxacillin originating from India, regardless of shipping country (Mexican tariff item 2941.10.08).
- **31/08/2012** Decree enacting the FTA between Mexico and Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, signed in San Salvador, El Salvador, on November 22, 2012.

EU Official Journal

- **17/08/2012 L219** Commission Implementing Decision of 14 August 2012 amending Decision 2007/777/EC as regards the entries for Israel in the lists of third countries from which certain meat products may be introduced into the Union (notified under document C(2012) 5703)
- **18/08/2012 L222** Commission Implementing Regulation (EU) No 751/2012 of 16 August 2012 correcting Regulation (EC) No 1235/2008 laying down detailed rules for implementation of Council Regulation (EC) No 834/2007 as regards the arrangements for imports of organic products from third countries
- **21/08/2012 L223** Notice concerning the termination of the Agreement between the European Community and the Russian Federation on trade in certain steel products and the repeal of Council Regulation (EC) No 1342/2007 on administering certain restrictions on imports of certain steel products from the Russian Federation
- **28/08/2012 L231** Council Decision of 22 June 2012 on the position to be taken by the European Union within the Committee on Trade and Sustainable Development set up by the Free Trade Agreement between the European Union and its Member States, of the one part, and the Republic of Korea, of the other part, as regards the operation of the Civil Society Forum and the establishment of the Panel of Experts to examine the matters in the areas falling within the scope of the Committee on Trade and Sustainable Development

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