

Minister for
International
Trade



Ministre du
Commerce
extérieur

No. 080

April 19, 1990.

CANADA'S INTERNATIONAL TRADE MINISTER TO LEAD TRADE MISSION TO MEXICO

International Trade Minister John C. Crosbie will lead a trade mission to Mexico from April 22 to 24, 1990, to promote trade and economic cooperation between Canada and one of Latin America's most dynamic economies.

The Minister will be accompanied by senior executives of 19 Canadian firms representing sectors where significant trade opportunities exist.

"President Salinas of Mexico has instituted new measures including lowering trade barriers to encourage trade and investment. These developments can only be applauded," Mr. Crosbie said. "Preliminary statistics for 1989 show that trade between Canada and Mexico increased approximately 25% over 1988, to C\$2.28 billion. It is expected to continue growing in the short term, and could reach C\$5 billion by the year 2000. We look forward to a vibrant trading relationship in the years ahead."

The recent visit to Mexico by Prime Minister Mulroney was an important step in the strengthening of the relationship between Canada and Mexico. Among the 10 agreements signed by the Prime Minister during his visit, a Framework Agreement for Trade and Investment Consultations is of particular importance to the development of bilateral trade. This agreement involves the creation of working groups which will examine specific issues and product areas where increased trade is possible.

Minister Crosbie will meet with a number of senior ministers in the Mexican government to discuss bilateral trade and economic cooperation. They include: Secretary Fernando Solana Morales, External Relations; Secretary Jaime Serra Puche, Commerce and Industrial Development; Secretary Andres Caso Lombardo, Communications and Transport; Secretary Fernando Hiriart Balderrama, Energy, Mines and Parastatal Industry; and Secretary Carlos Hank Gonzalez, Agriculture and Water Resources. Minister Crosbie will also meet with Manuel Camacho Solis, Head of the Federal District (i.e. Mayor of Mexico City).

The Minister will also be guest speaker at a luncheon hosted by the Business Council on International Issues (CEMAI) on Tuesday, April 24. The Council advises the Mexican government on trade and investment matters and promotes industrial development through key contacts with foreign countries.

In January 1990, the Mexican and Canadian governments held joint ministerial meetings in Ottawa, which included the participation of seven Mexican and 10 Canadian Cabinet Ministers.

Mr. Crosbie's visit takes place after a series of meetings which he had with his counterparts from 28 countries at the Informal Trade Ministers meetings held in Puerto Vallarta in the context of the Uruguay Round of the MTNs from April 18 to 20, 1990.

The trade mission to Mexico will serve to enhance economic cooperation between the two countries and provide a forum where leading business representatives can develop stronger relations.

Areas where significant trade opportunities exist and which are being pursued on this mission include: environmental technologies; telecommunications; power generation; agrifood; mining; and transportation.

Canadian firms represented on the mission are:

ABB Combustion Engineering Services
Babcock and Wilcox Canada
B.G. Checo International Ltd.
Canac International Inc.
Dynamis Inc.
General Motors of Canada Limited
Lavalin Inc.
Link - Pipe Inc.
Lyons, Goodman, Iacono, Smith & Berkow
Massie Consultants UN Ltd.
New Flyer Industries Limited
Noranda Sales Corporation Ltd.
Nordco Limited
Northern Telecom Ltd.
NovAtel Communications Ltd.
Reid Crowther and Partners Limited
Spar Aerospace Limited
The S.M. Group Ltd.
Westar Mining Ltd.

For further information:

Paul Benoit
Press Secretary
Minister for International Trade
(613) 992-7332

CANADA - MEXICO TRADE

Mexico is Canada's largest trading partner in Latin America and is one of Canada's top 20 partners in global trade. With the structural economic reforms being carried out by both countries, opportunities exist for an enhanced business relationship. Preliminary statistics for 1989 show that trade between Canada and Mexico increased approximately 25% over 1988, to C\$2.28 billion. It is expected to continue growing in the short term, and could reach C\$5 billion by the year 2000.

Canadian exports to Mexico totalled C\$600 million in 1989. There has been a substantive change in the composition of Canadian exports since the 1970's. Agricultural products have grown from 13% to 32% of total exports, while end-products have decreased marginally. Major exports include grains and oilseeds, automotive and telecommunications equipment.

Canadian imports from Mexico in 1989 totalled C\$1.68 billion. Crude oil dominated in the early 1980's, but imports now are mostly manufactured goods and agricultural products. Automotive goods, electronic equipment, appliances, office machines and data processing equipment currently account for over half of Mexican shipments to Canada.

Since joining the GATT (General Agreement of Tariffs and Trade) in 1986, Mexico has liberalized its markets significantly and removed a wide range of tariffs and non-tariff barriers.

This, plus the privatization of a number of state-owned enterprises, and the strengthening of the Mexican private sector, should result in significant new opportunities for mutual trade and investment.

As a result, Canada is increasing its trade promotion - focusing on sales in the areas where Mexico has identified a priority: transportation; energy; telecommunications; agriculture and food; mining; environmental protection technologies, products and services.