

**EUROPEAN UNION AND MEXICO
- The Joint Council -**

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JOINT PRESS RELEASE

Second Session of the EU-Mexico Joint Council

The second meeting of the Joint Council established by the Economic Partnership, Political Co-ordination and Co-operation Agreement between the European Union and Mexico took place in Brussels on 13 May 2002.

The Mexican delegation was led by the Foreign Minister, Dr Jorge Castañeda, and Minister of Economy, Dr Luis Ernesto Derbez. The EU delegation was headed by Mr Josep Piqué i Camps, the Spanish Minister for Foreign Affairs, in his capacity as President-in-Office of the Council of the European Union. He was accompanied by Mr Javier Solana Madariaga, EU High Representative for the Common Foreign and Security Policy, the Danish Under Secretary for Political Affairs in the Ministry of Foreign Affairs, Mr Michael Zilmer-Johns and the Portuguese Secretary of State for European Affairs, Mr Carlos Costa Neves. Representing the Commission were Commissioners Christopher Patten and Pascal Lamy, responsible respectively for External Relations and Trade.

The Ministers welcomed the holding of the second meeting of the Joint Council established by the Economic Partnership, Political Co-ordination and Co-operation Agreement between the European Union and Mexico, and agreed that it had contributed to consolidating bilateral relations.

The parties examined the results of the Agreement during its first eighteen months in force.

Within the framework of political dialogue, the Ministers stressed the importance of reinforcing high-level contacts so as to deepen bilateral dialogue. Particular mention was made of the forthcoming visit to Europe by President Vicente Fox, during which he will address a plenary sitting of the European Parliament in Strasbourg, and hold the first meeting at presidential level between Mexico and the EU Troika in Madrid, Spain.

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The Mexican and EU delegations held an exchange of views on current developments in Latin America.

The delegations welcomed the outcome of the Conference on Financing for Development held recently in Monterrey, Mexico.

Both delegations emphasised the importance of the Second Summit of Heads of State and Government of Latin America, the Caribbean and the European Union, to be held this month in Madrid, Spain.

The Ministers examined regional co-operation arrangements, and heard with particular interest a report on the progress made in carrying out the different projects provided for in the "Puebla Panama Plan", a regional development plan which envisages new public policies for human development, combating poverty and promoting investment and productive development in the south of Mexico and Central American countries.

Ministers reviewed the state of the implementation of the Free Trade Agreement between Mexico and the European Union, which entered into force on July first, 2000. They noted with satisfaction that the agreement is allowing both parties to fully benefit from the trade and investment potential the bilateral relationship offers.

According to import statistics of each Party, during the first eighteen months of existence of the free trade area, bilateral trade grew by 28,6%. Mexican exports to the EU increased by 44,1%, while European sales to the Mexican market expanded by 23,1%. The trade agreement is also stimulating bilateral direct investment. Currently, more than 5,000 companies with European capital are established in Mexico, representing 23% of companies with foreign investment in the country.

The Joint Council was also the occasion for the Parties to adopt decisions and have an exchange of views on a number of specific trade issues. First, the Parties adopted the acceleration of tariff phase-out for a group of products in the automotive and pharmaceutical sectors, batteries, bicycles, and mechanical equipment for a total estimated value of 1,7 billion € in bilateral trade. Information was also exchanged on the state of the multilateral discussions and on the regional negotiations in which both parties are currently engaged.

Finally, the Parties took note that the Mexican and European private sectors have decided to engage in an ambitious initiative: the Euro-Mexican business dialogue. This joint effort will serve as a strategic forum to elaborate policy recommendations to the European and Mexican authorities, aiming to foster the full use of the opportunities created by the Free Trade Agreement.

In relation to co-operation, the delegations welcomed the conclusion of negotiations regarding the Financing Framework Convention, an instrument which lays down administrative rules for the practical implementation of co-operation projects in Mexico and which, together with the Memorandum of Understanding on multi-annual co-operation guidelines, constitutes the legal framework for co-operation between the parties.

Mexico and the European Union also agreed on the desirability of working towards the signing of sectoral co-operation agreements in the short term.

In this respect, they reviewed progress in the process of concluding an agreement on science and technology, which would enable Mexican researchers to participate in all areas of the European Union's Sixth Research and Technological Development Framework Programme. The European Commission informed the meeting that it was applying to the Council for formal authorisation to negotiate such an agreement and that, once this process had been concluded and a mandate had been obtained, negotiations could get underway with a view to concluding an agreement in the second half of the year.

The European Commission welcomed the Mexican proposal for a Memorandum of Understanding on developing co-operation between the European Union and Mexico on the environment, including measures to protect the environment and ecological balances, and expressed its interest in examining this issue in greater detail.

With respect to the sectoral agreement on education between Mexico and the European Union, the parties agreed to initiate discussions in the near future with a view to evaluating the proposal submitted by Mexico. The parties reiterated their belief that this agreement would complement the measures carried out in the context of the ALFA and ALBAN regional co-operation programmes.

The Mexican delegation expressed its intention to submit other draft instruments aimed at reinforcing co-operation measures between the parties.

The parties also reviewed the co-operation activities to be carried out by the European Union in Mexico in the coming years. They highlighted the programmes to combat poverty, to support implementation of the Free Trade Agreement and to assist SMEs, as well as drawing attention to progress made in identifying projects in the judicial field.

Mention was also made of the fact that the European Union had selected Mexico as one of the countries in which it would support measures to promote respect for human rights. The meeting heard that the European Commission would allocate EUR 2,5 million to a programme of cooperation with Mexico in this field, which envisaged, inter alia, support for the process of harmonising national legislation with international human rights standards, by strengthening fora for dialogue between the public authorities and civil society.

Both sides stressed the importance of the dialogue meeting with civil society to be held in Brussels before the end of the year.

Lastly, it was agreed to hold the second meeting of the Joint Committee in the second half of September or the first half of October in Mexico City, and the next meeting of the Joint Council in the first half of 2003.