

Mexico and China: Conditions and Proposals from a Chinese Perspective

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Main Content

- I The Evaluation on the China-Mexico Relations over the Past Three Years (2013-2015);
- II The Challenge and Opportunity for the Cooperation between China and Mexico;
- III The Proposals to Improve bilateral Relations in the Coming Three Years (2016-2018);

I Evaluation









Overall Performance

- Politically, bilateral Relationship Enhanced to a *Comprehensive Strategic Cooperative Partnership* and Reaches a New Level;
- Economically, China keeps as the Second Largest Trading Partner of Mexico's while Mexico is China's Second largest Trading Partner in LAC. Mexico is Important Destination of China's Outbound FDI;
- In General, China-Mexico Relations Develop Smoothly over Last Three Years, however Far from Fruitful Cooperative Results Indicates There Still Exists Large Cooperative Space;

I Evaluation

General Assessment

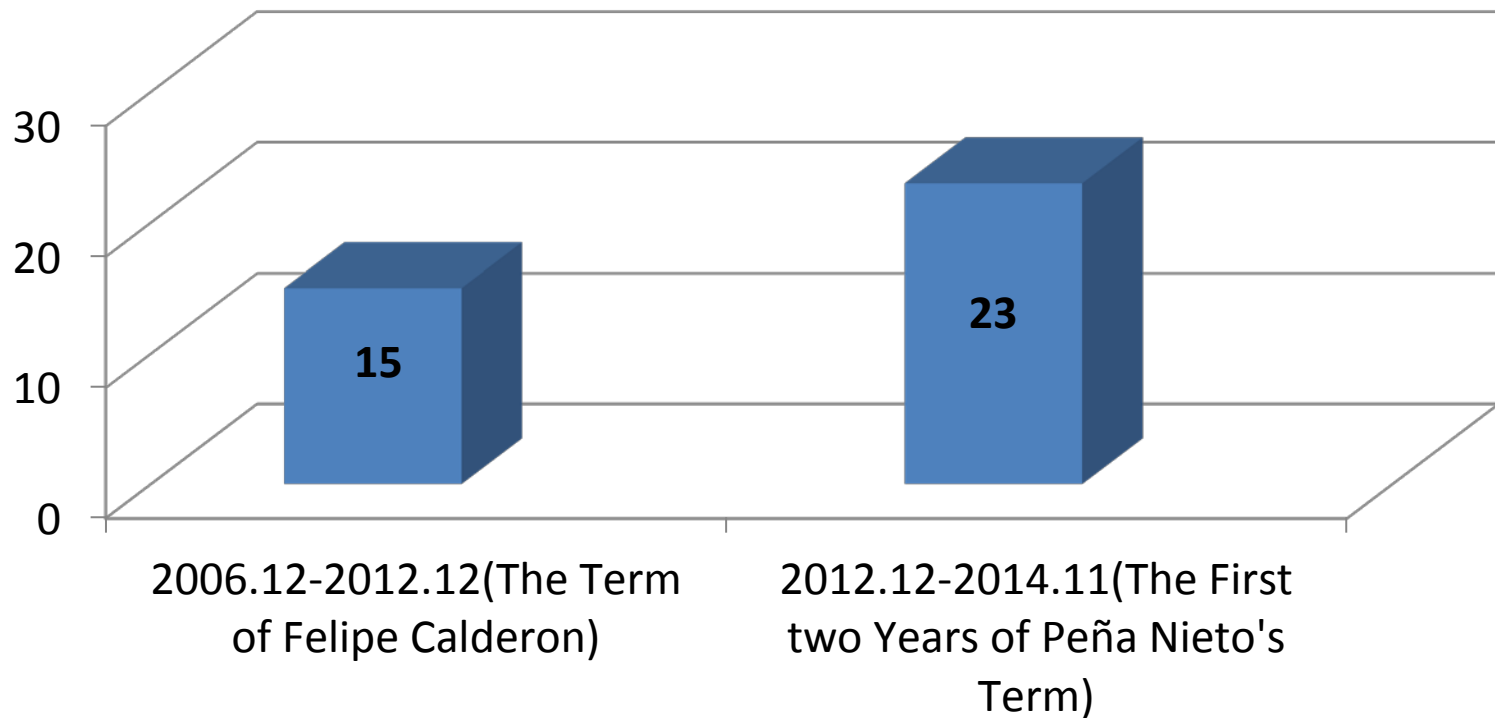
Table 1 The Comparison of the Two Presidencies' Term

Period	Political Relations	Economic Relations	Cooperative Results	Overall Relations
2006-2012				
2013- 2015				

I Evaluation

Important Bilateral Agreements

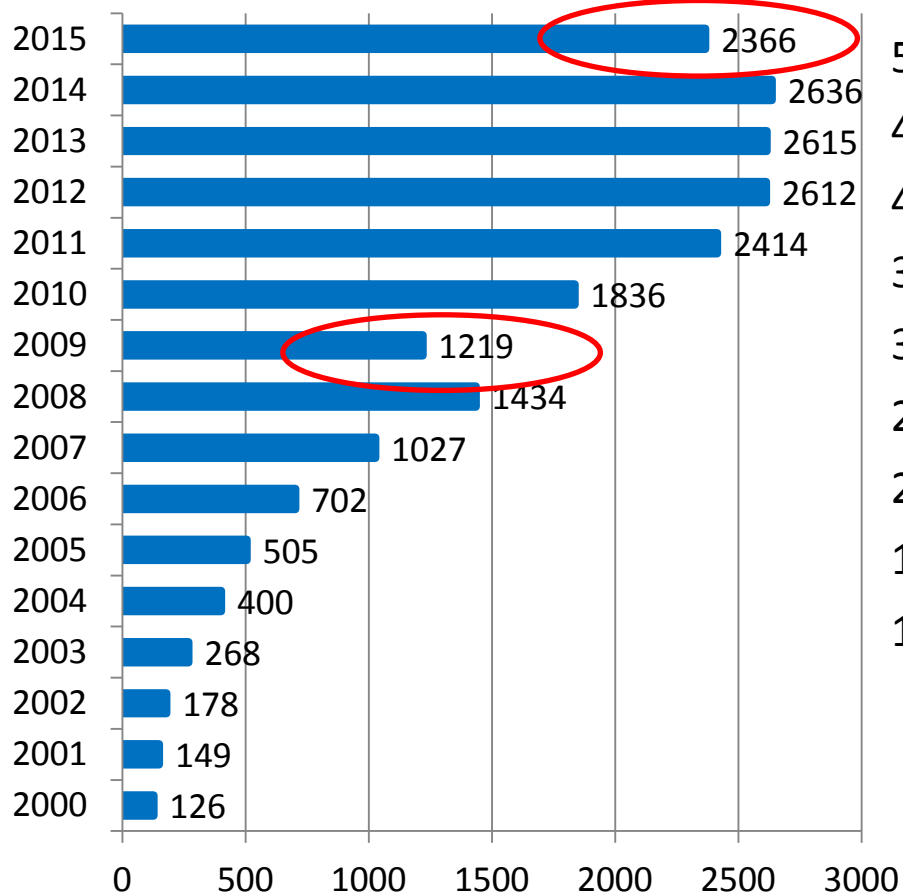
Figure 1 The Number of the Important Bilateral Agreements Signed by China and Mexico



I Evaluation

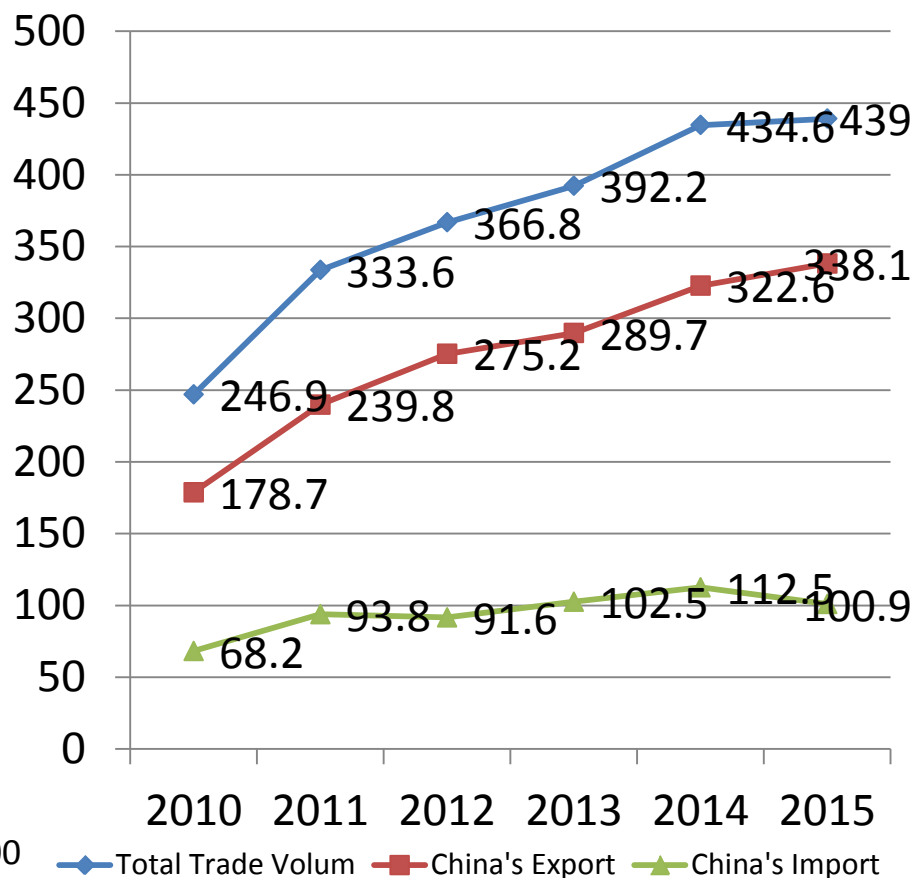
Bilateral Trade Relations

Figure2 Sino-LAC Bilateral Trade Volume (US\$ 100M)



Source: CEIC Data Base.

Figure3 Bilateral Trade Volume between China and Mexico (US\$ 100M)



I Evaluation

China's Outbound FDI in Mexico

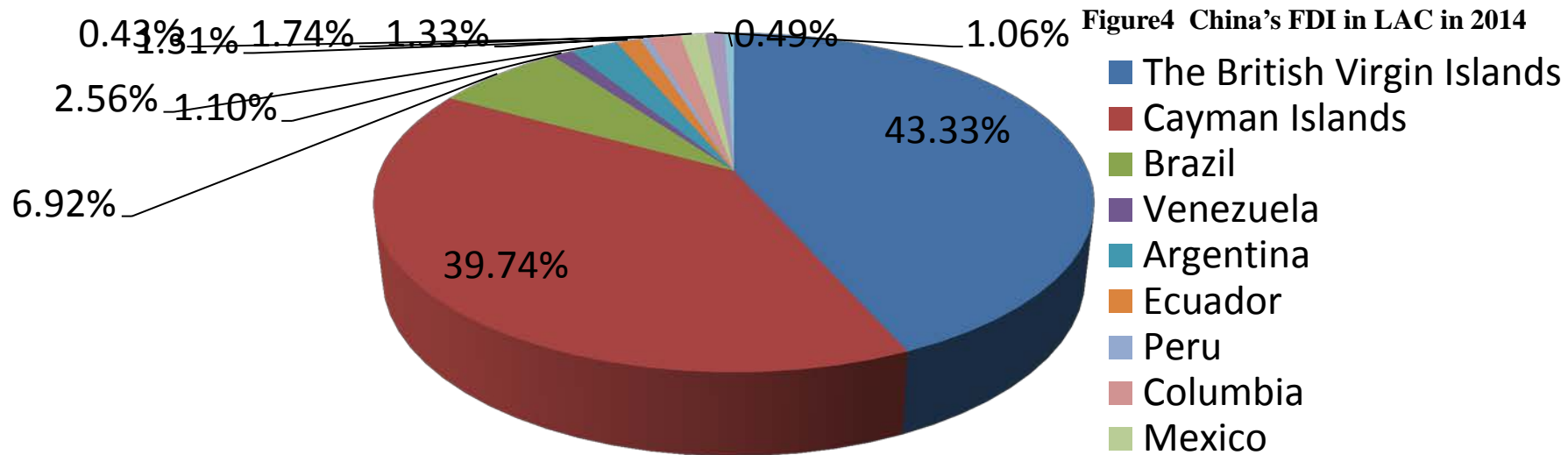
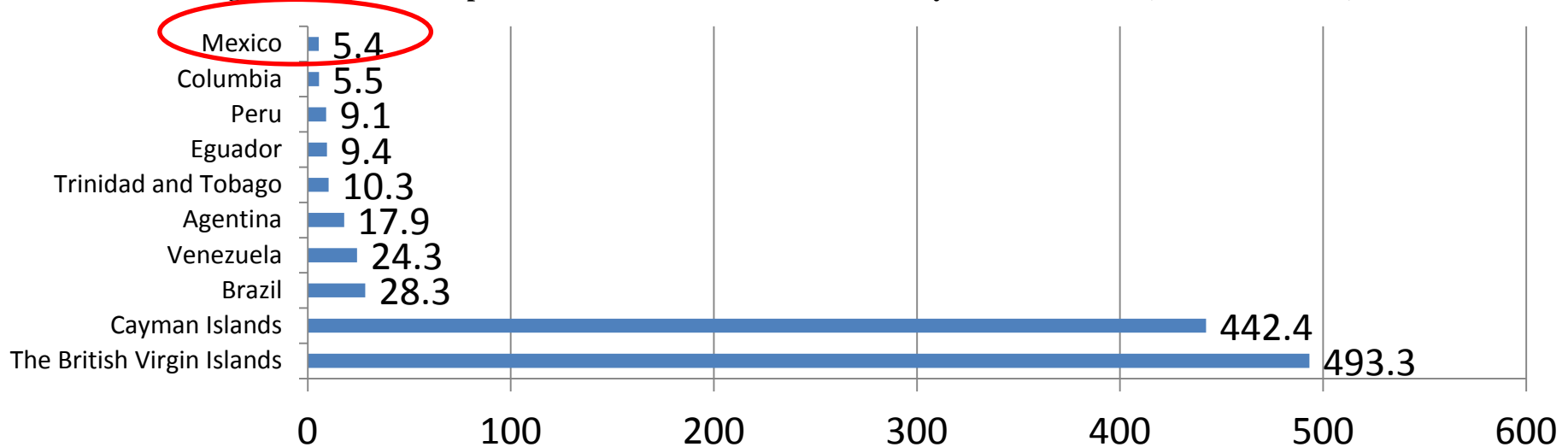


Figure 5 Top Ten Recipients in LAC of China's Stock FDI by the End of 2014 (US \$ 100 Million)



I Evaluation

Summary

- As Two Big Regional and Even Global Countries, China and Mexico Should have a Closer Overall Relations;
- Compared with the Sound China-Mexico Political Relations, the Bilateral Economic Cooperation Still Lag Behind it;
- While, among the Problems of Economic Relations, the Successful Cooperation on big Projects is in Great Need;

II The Challenge and Opportunity

Challenge: Difficulties Facing

- Both the Economies of China and Mexico's Face Restructuring Tasks and External Uncertainties;
- Over the Course of Economic Cooperation, Some Difficulties Still Exist, and the Accidents Once Happened Occasionally Indicate that both Sides are Still lack of a Coordinative Mechanism;
- Currently, It Seems that There is no a Clear Roadmap on How to Concrete the Bilateral Economic Cooperation, Let alone Make Full Use of the Existing Mechanisms (at Multinational, Regional and Binational Level);

II The Challenge and Opportunity

Challenge: The Decelerating Chinese Economy

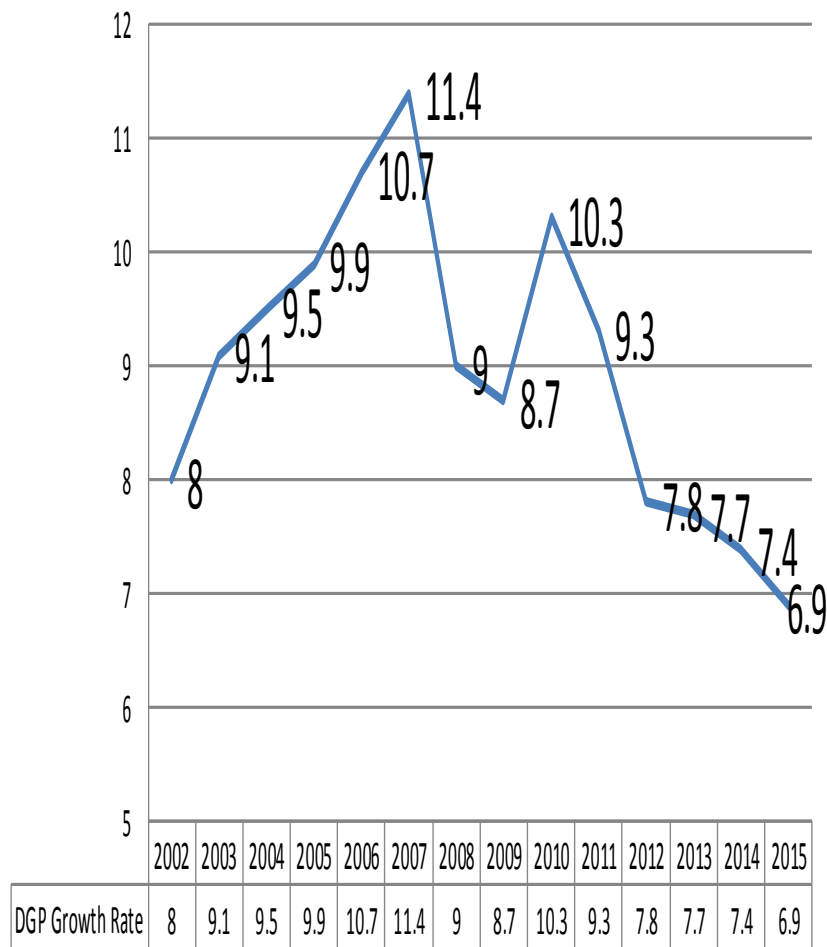


Figure6 2002-2015 Chinese GDP Growth Rate (%)

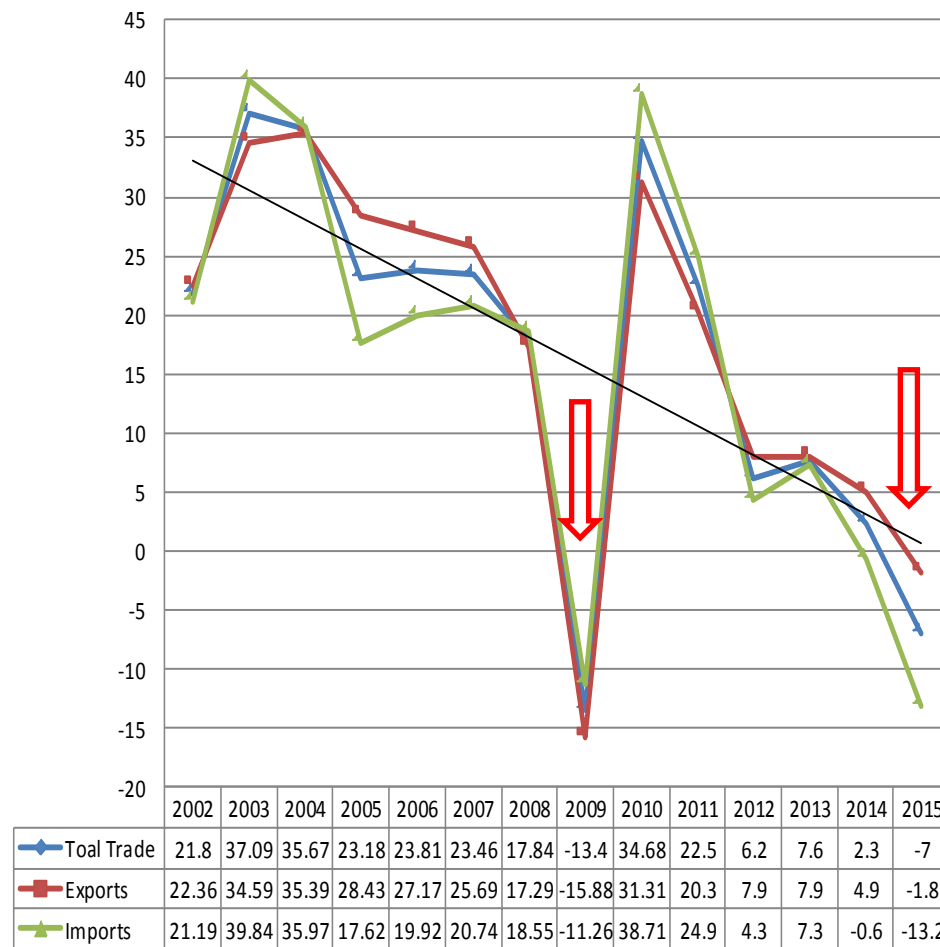
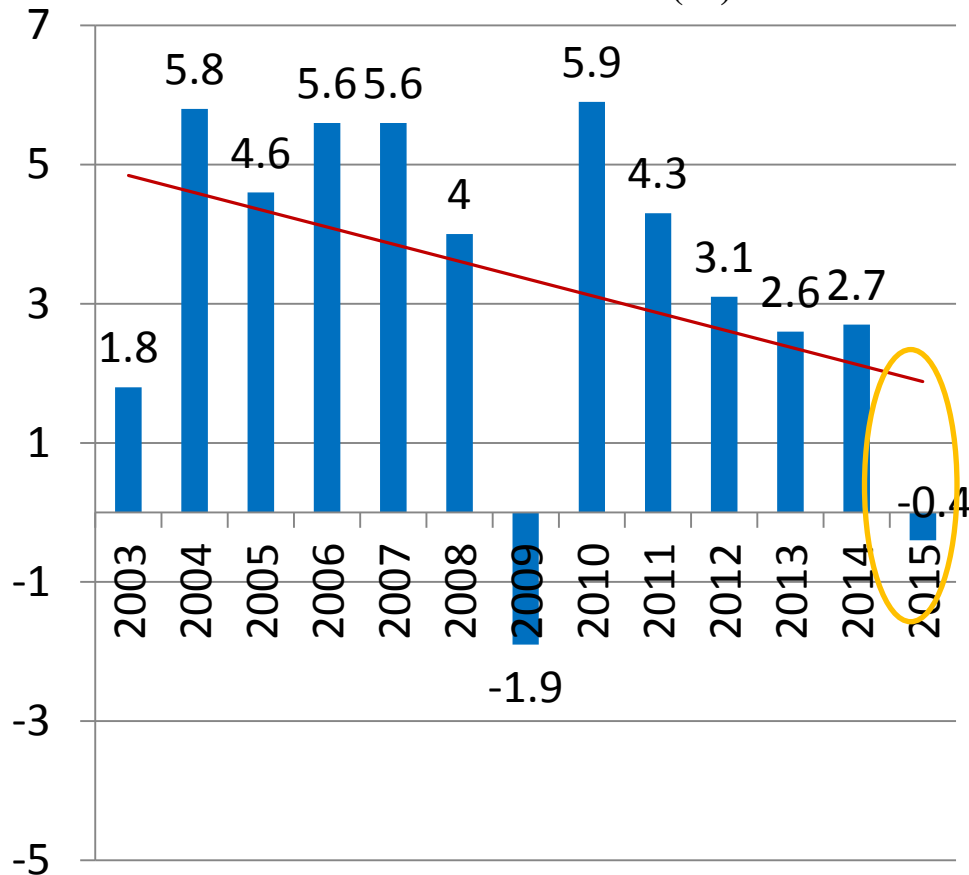


Figure 7 2002-2013 China's Foreign Trade Growth Rate (%)

II The Challenge and Opportunity

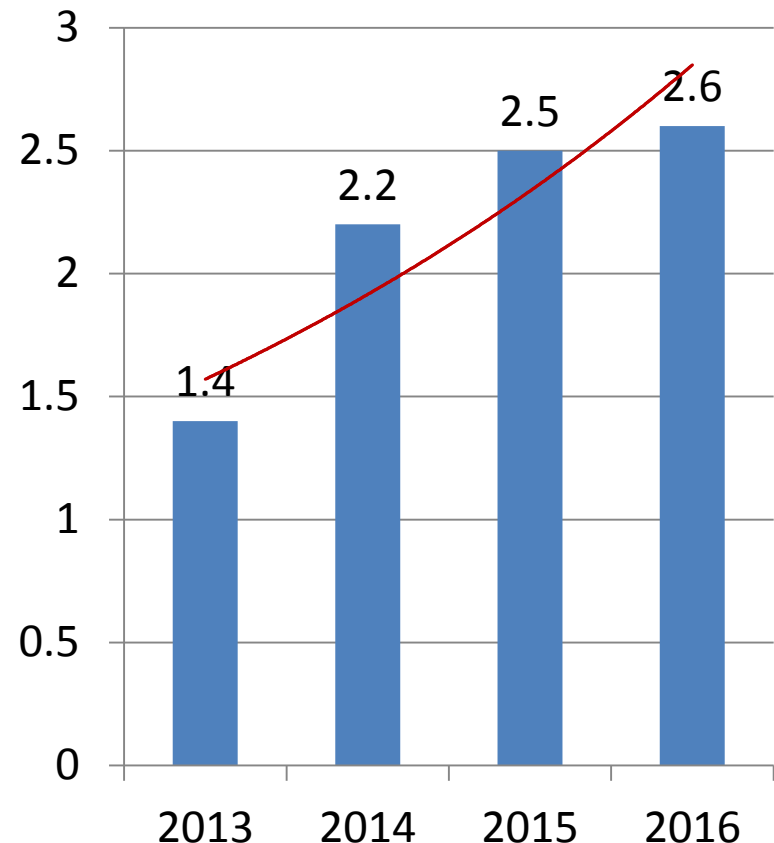
Challenge: Slowing Down Economy in LAC

Figure 8 The Average Annual GDP Growth Rate in LAC 2003-2014 (%)



Source: ECLAC.

Figure9 Annual Economic Growth Rate of Mexico 2013-2016 (%)

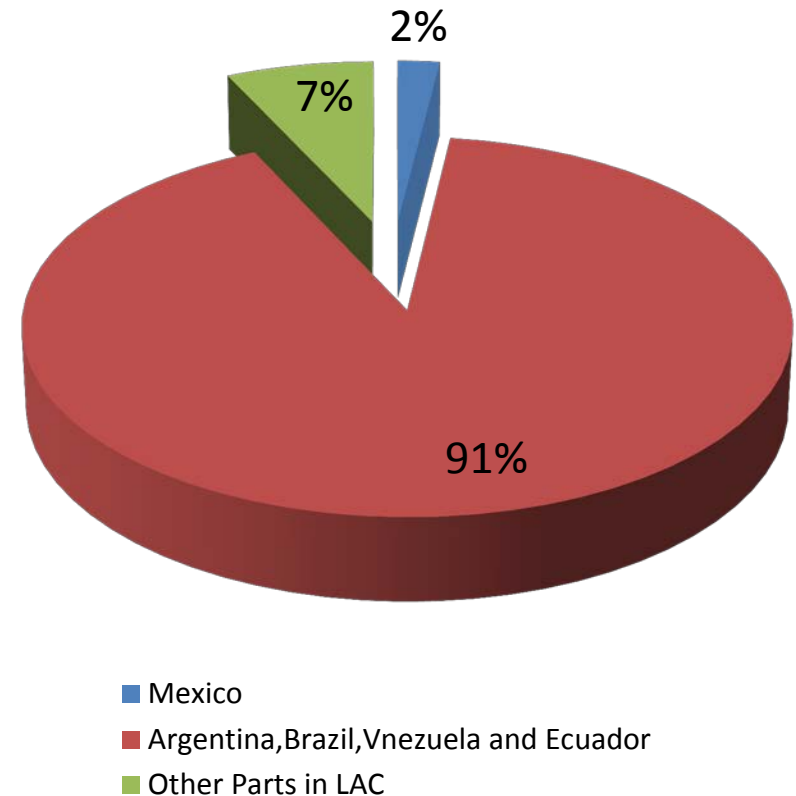


II The Challenge and Opportunity

Opportunity: New Complementarity

- The Huge Potential Cooperation Space;
- The Infrastructure Cooperation (*Infrastructure Development Plan of Mexico*);
- The Industrial Production Capacity Cooperation (Sino-LAC “3×3” Production Capacity Cooperation Fund);
- The New Complementary Relations based on the “Each Other’s Supply and Demand” Capabilities;

Figure10 Chinese Loans to Mexico



Source: OECD, The Outlook of Latin American Economy 2016

II The Challenges and Opportunities

Opportunity: The Favorable Conditions

- **A New Start Point:** Bilateral Political Relations have Reached a New Level Since 2013;
- **A Long Historical Connection:** The Year of 2015 Marked the 450th Anniversary of the Inauguration of the "La Nao de la China (Manila Galleon trade route)-the First Global Trade Route in the Pacific;
- **The Realistic Economic Demand:** Under the Context of Global Economic Situation, The Opportunities Resulting from the Structural Reform Undertaking both in China and Mexico;
- **The Cooperation on Global Governance:** UN, G20, APEC, China-CELAC Overall Cooperation among Others;

III Proposals

General Viewpoints

The Title of My Presentation at UNAM in 2012
“Cooperación Económica y Comercial
entre China y México: Elevando el Nivel
desde Una Óptica Estratégica”



**China and Mexico: A
Comprehensive Strategic
Cooperative Partnership in 2013**

The Title of My Presentation at UNAM in 2014
“Economic Relations between China
and Mexico need a Top-Down Design”



**World Bank Report: *The Role of
Politicians in Domestic
Development and Foreign
Relations***

**The Proposal My Presentation at UNAM in
2016**
“Make full Use of the Existing
Mechanism to Improve the
China-Mexico Relations”



**Take Advantage of The
Multilateral, Regional and
Bilateral Cooperative
Mechanisms and Measures**

III Proposals

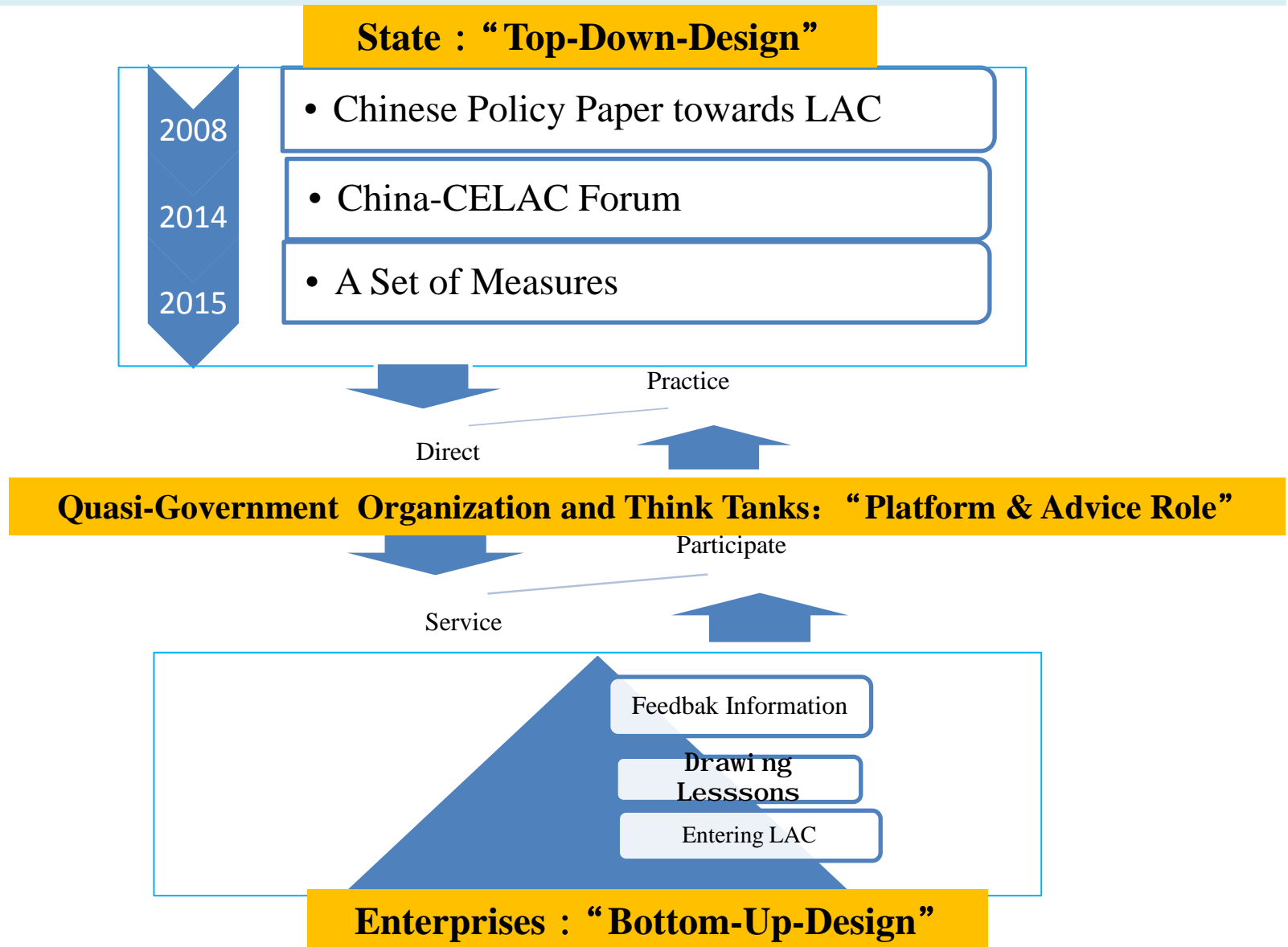
To Concrete Bilateral Relations

- To Make Full Use of the Multiple Channels, Platforms, Mechanisms and Measures (UN, G20, APEC, China-CELAC Cooperation, the Pacific Alliance, among Others);
- To Accelerate Economic Cooperation while Consolidating bilateral Political Ties (Medium & High Tech. Industrial Cooperation);
- To Conduct Economic Cooperation through China-CELAC Overall Cooperation Platform;
- To Actively Implement the Bilateral Mechanisms between China and Mexico;
- To Take Full Play of the Role of Think Tanks of both Sides;

III Proposals

“Top-Down-Design”

Figure 11 The Role of Four Categories Actors in China's Entering into LAC

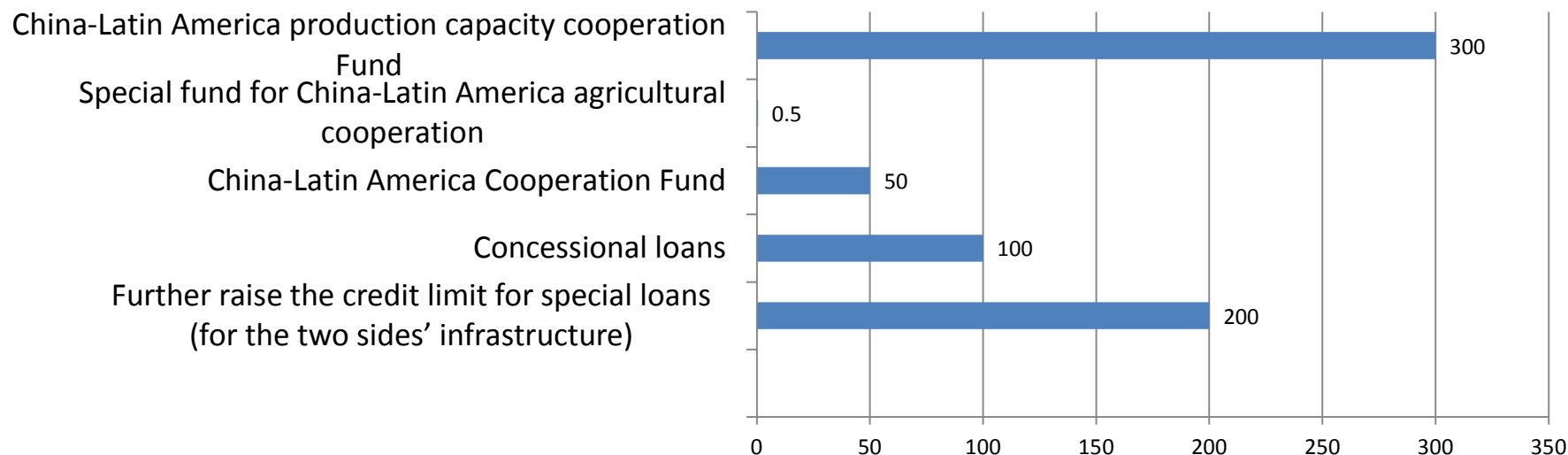


III Proposals

Mechanisms and Measures

- **Bilateral:** China-Mexico Investment Fund (1.2 US\$ Billion in the First Phase and 2.4 US\$ Billion in Total);
- **Regional:** China-CELAC Cooperation Measures;

Figure12 Loans and Funds Officially Implemented by China
(USD 100 million)



III Proposals

Mechanisms and Measures

- China-LAC Cooperation Fund Co., Ltd. Set Up on January 12, 2016 (With The Scale of 10 US\$ Billion) ;
(China Export & Import Bank; SAFE)
- China-LAC Industrial Capacity Cooperation Fund Registered on June 16, 2015 and began to Operate(With the Total Scale 30 US\$ Billion);
(China Development Bank; SAFE)

III Proposals:

To Take Full Play of the Role of Think Tank's

- Mexico: CECIMEX;
- LAC: The Network of Chinese Studies in LAC (“RED”);
- China: ILAS of CASS ;
- China & LAC:RED+DLASEA;
- China: CMS of ILAS;

III Proposals:

To Take Full Play of the Role of Think Tank's

ILAS, CASS Plans to Organize the “Dialogue among Latin American Studies Institutions in East Asia: Common Understanding and Cooperation”

It Is Expected to Realize the Following Targets:

- First, constructing a cooperation platform among Latin American studies institutions in East Asia and adopting a mechanism of holding annual conference in different members in turn;
- Second, developing an academic network to share research fruits and especially each member's experiences in developing relations with Latin America;
- Third, adopting collective actions to offer intellectual support to FEALAC and initiate inter-regional dialogues with Latin American counterparts.

Conclusions

- To Focus on “Important Issues”, while Relaxing on the “Small Ones”;
- To Let Bygones be Bygones, and Look Forward while Cherishing the Current Sound Bilateral Relations ;
- To Manage to Increase the Confidence for Both Sides and The Entrepreneurs in Particular through Some New Successful Cooperative Projects in Short Term;
- To Lay a Solid Base for Further Development of the Bilateral Relations in Long Run;
- The Sino-Mexico Relations Have a Bright Future, though it is Inevitable to Face New Difficulties ahead;

The End

Thank you !