

UE-MX 3851/03

LIMITE

**DRAFT MINUTES**

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Subject : 2nd meeting of the EU-Mexico Joint Council at Ministerial Level  
(Brussels, 13 May 2002)

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*The 2nd meeting of the EU-Mexico Joint Council at ministerial level took place in Brussels on 13 May 2002. The Spanish Minister of Foreign Affairs, Josep Piqué, as President of the EU Council, chaired the meeting. The Mexican Minister of Foreign Affairs, Jorge Castañeda, led the Mexican delegation. The Mexican Minister of Economy, Luis Ernesto Derbez, the EU High Representative for the Common Foreign and Security Policy, Javier Solana, the Danish Under Secretary for Political Affairs in the Ministry of Foreign Affairs, Michael Zilmer-John and the Portuguese Secretary of State for European Affairs, Carlos Costa Neves, also participated in the meeting. Representing the Commission were Commissioners Christopher Patten and Pascal Lamy, responsible respectively for External Relations and Trade.*

**1. Approval of the agenda**

The Joint Council approved the Agenda as it appears in doc. UE-MX 3852/02 REV 1.

**2. Approval of the minutes of the First Meeting of the EU-Mexico Joint Council  
(UE-MX 3857/2/01 REV 2)**

The Joint Council approved the minutes of the First Meeting of the EU-Mexico Joint Council (doc. UE-MX 3857/2/01 REV 2).

**3. Political Dialogue:**

During the EU-Mexico political dialogue at ministerial level, the Parties examined some political issues such as: the evaluation and perspectives of the EU-Mexico bilateral relations, the Plan Puebla-Panamá, the preparation of the II EU-LAC Summit, the situation in Latin America (in particular, Argentina, Colombia, Cuba and Venezuela) and issues concerning the United Nations (the Monterrey and Johannesburg Conferences and the ICC).

#### 4. Trade issues:

##### ▪ Evaluation of the EU-Mexico FTA

Parties reviewed the state of the implementation of the Free Trade Agreement (FTA) between Mexico and the European Union. They noted with satisfaction that the agreement is allowing both Parties to fully benefit from the trade and investment potential the bilateral relationship offers.

It was noted that some difficulties are currently arising due to the scarce harmonisation of the Mexican standards to the international norms. To remedy this situation, Parties recognised the increased importance of the regulatory co-operation framework. The Parties underlined the important role of the EU investments, being the second source of FDI in Mexico.

##### ▪ Decisions adopted by the Joint Council:

**Decision N° 1/2002 of the EU-Mexico Joint Council adopting, pursuant to Article 17(3) of Decision No 2/2000, an Annex to the said Decision on mutual administrative assistance in customs matters (UE-MX 3851/02)**

The Parties agreed to adopt the above Decision at later stage by written procedure.

**Decision N° 2/2002 of the EU-Mexico Joint Council concerning the tariff treatment of certain products listed in Annex I and II of Decision 2/2000 of the EU-Mexico Joint Council (UE-MX 3853/02 + COR1)**

The Parties agreed to adopt the above Decision as it appears in document UE-MX 3853/02 + COR1.

**Decision N° 3/2002 the EU-Mexico Joint Council concerning the tariff treatment of certain products listed in Annex I and II of Decision 2/2000 of the EU-Mexico Joint Council (UE-MX 3854/02)**

The Parties agreed to adopt the above Decision as it appears in document UE-MX 3854/02.

##### ▪ Bilateral trade issues

The European side expressed its problems with the Mexican interpretation of the “standstill clause” of the Free Trade Agreement, which led to a unilateral increase of the import duty for milk preparations, which virtually stopped EU exports. Consequently, the EU expressed the sincere hope that a rapid and pragmatic solution, under the formula of a tariff quota, could be found at the working group level. The Mexican side confirmed its engagement in a pragmatic solution for this issue and indicated that Mexican experts were in Brussels to hold a technical meeting with EU experts on 16 May.

Mexico reiterated its request for the granting of a tuna loin tariff quota. It was recalled that Article 10.5 of Decision 2/2000 of the EU-Mexico Joint Council foresees that no later than 1 September 2001, both Parties shall enter into discussions to examine the possibility of opening a preferential tariff rate quota for tuna loins before 1 January 2002.

Furthermore, Mexico expressed some concerns on the draft Belgian law imposing a tax (Ecotax) on beverage containers considered discriminatory for foreign suppliers.

In its reply, the European side confirmed its engagement on the negotiation of the tuna loin quota. The results should however be balanced, taking into consideration the current pressure coming from other third country suppliers and the appropriate trade-off of Community interests.

On the Belgian Ecotax, the EC was less inclined to consider this tax as discriminatory but it indicated that the Commission was currently analysing its WTO compatibility.

#### ▪ **Multilateral trade issues**

Information was exchanged on the state of the multilateral discussions in which both Parties are currently engaged. The Parties exchanged views on the current Doha's Development Agreement negotiation process with particular emphasis to the leading role to be played by Mexico as chair of the V WTO Ministerial Meeting. The Mexican side took the opportunity to announce that the Ministerial meeting will take place in Cancun (Mexico) from 10 to 14 September 2003. Parties also underlined the importance they attach to the success of the ongoing DDA negotiation process. On this subject, the Mexican side noticed with preoccupation the recent approval in the United States of the new "Farm Bill", considered as a step backward in the international trade liberalisation process. The EC recalled its availability to co-ordinate the analysis and the positions on this and all other areas under negotiation.

Mexico informed that from March 2003 it would assure the FTAA secretariat up to the conclusion of the negotiation foreseen to take place by the end of 2005. Mexican efforts will be devoted to try to match policies of WTO and FTAA negotiations.

### **5. Co-operation**

#### ▪ **Legal framework and sectors of co-operation**

The Parties underlined the importance of the bi-regional co-operation instruments and 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 them.

Commissioner Patten informed delegations about the state of preparation of projects to be implemented in the framework of the Country Strategy Paper approved on 21 March 2002 by the EU PVD-ALA Committee. These projects refer in particular to fight against poverty, consolidation of the rule of law (human rights and judicial reform) and economic co-operation (support to the implementation of the FTA and assistance to SMEs) and scientific and technical co-operation.

#### ▪ **Sectoral Agreements: Science and technology, Education and Environment**

Parties agreed on the desirability of working towards the signing of sectoral co-operation agreements. It was recalled that Articles 29, 30 and 34 of the Partnership Agreement envisage the negotiation of sectoral bilateral EU-Mexico agreements in the field of research and technology, education and environment. It was recalled that at previous occasions Parties had already underlined the importance of such agreements and had agreed to start consultations concerning the agreements on education and research. Commissioner Patten provided some information on the situation and/or procedure for the negotiation and conclusion of such agreements.

In this respect, the Parties 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. Commissioner Patten informed that the Commission would apply 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 year 2002.

The European Commission welcomed the Mexican proposal for a Memorandum of Understanding on developing co-operation between the European Union and Mexico on environment, which is currently being examined, and underlined the confidence on the results of the practical measures agreed with Minister Lichtinger at the occasion of his visit to Brussels.

With respect to the sectoral agreement on education between Mexico and the European Union, the EC is assessing the Mexican proposal. The Parties reiterated their belief that this agreement would complement the existing measures carried out in the context of the ALFA and ALBAN regional co-operation programmes and avoid duplication of actions.

#### **6. Venue and calendar for next meetings: Joint Council and Joint Committee**

The Parties agreed to hold the second meeting of the Joint Committee in the second half of September or the first half of October in Mexico and the next meeting of the Joint Council in the first half of 2003.

#### **7. Other business**

No specific issues were examined under this item.

#### **ANNEXES:**

- Agenda of the 2nd EU-Mexico Joint Council (Annex I)
- Press release of the First Session of the EU-Mexico Joint Council (Annex II)

**EUROPEAN UNION  
AND MEXICO  
- THE JOINT COUNCIL -**

**Brussels, 29 April 2002 (29.04)  
(OR. en)**

**UE-MX 3852/02**

**LIMITE**

**DRAFT AGENDA**

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meeting : 2nd Meeting of the EU-MEXICO JOINT COUNCIL at Ministerial Level  
date : 13 MAY 2002

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1. Approval of the agenda (UE-MX 3852/02)
2. Approval of the minutes of the First Meeting of the EU-Mexico Joint Council (UE-MX 3857/2/01 REV 2)
3. Political Dialogue:
  - Evaluation and perspectives of the EU-Mexico bilateral relations
  - Plan Puebla-Panamá
  - EU-LAC Summit
  - Situation in Latin America
  - Issues concerning the United Nations (the Monterrey and Johannesburg Conferences and the ICC).
4. Trade issues:
  - Evaluation of the EU-Mexico FTA
  - Decisions to be adopted by the Joint Council:
    - (poss.) Decision N° 1/2002 of the EU-Mexico Joint Council adopting, pursuant to Article 17(3) of Decision No 2/2000, an Annex to the said Decision on mutual administrative assistance in customs matters (UE-MX 3851/02)
    - Decision N° 2/2002 of the EU-Mexico Joint Council concerning the tariff treatment of certain products listed in Annex I and II of Decision 2/2000 of the EU-Mexico Joint Council (UE-MX 3853/02)
    - Decision N° 3/2002 the EU-Mexico Joint Council concerning the tariff treatment of certain products listed in Annex I and II of Decision 2/2000 of the EU-Mexico Joint Council (UE-MX 3854/02)
  - Bilateral trade issues
  - Multilateral trade issues
5. Co-operation
  - Legal framework and sectors of co-operation

- Sectoral Agreements:
    - Science and technology
    - Education
    - Environment
  - 6. Venue and calendar for next meetings:
    - Joint Council
    - Joint Committee
  - 7. Other business
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**EUROPEAN UNION AND MEXICO**

**- The Joint Council -**

Brussels, 13 May 2002

UE-MX 3855/02 (Presse 139)

**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.

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 co-operation 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.