

EUROPEAN PARLIAMENT

DELEGATION TO THE EU-MEXICO **JOINT PARLIAMENTARY COMMITTEE**

Report by the Delegation chairman, Mrs Erika MANN, on the second meeting of the EU-Mexico Joint Parliamentary Committee (intended for the Committee on Foreign Affairs and the Committee on Development)

MEXICO D.F. and MONTERREY (Mexico)

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Introduction

Pursuant to Article 5(1) of the Rules applicable to the EU-Mexico Joint Parliamentary Committee (JPC), the committee is required to meet at least once a year at a venue alternating between the European Parliament's places of work and Mexico itself. The draft 2006 activity programme provided for two meetings, the first of which was to be held in Mexico in January. Since the 2006 programme of delegation activities has not yet been adopted, the European Parliament President, Mr Josep BORRELL FONTELLES, authorised (by means of a letter dated 1 December 2005) the holding of the second meeting of the JPC.

Internal situation

After 71 years of uninterrupted government by the Institutional Revolutionary Party (PRI), the victory secured by the National Action Party (PAN) in the elections held on 2 July 2000 marked the beginning of what - in the wake of those elections - was regarded as a genuine political transition. The elections (which were observed by a European Parliament delegation) were entirely uneventful and attention should be drawn to the major effort made by the Mexican authorities and the Mexican people in order to ensure that this was the case.

The last PRI government (which was led by Ernesto Zedillo) both facilitated the transition and handed over to the PAN candidate - **Mr Vicente FOX QUESADA** - a country which was doing well economically. The success achieved in overcoming the economic crisis, the buoyant growth rates and the entry into force of the Free-Trade Agreement concluded with Canada and the USA and the Economic Partnership, Political Consultation and Cooperation Agreement with the EU were significant factors supporting the transition.

The main planks of President FOX's ambitious government programme were to resolve the conflict in Chiapas, to reform the State, to liberalise the energy sector and telecommunications, to reform the tax system and to combat poverty and underdevelopment. Right from the start, priority was also given to consolidating relations with the USA. This was to take the form of an agreement on migrants which would enable Mexicans resident in the USA to regularise their situation on a step-by-step basis.

Putting such projects into practice was hindered by the fact that the PAN did not have a majority in any of the parliamentary chambers. Furthermore, the new President could not always rely on support from his own party.

Although his projects concerning tax reform or legislation relating to indigenous peoples did not have to be abandoned, they were nonetheless scaled down by the parliament in terms of content and objectives. This prompted complaints in certain quarters at the slowness with which the change promised during the election campaign was being brought about. Other reforms (such as the reform of the energy sector or the employment market) have also come up against obstacles which have hindered their progress.

The effects of the events which occurred on 1 September 2001 became immediately apparent in Mexico. The 'freezing' of the negotiations on the Migrant Agreement with the USA was mirrored by a tightening-up of security measures along the shared border (which exceeds 300 km in length), whilst in the trade sector, fewer orders were placed with Mexican assembly plants.

Nor was the situation eased by the fact that in the conflict over Iraq, Mexico, as a non-permanent member of the UN Security Council, allied itself with Chile and argued against the use of force.

The outcome of the 6 July 2003 elections to the Chamber of Deputies was that the PRI claimed 223, the PAN 150, the Democratic Revolution Party (PRD) 97 and the Greens 17 of the 500 Members who constitute the Chamber. Within the Senate the PRI holds 60 of the 128 seats and the PAN holds 46.

The presidential elections will be held in July of this year. As is customary in Mexican politics the election campaign is a lengthy one, lasting almost a year if the primaries (proper elections held within political parties for the purpose of nominating candidates) are included.

As one of our interlocutors pointed out, the difference between current and previous elections is that nowadays it is known that everything will proceed normally but it is not known who will win. The most recent opinion polls indicate that the presidential candidates are running neck-and-neck.

Andrés Manuel LÓPEZ OBRADOR, representing the PRD (Democratic Revolutionary Party)
Roberto MADRAZO, representing the PRI (Institutional Revolutionary Party)
Felipe CALDERÓN, representing the PAN (National Action Party)

During the first half of 2005 the former mayor of Mexico City - Mr Andrés Manuel LÓPEZ OBRADOR - experienced what his party described as a 'hate campaign' after an attempt was made to strip him of his privileges. The attempt was widely opposed by the Mexican people.

Although implementing the Mexican Parliament's recent approval of the bill which will enable Mexicans living outside the country to vote will be technically problematic, the votes cast under this arrangement will undoubtedly have a significant impact on the outcome of the forthcoming presidential elections.

One of the current administration's major achievements relates to the promotion and the upholding of human rights. The human-rights awareness campaigns conducted amongst the State forces and the action taken to combat impunity and to increase transparency have borne fruit.

The economic situation remains satisfactory, partly on account of high oil prices. Economic growth of 3% was achieved in 2005 and this is expected to increase to 3.6% in 2006. The fight against inflation has been successful and taxation has been kept under control. Mexico has the world's tenth-largest economy, with GDP estimated at 703 billion dollars. Public finances are in a fairly healthy state and it is expected that the deficit will be erased in 2006. Public debt amounts to 23% of GDP.

According to the government representatives with whom we spoke, 750 000 new jobs were created in the course of 2005 and this figure could have been higher still if the necessary labour reforms had been carried out. The country's problem is still that, although the macro-economic figures have improved, between 32 and 40% of the population lives in poverty. Per capita income varies between 7000 dollars in northern Mexico and 700 in the south.

Lastly, current legislation relating to hydrocarbons significantly hampers the sector's development, since there is a ban on involvement by the private sector. As a consequence,

investment is declining and less effort is being put into prospecting new oil fields. This has caused a huge fall in the level of estimated reserves.

Mexico has concluded **free-trade agreements** with 11 countries - the main one being the one concluded with the USA and Canada (NAFTA). Implementation of the agreements has had highly significant results: trade with the USA and with Asia has expanded greatly and both employment and investment have been quick to benefit. The trade figures are highly revealing, although they are to some extent distorted on account of the fact that they do not take into account the effect of imported parts which are used in the manufacture of goods which are subsequently exported (triangular trade). The USA is currently the destination of 92% of Mexico's exports and the source of 82% of its imports.

Mexico plays an essential role in the region, although this has to some extent brought it into competition with Brazil. Its geographical location makes its borders with Central America and with the USA extremely important.

In June 2001, President FOX launched the *Plan Puebla Panamá*, the purpose of which is to integrate Central America and Mexico's nine southern states. Basically, its objectives are to raise living standards, involve civil society in development, promote job-creating investment and implement joint development strategies.

In the course of various meetings the topic of China's expanding role in Latin America (especially in Mexico) was addressed. Competition is keenly felt, particularly in the textile, footwear and electrical-goods sectors. China has overtaken both Mexico and Europe in trade with the USA.

The Mexico-EU comprehensive agreement

Mexico has concluded an agreement with the USA and Canada (NAFTA) and one with the EU (which came into force on 1 July 2000). The purpose of both agreements is to establish free-trade areas and they cover investment, government procurement and intellectual property but they differ in concept and motivation: the agreement with the EU also includes political dialogue and cooperation. The dialogue is conducted by means of the Joint Council, the Joint Committee and the Joint Parliamentary Committee.

The EU-Mexico agreement has served primarily in order to compensate for the trade distortion created by the NAFTA agreement and to ensure that European companies are once again treated on the same terms as US and Canadian companies. By means of the agreement the EU is for the first time offering Latin America access to the European market instead of applying the earlier policy of 'aid, not trade'.

Mexican exports were fully liberalised in 2003 and European ones will be in 2007. In the first three years following the entry into force of the agreement, EU exports to Mexico increased by 33% and its imports from Mexico by 50%. According to Eurostat the EU's exports to Mexico are valued at EUR 14.9 billion and its imports from that country at EUR 6.2 billion. 25% of investment in Mexico is of European origin and it seeks mainly to take advantage of the NAFTA.

In Mexico's case the aim was to spread risk or to diversify dependence.

For the 2002-2006 period the EU has allocated EUR 56 million to cooperation with Mexico. The projects pursued are concerned with modernising the legal system, improving production facilities in the south, assisting small and medium-sized businesses and promoting scientific and technical cooperation.

Second meeting of the EU-Mexico Joint Parliamentary Committee (JPC)

The second meeting of the EU-Mexico Joint Parliamentary Committee (JPC) was held in Monterrey.

During the opening ceremony the following spoke on behalf of Mexico: the chairman of the Mexican Senate's Foreign Affairs Committee and co-chairman of the JPC - **Senator Fernando MARGAÍN** - and the vice-chairman of the JPC, **Mr Carlos JIMÉNEZ MACÍAS**.

Mrs Erika MANN (co-chairman of the JPC) spoke on behalf of the European representatives.

The inaugural session was wound up by the Governor of the State of Nuevo León, **Mr José Natividad GONZÁLEZ PARÍS**.

Mr MARGAÍN warmly welcomed the fact that a delegation responsible for monitoring relations with Mexico in the context of the JPC had been set up within the European Parliament. He also drew attention to the pace of work adopted by the JPC, whose first meeting had been held in September 2006. He then mentioned the interest which was being shown in a continuous, high-level dialogue which would enable topics of common interest to both parties (such as emigration) to be dealt with.

Lastly, he expressed thanks for the support which the European Parliament had provided in respect of two topics which were of crucial interest to Mexico: the death penalty which is still in force in the USA and which has been imposed on many Mexicans and the proposal (currently under discussion within the Mexican Congress) for a wall to be built along the border between Mexico and the USA.

Mrs Erika MANN emphasised Mexico's increasing importance in a globalised world and the role which it plays as a bridge between the EU and the USA.

She also drew attention to the need for proceedings and the joint dialogue to influence day-to-day decisions and to enable the parties to adopt common approaches to common issues, in particular the need to combat poverty and immigration.

The proceedings then began with the adoption of the agenda and the approval of the minutes of the first meeting of the EU-Mexico Joint Parliamentary Committee (JPC), which had been held in Strasbourg on 28 and 29 September 2005.

An assessment was then made of the extent to which the undertakings given and the tasks taken on at that meeting had been carried out. Particular reference was made to the Seminar on Structural Funds (held in Mexico DF on 9 and 10 January 2006) and the forthcoming establishment of an Internet portal which would enable members of the public in both Mexico and the EU to follow the JPC's proceedings.

The Commission's delegate to Mexico - **Mr Mendel GOLDSTEIN** - then reported on the proceedings of the Joint Council meeting which had been held at the end of October 2005 and at which the topics of trade, cooperation and political dialogue had been addressed in equal measure. With reference to political dialogue, he drew attention to the debate which had been held on the UN and regional integration in Latin America.

As regards the future work of the JPC, the Bureau proposed that the final Declaration to be adopted at the end of the meeting should include specific topics, the development of which could in future be monitored.

It was agreed that two permanent contact persons (one Mexican and the other European) would be appointed for each of three topics:

1. Security: Mr Homero DÍAZ and Mrs Roda DÍEZ
2. Emigration: Mr SADOT and Mr ATTARD-MONTALTO
3. Trade: Mr MEDINA and Mrs MANN

Mrs Constance KREHL reported on the Seminar on the Structural Funds and the Cohesion Fund which had been held on 9 and 10 January 2006 in Mexico DF and at which the operations of those funds had been analysed from both a European and a Mexican point of view. At the same time a discussion had been held on the possibility of establishing similar mechanisms in Mexico's agreements with third countries.

Political issues were then tackled. **Mr SALAFRANCA SÁNCHEZ-NEYRA** described how the situation in the EU had evolved during the period since the September 2005 meeting.

He spoke regarding the EU's economic situation, the forecast for 2006 and the substance of the debates on the future accession of Turkey.

He described the state of the EU following the rejection of the draft European Constitution and he mentioned that the Commission was drawing up a communication which would bring together thoughts on the EU's future role.

Lastly, he recommended that the Mexican authorities should as soon as possible ratify the protocol which would enable the European Investment Bank to operate in Mexico.

Mrs Evelin LICHTENBERGER described the content of the draft European Constitution and drew particular attention to the improvements which it contains as regards external image and internal organisation. She described the difficulties inherent in the task of trying to combine the individual Member States' interests with those of Europe as a whole when drawing up the text in an atmosphere which had become tense on account of the Member States' differing views regarding the conflict in Iraq, which had prevented a common European position from being adopted.

There followed a lively debate on the way in which Parliament's various political groups viewed the text of the Constitution and on the varying reactions which it provoked amongst the general public (in particular young people) in the EU.

For the Mexican side, **Mr Carlos FLORES RICO** reviewed the way in which the political, social and economic situation in Mexico had evolved since the meeting held in September 2005. He emphasised the political stability which Mexico was experiencing, despite the fact that relations between the various powers were not problem-free, especially where the budget was concerned and in the case of the call for Mr Manual LÓPEZ OBRADOR (a former mayor and a PRD candidate in the presidential elections) to be put on trial. There was a consensus regarding the need for structural reforms to be introduced but disagreement regarding the scope and the content of those reforms.

He also mentioned the successes achieved in the fight against corruption and impunity (the results of which were starting to become apparent to the general public) and the increasing involvement of civil society in the country's political life.

Like the other Mexican speakers, he drew attention to the scale of migration: he estimated that there were 26.5 million Mexicans in the USA, 17 million of whom had been born in that country. Of those born in Mexico, 4 million had no papers. On the basis of these data he called for bilateral issues in this area to be resolved through dialogue, rather than by means of unilateral decisions.

Mrs Erika MANN and Senator **Carlos MEDINA PLASENCIA** spoke on the subject of trade. They mentioned the huge scope which the prospect of a reform of the EU-Mexico association agreement offered for cooperation within the JPC.

Mrs Mann pointed out that although the WTO meeting held in Hong Kong in December 2005 (which she had attended as part of the European Parliament's delegation) did not produce the expected results, it did convey the positive impression that negotiation was possible. She suggested that Mexico should act as a conciliator between the EU and Brazil - a country which had displayed a fair degree of intransigence throughout the negotiations. Once again she pointed out that a similar 'bridging role' should be played by Mexico in its relations with the USA as well. She also referred to the far-reaching reforms which the EU had carried out in respect of the common agricultural policy.

There followed an interesting exchange of views with representatives of the business sector and, in particular, of two major companies located in Monterrey (Femsa and Cemex). During the exchange it was pointed out that the trade had not increased as much under the NAFTA agreement, although the level of investment *had* increased considerably.

Cooperation issues were introduced by the **Commission Delegate Mr Mendel GOLDSTEIN**, who mentioned the objectives and projects laid down in the 7th Cooperation Framework Programme and described the agreement's potential in that area. He estimated the value of science and technology cooperation at EUR 20 million, shared equally between the EU and Mexico.

However, he regretted the fact that tariff-like barriers still existed and he proposed that a workshop should be held in the near future for the purpose of identifying those barriers and trying to remove them.

Mrs Evelin LICHTENBERGER informed the Mexican representatives regarding less-known aspects of the common agricultural policy, in particular the reasons for applying the CAP in the

past. She also referred to the various changes which had been made over the years in which the CAP had been in force. She mentioned the new environmental determinants incorporated into Community policies and also the role which rural development and bio-production would play in the future. She encouraged Mexico's lawmakers to promote such activities as soon as possible.

Lastly, she mentioned the need for an active policy to be conducted for the purpose of protecting natural resources and encouraging cultural diversity.

There followed a debate in which one of the topics was that of epidemics and how to prevent and deal with them.

During the Thursday morning session, **Senator SADOT** (chairman of the Mexican Senate's Human Rights Committee) addressed the two issues which in his view could not be omitted from future international agendas: emigration and water.

As regards emigration to the USA he described the history of such emigration, pointing out that it began around 1963 at the request of the USA, which had a labour shortage.

He estimated immigrants' remittances to be worth approximately 20 billion dollars.

He then informed the European delegation regarding the anti-immigration measures which were being discussed by the US Congress. He mentioned in particular the criminalisation of illegal immigrants (who would be jailed instead of being returned to their country of origin) and also the plan to build a wall along the shared border.

Lastly, he reported on the number of people who had died on the US border: 2475 people had lost their lives since the year 2000 and there had been an increase of over 20% in the last year. He welcomed the fact that 'coyotes' had been condemned in the declaration adopted at the first meeting of the JPC.

In the ensuing debate, **Mrs Rosa Díez González** expressed regret at the fact that there was no proper European immigration policy and she called for immigration to be regulated so that it would become 'ordered, legal and safe', both for the host country and for the country of origin. She also pointed out that Europe was required to protect its external borders.

Mr Wolf Klinz then reported on recent discussions within the European Parliament on the subject of the draft data-protection directive and he mentioned the effect which terrorist attacks had had on discussions relating to that topic.

The discussion then switched to the draft Declaration. This prompted an exchange of views focussing in particular on the JPC's activity programme.

The Joint Declaration was adopted by a consensus.

It was agreed that the third meeting of the JPC would be held on 30 May.

Seminar on the Structural Funds and the Cohesion Fund

Pursuant to the agreements adopted at the Joint Parliamentary Committee's first meeting in Strasbourg on 28 and 29 September 2005, a seminar was held on Europe's experience of the funds and the possibility of applying similar systems in the case of the agreements concluded or to be negotiated by Mexico. The seminar took place in two sessions (in the Senate and in the Chamber of Deputies) and was broadcast live on the Congress television channel.

During the opening ceremony the following spoke: **Mrs Erika Mann** (chairman of the European delegation to the JPC) and **Senator Laura Alicia BARZA GALINDO** (vice-chairman of the Mexican delegation to the JPC).

Mrs GARZA GALINDO mentioned the progress which had been made in the dismantling of tariff barriers following the implementation of the Agreement, except in the fisheries, agriculture and telecommunications sectors (for which longer adaptation periods had been granted). Little progress had been made under the agreement as regards cooperation; only the Financial and Technical Aid Implementation Agreement, the Scientific and Technological Cooperation Agreement and a Customs Cooperation Agreement had been adopted. She encouraged the parties to make further progress in the negotiation of the planned cooperation agreements and she emphasised the fact that both parties were on an equal footing. She recommended that bi-regional groups in sectoral areas should be set up.

Mrs Erika MANN emphasised the importance of the agreement between the EU and Mexico, which was comparable only with the agreement concluded with Chile. She also highlighted the importance of interparliamentary meetings as a forum within which common issues of increasing importance in a globalised world could be discussed.

The seminar proceedings were based on the work of three panels:

1. The Structural Funds and the Cohesion Fund in relation to the European Union's integration and development strategy (Regional Development Fund, European Social Fund and Agricultural Fund).
2. The part played by the Structural Funds and the Cohesion Fund in integration and development; the practical experiences of Spain and Portugal and the experience of the new EU Member States.
3. The economic treaties and agreements signed by Mexico and the possibility of including mechanisms similar to the structural funds and the cohesion fund: NAFTA, the Free-Trade Agreement with the EU and Latin America.

On the first panel, **Mrs Constanza Krehl (MEP)** described the EU's regional policy as one of the most successful of those conducted by the EU on account of the results which it achieved and the scope which it provided for pursuing other Community activities such as enlargement.

She then described the terms and conditions governing the application of the funds, the way in which the funds had developed and the successes which they had achieved as constituent parts of a genuine solidarity policy. She did, however, acknowledge that they had not acted as a panacea for all of the Community's imbalances. Ireland, Spain and Portugal provided reliable evidence of the contribution which the Community funds had made to their development.

Dr Lorena Ruano (representing the Centre for Research and Economic Development - CIDE) analysed from a Mexican point of view the functioning of the Community funds. She also

referred to regions which, despite the benefit of such funding, had not been able to achieve the Community average in terms of wealth. Lastly, she spoke regarding the influence of the EU's regional policy on the regionalisation of centralised States.

There followed a debate in which both European and Mexican legislators spoke. The Mexicans reported on the Senate's recent approval of a law which would open the door to a future regional policy. Mention was also made of the damaging effect which NAFTA had had on Mexico's farmers and peasants, many of whom had had to emigrate. Unlike Mexico, the USA provided subsidies for its producers.

Some speakers welcomed the fact that the EU-Mexico Agreement went well beyond purely trade aspects - unlike the NAFTA Agreement.

On the second panel, the European Delegation reported on the way in which the regions were represented within the EU institutions and described the experiences of the 'old' Member States and those of the 'new' ones in Central and Eastern Europe. Reference was also made to the fact that applications from the new Member States were not prompted by the lure of the benefits which would accrue from the various funds; rather, they were accepted after a period of mature political reflection in which due account was taken of the impact which any funding granted would have on a country's internal stability and on the image which it projected to the outside world. A country would always be a greater force in the outside world if it was an EU Member State rather than if it remained isolated.

For the Mexican side, **Mr Stephan Sberro** (representing the *Instituto Tecnológico Autónomo de México*) spoke regarding the positive aspects of the agreement with the EU by comparison with the agreement concluded with the USA and Canada. He also referred to the recent Summit of the Americas, at which Mexico's and Venezuela's concepts of regional integration had clashed.

A number of Mexican speakers referred to the difficulty in persuading the USA and Canada to acknowledge the inequality suffered by certain Mexican regions and - in order to remedy that inequality - to agree to the establishment of funds similar to the EU's regional and cohesion funds.

Lastly, an interesting exchange of views was held on the involvement of the general public in integration processes, in particular by means of referendums.

The third panel was inaugurated by the **Speaker of the Chamber of Deputies - Mr Heliodoro Díaz Azcárraga** - who examined the possibility of including the structural- and cohesion-fund mechanisms in the agreements which Mexico had already signed and also in the ones which it might negotiate in the future, especially with other Latin American countries. He also mentioned the fact that the USA benefited from the immigrant labour force and from immigrants' tax contributions, and yet the country applied measures designed to contain immigration.

Several of the speakers referred to the current debate within the US Congress concerning the construction of a wall which would prevent Mexicans from entering the country. They called for a dialogue which would enable action to be taken for the purpose of developing the areas from which emigrants came, in preference to unilateral action based on a show of strength. They called for any integration process to include compensation funds which would signify tacit recognition of the fact that in any such process there were 'winners and losers'.

The members of the European delegation were insistent that the Agreement (a fourth-generation one) differed from other agreements insofar as it acknowledged certain shared values and also recognised a political structure which would make political dialogue possible. It was essentially an agreement 'with a soul'. Reference was also made to the support expressed on a number of occasions by the European Parliament in favour of establishing a Bi-regional Solidarity Fund, which could act as a catalyst for funding made available by the Inter-American Development Bank or even the European Investment Bank.

It was, however, pointed out that the EU's sectoral programmes in Mexico would not be particularly successful on account of the country's size and population. Emphasis was placed on the need for the types of cooperation (in the form of joint investment) which were available under the Commission's multiannual programmes to be pursued.

Finally, reference was made to the fact that times of crisis were not unknown in the EU, either - examples being the situation regarding the European Constitution and future enlargements. Nor had a common response been found to certain issues affecting Europe, such as emigration and terrorism, which were the major challenges for the 21st century.

Meetings with members of the Executive

The delegation was received by **President Vicente FOX QUESADA**, who was accompanied by the co-chairman of the Mexican delegation to the EU-Mexico Joint Parliamentary Committee, **Senator Fernando MARGAÍN**. President FOX analysed the effects of the EU-Mexico agreement, which he described as positive, even though the full potential of the agreement had yet to be exploited. Making the most of the agreement was essential if Mexico was to reduce its overwhelming trade dependency (estimated at 90%) on the USA.

He reported on the deepening of relations with Central America and the Caribbean. He was aware of the importance of his neighbours, since the countries in question constituted a region which was the source of much emigration via Mexico to the USA. He also reported on the fact that the *Plan Puebla Panamá* had been extended to include Colombia. He requested the EU's cooperation with a view to drawing up a comprehensive development plan for the region.

He referred to a recent energy agreement in the region which was intended to alleviate the disastrous effects which the high oil price was having on the various countries' economies. The agreement provided for the construction in Central America of refineries, hydro-electric power stations, gas plants and a gas pipeline which would supplement the existing electricity 'trunk route'.

An interesting exchange of views was also held on the FTAA. Although this had proved impossible to complete (especially after the failure of the recent Summit of the Americas), it *had* helped to strengthen sub-regional integration projects. Once these were complete a continent-wide agreement could be sought.

The delegation held a meeting with the recently appointed **Minister for Economic Affairs - Mr Sergio GARCÍA de ALBA** - who pointed out that his appointment reflected the government's growing interest in small and medium-sized businesses - an area in which he was previously an

Under-Secretary. His ministry's main objective was to improve the conditions for the setting up and the running of small and medium-sized businesses (SMEs) with a view to optimising their potential for creating jobs, so that they could absorb some of the additional workforce which came on to the employment market each year.

He referred to the particular attention which should be devoted to businesses with high added-value, especially those involved in new technologies.

As regards the functioning of the agreement with the EU, he highlighted the increase in bilateral trade and the flow of European investment which was due in part to the possibility of accessing the Canadian and US markets from Mexico. He did, however, mention that small and medium-sized businesses had derived little benefit from the implementation of the agreement.

Application of the EU-Mexico Joint Programme known as PIAPYME - which had been allocated 24 million euros - may improve those companies' prospects. Amongst other things the programme was being used to finance consultancy services provided by European experts in marketing, technology and the development of strategic alliances. Furthermore, the procedure for setting up SMEs had been greatly simplified and extra offices had been opened to deal with applications relating to the establishment of such businesses. The European representatives highlighted the major role which had been played by SMEs in developing the European economy (and in particular the German economy).

Mr GARCÍA de ALBA pointed to his country's economic successes, which had been achieved even though certain reforms had yet to be carried out. He referred in particular to the hydrocarbons sector which was still under state ownership and within which there was a ban on private investment which would have enabled the sector to improve its results, and in particular, to undertake further prospecting. He thought that his country had missed major opportunities for obtaining added value from export products, despite the fact that dependence on oil as a source of revenue had been successfully reduced from 60/70% to the current 20%.

He also referred to fiscal reform which would also have to be implemented, since the tax burden was only 16%. This did not yield sufficient government revenue for the requisite investment in education, health care and infrastructure.

He drew attention to the country's potential in areas such as tourism (in particular alternative tourism) and agriculture (in particular organic farming). He pointed out that such activities were pursued in such a way as to prevent any damage from the environment, through the increased use of renewable energy sources and the efficient use of water.

Lastly, an interesting exchange of views was held concerning the way in which the Mexican people perceived the positive macroeconomic results achieved by President FOX's government. Mr GARCÍA de ALBA said that poverty had declined by 30%.

Other meetings

The Delegation held a working meeting with **Mr Manuel CARRILLO POBLANO** (International Affairs Coordinator within the **Federal Electoral Institute [IFE]**), who reported on the preparations for the elections which were due to be held in Mexico in July 2006. MPs and Senators would be elected in addition to the President. The difficulty of organising the election

lay in the fact that there were 73 million voters and for the first time the franchise would be extended to Mexicans living abroad.

Mr CARRILLO also said that, as in previous elections, his country would welcome the involvement of foreign observers (in particular ones from Europe) in the various stages of the election process.

There followed an exchange of views concerning election coalitions and the requirements imposed on political parties wishing to take part in the elections.

Mr CARRILLO announced that he was due to visit Brussels in the near future and he hoped in the course of his visit to hold a working meeting with Members of the European Parliament.

The Delegation held a working meeting with representatives of **civil society** and in particular with organisations responsible for projects which the EU was helping to fund. Human-rights topics were discussed, such as indigenous people's access to justice, reports of torture and the response thereto. Information was also provided regarding the plans to reform the justice system in Mexico.

Although much progress had been made in the protection of human rights or in preventing them from being infringed, such achievements were often undermined on account of a lack of suitable, up-to-date structures.

An exchange of views was also held on the murders of women in Ciudad Juárez and in various Central American countries.

The Delegation also visited the border between the USA and Mexico, at Nuevo Laredo. In the course of their visit they received information concerning the transit of persons and goods across the border. They were told that increasing cooperation and the exchange of information between the authorities on the two sides of the border had enabled a number of problems to be solved. However, they hoped that the Mexican customs authorities would enjoy greater autonomy in the future and that this would enable decisions in emergency situations to be taken more quickly.

The delegation visited two Monterrey-based companies - **Cemex** and **Femsa** - and they learned about the companies' activities, especially outside Mexico.

The Delegation also paid a fact-finding visit to the Monterrey **Institute of Technology**.

Conclusion

The Association Agreement has operated satisfactorily from both parties' points of view and has enabled trade with Europe to compensate partly for the drop in trade stemming from the entry into force of the Agreement linking Mexico with the USA and Canada.

The EU-Mexico Association Agreement contains provision for further developments which will soon allow negotiations to take place which should enable both parties to strengthen their relations. Such an improvement in relations should involve mechanisms designed to facilitate the involvement of sectors which have not so far derived sufficient benefit from the agreement, in particular the sectors represented by small and medium-sized businesses.

The second meeting of the EU-Mexico Joint Parliamentary Committee endorses the change which the establishment of a JPC has brought about in terms of political content and raising the level of the dialogue. The visit which the Bureau of the Delegation to the EU-Mexico Joint Parliamentary Committee made in July 2005 facilitated adequate preparation of the two meetings which have now been held.

At every stage of the JPC's work it has been observed that most of the problems experienced (both in Mexico and in the EU) are common to both parties. People from both regions put insecurity, terrorism and immigration at the top of their list of concerns. An analysis of the problems and a bi-regional approach to them will undoubtedly make them easier to understand and will assist in the drawing up of practical proposals.

The inclusion of political dialogue in the Agreement with Mexico (unlike in the case of the NAFTA Agreement) will undoubtedly help (thanks to the dialogue between the two regions' legislators) to bring ordinary people closer to the decisions taken in respect of the development provided for in the agreement. The fact that both the second meeting of the EU-Mexico JPC and the Seminar on the Structural Funds and the Cohesion Fund were broadcast direct on the Congress television channel will certainly help to close the gap.

The holding of the Seminar on the Structural Funds and the Cohesion Fund constituted proof that a political dialogue should not be restricted to closed meetings between parliamentarians but should also include specific activities. When the third meeting of the JPC is held on 30 May in Brussels, a further seminar (on SMEs) will take place at the same time.

Lastly, meetings with representatives of the government and of civil society have enabled the Delegation to learn about Mexico's current political, social and economic situation and about the progress of the election campaign for the presidential elections to be held on 2 July 2006.

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Delegation to the EU-Mexico Joint Parliamentary Committee Second meeting of the EU-Mexico JPC 9-13 January 2006

Mexico D.F. & Monterrey, NL (Mexico)

List of participants

Members of the Delegation

First name	Surname	Political group	Country
Mrs Erika	MANN, Chairman of the Delegation ● Member of the Committee on International Trade	PSE	Germany

Mr John	ATTARD-MONTALTO ● Member of the Committee on Industry, Research and Energy	PSE	Malta
Mrs Rosa	DÍEZ GONZÁLEZ ● Member of the Committee on Civil Liberties, Justice and Home Affairs	PSE	Spain
Mr Ján	HUDACKY ● Member of the Committee on Industry, Research and Energy	PPE-DE	Slovakia
Mr Wolf	KLINZ ● Member of the Committee on Economic and Monetary Affairs	ALDE	Germany
Mrs Constanze	KREHL ● Member of the Committee on Regional Development	PSE	Germany
Mrs Eva	LICHTENBERGER ● Member of the Committee on Transport and Tourism	Verts/ALE	Austria
Mr José Ignacio	SALAFRANCA SÁNCHEZ-NEYRA ● Member of the Committee on External Affairs	PPE-DE	Spain
Mrs Amalia	SARTORI ● Member of the Committee on Women's Rights and Gender Equality	PPE-DE	Italy

Political groups to which the Delegation members belong

PPE-DE	-Group of the European People's Party (Christian Democrats) and European Democrats
PSE	-Socialist Group in the European Parliament
ALDE	-Group of the Alliance of Liberals and Democrats for Europe
Verts/ALE	-Group of the Greens/European Free Alliance
GUE/NGL	-Confederal Group of the European United Left/Nordic Green Left
IND/DEM	-Independence/Democracy Group
UEN	-Union for Europe of the Nations Group
NI	-Non-attached Members

Delegation secretariat

Mr	Ciril	STOKELJ	Director
Mr	Luis	MARTÍNEZ-GUILLÉN	Principal administrator
Mr	Raymond	HERDIÉS	Principal assistant
Mrs	Nekane	AZPIRI LEJARDI	Secretariat

Political groups' secretariats

Mr	Juan	SALAFRANCA	PPE-DE Group adviser
Mrs	Jekaterina	DORODNOVA	PSE Group adviser

Interpreters

Mr	Enrique	QUIJANO	ES Team leader
Mrs	Herminia	GONZALEZ MARTINEZ	ES
Mr	Kenneth	COLGAN	EN
Mr	Alan	RODGER	EN
Mr	Dietrich	SCHNEIDER	DE
Mr	Albrecht	STRECKER	DE

**II Reunión de la CPM UE/México
9-13 de enero de 2006
México D.F. & Monterrey, NL (México)**

Lista de Participantes Mexicanos

**Lic. José Natividad GONZÁLEZ PARÁS
Gobernador del Estado de Nuevo León**

**Lic. Jorge Luis MANCILLAS RAMÍREZ
Presidente del Tribunal Superior de Justicia del Estado de Nuevo León (en la inauguración)**

**Dip. Juan José ELIZONDO ESPARZA
Presidente de la Diputación Permanente del Honorable Congreso del Estado de Nuevo León (inauguración y diálogo con legisladores locales)**

LEGISLADORES FEDERALES

**SEN. Fernando MARGÁIN
Presidente de la Delegación Mexicana en la Comisión Parlamentaria Mixta
Sen. Sadot SÁNCHEZ CARREÑO
Sen. Lydia MADERO
Sen. Carlos MEDINA PLASCENCIA
Sen. Antonio SOTO SÁNCHEZ
Sen. Laura Alicia GARZA GALINDO (en el Seminario)
Sen. Carlos ROJAS (en el Seminario)**

**Dip. Carlos JIMÉNEZ MACÍAS
Vicepresidente de la Delegación Mexicana en la Comisión Parlamentaria Mixta
Dip. Carlos FLORES RICO
Dip. Homero DÍAZ
Dip. Gustavo DE UNANUE
Dip. Rodrigo Iván CORTÉS GONZÁLEZ
Dip. Jorge MARTÍNEZ (en el Seminario)
Dip. Adriana GONZÁLEZ (en el Seminario)**

LEGISLADORES LOCALES (en el diálogo)

**Dip. Hiram DE LEÓN RODRÍGUEZ (PAN)
Dip. Julio REYES RAMÍREZ (PRD)
Dip. Pedro BERNAL RODRÍGUEZ (PT)**

EMBAJADORES Y DIPLOMÁTICOS

S.E. Werner DRUML, Embajador de Austria en México

S.E. Eberhard KÖLSCH, Embajador de Alemania en México

S.E. Mendel GOLDSTEIN, Jefe de la Delegación de la Comisión Europea en México

Sr. Peter VERSTEEG, Jefe de Sección, Área de Cooperación, Delegación de la Comisión Europea en México

Sr. Daniel HERNÁNDEZ JOSEPH, Cónsul General de México en Laredo

Sr. Javier ABUD OSUNA, Cónsul Alterno de México en Laredo

Sr. Michael YODER, Cónsul (Principal Officer) de Estados Unidos en Nuevo Laredo

DIÁLOGO CON EMPRESARIOS

Sr. Rodolfo LARREA (CEMEX)

Sr. Arturo ASTABURUAGA (FEMSA)

Sra. Laura VARGAS (Directora, Oficina Comercial de los Países Bajos en Monterrey)

OTROS

**Autoridades Federales, Estatales y Municipales
Público en General**

SECOND MEETING OF THE MEXICO-EUROPEAN UNION JOINT PARLIAMENTARY COMMITTEE

Sunday 8 January 2006

	Arrival of EP delegation and transfer to hotel Mexico City Benito Juárez International Airport
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Monday 9 January 2006

11:00	Meeting between the MEPs and the Minister for Economic Affairs, Dr Sergio García de Alba Alfonso Reyes
13:30	Interview with the Mexican President, Mr Vicente Fox Quesada Official Residence (<i>Los Pinos</i>)

SECOND MEETING OF THE MEXICO-EUROPEAN UNION JOINT PARLIAMENTARY COMMITTEE

Seminar on the Structural and Cohesion Funds

Mexico City

Venue: Senate Building, Torre El Caballito, level 5

15:00 to 15:30	Registration
15:30 to 16:00	Opening of Seminar Mrs Erika MANN, Chairman of the European Delegation to the JPC Senator Laura Alicia Garza Galindo, Vice-Chairman of the Mexican Delegation to the Joint Parliamentary Committee Mr Fernando MARGAÍN BERLANGA, Chairman of the Mexican Delegation to the JPC
16:00 to 17:30	<i>Table One: The Structural and Cohesion Funds in the EU's integration and development strategy (Regional Development Fund, European Social Fund and Agricultural Fund).</i> - <i>Speaker for the European side: Mrs Constanze KREHL</i> - <i>Speaker for the Mexican side: Dr Lorena Ruano (Economics Research and Teaching Centre)</i>
17:30 to 18:00	Questions and answers
18:00 to 19:30	<i>Table Two: The role of the Structural and Cohesion Funds in integration and development: the practical experience of Spain and</i>

	<p>Portugal. The experience of the new EU Member States <i>- Speaker for the European Side to be nominated</i> <i>- Speakers for the Mexican side:</i> <i>- Senator Carlos Medina Plascencia</i> <i>- Dr Stephan Sberro, ITAM</i></p>
19:30 to 20:00	Questions and answers
20:30	<i>Dinner hosted by the Senate</i> Bankers' Club
	<i>Transfer to hotel</i>

Tuesday 10 January 2006

Mexico City

Venue: Chamber of Deputies: Parliament building, Green Room

10:00 to 10:15	<p>Words of welcome Mr Heliodoro Díaz Escárraga, MP (Leader of the Chamber of Deputies) Mrs Adriana González Carrillo, MP (Chairman of the Foreign Relations Committee)</p>
10:15 to 11:30	<p>Table Three: The economic treaties and agreements signed by Mexico, and the possibilities for including mechanisms similar to the Structural and Cohesion Funds. NAFTA EUFTA Latin America</p> <p>Presentation of the Bureau by Mr Jorge Martínez Ramos, MP</p> <p>Speakers: <i>- Dr Antonio Ortiz Mena (Economics Research and Teaching Centre, Mexico)</i></p>
11:30 to 12:00	Questions and answers
12:00 to 13:00	<i>Final considerations</i> <i>(European and Mexican JPC delegates)</i>
13:00 to 14:15	<p>Lunch hosted by the Chamber of Deputies Speaker: Mr Manuel Carrillo Poblano, International Affairs Coordinator for the Federal Electoral Institute</p> <p>Venue: Function Room of C Building (entrance through the heliport: calle Sidar y Rovirosa)</p>
14:15 to 15:00	<p>European legislators' agenda</p> <p>Meetings with representatives of NGOs and of projects co-financed by the</p>

	European Union
17:00	European representatives' departure for Monterrey Flight: AM 930
	Arrival and transfer to the Crowne Plaza Hotel
	Dinner hosted by Senator Fernando Margáin Berlanga, Chairman of the Mexican Delegation

Wednesday 11 January 2006

Second meeting of the Mexico-European Union Joint Parliamentary Committee

Monterrey, N. L.

Venue: *Salón Sopladores del Parque Fundidora*

8:30 to 9:00	Registrations
9:00 to 9:30	Opening of meeting and introductory remarks <ul style="list-style-type: none"> - <i>Mr Fernando MARGAÍN BERLANGA, Mexican Senate International Relations Committee Chairman and Chair of the Mexican Delegation</i> - <i>Mr Carlos JIMÉNEZ MACÍAS, MP and Vice-Chairman of the Mexican Delegation to the Joint Parliamentary Committee</i> - <i>Mrs Erika MANN, Chairman of the EP Delegation</i> <p>Formal inauguration: Mr José Natividad González Parás, Governor of the State of Nuevo León.</p>
9:30 to 10:30	<p>Adoption of draft agenda</p> <p>Approval of draft minutes of the first EP-Mexico JPC meeting</p> <p>Report on 1st Joint Parliamentary Committee meeting (Strasbourg, September 2005)</p> <p style="padding-left: 40px;">Seminar on the Structural and Cohesion Funds</p> <ul style="list-style-type: none"> - <i>European speaker: Mrs Constanze KREHL</i> <p style="padding-left: 40px;">Internet portal</p> <p style="padding-left: 40px;">Follow-up to the Association Council's work</p> <p style="padding-left: 40px;">The Joint Committee and parliamentary proceedings</p>
10:30 to 12:30	Progress in respect of the Economic Association, Political Consultation and Cooperation Agreement ¹ <i>Political issues:</i>

¹ European businessmen who have a presence in Nuevo León will attend and they may speak pursuant to an agreement between the chairmen of the delegations.

	<p><i>- Developments in the political situation in the EU and Mexico</i> <i>European speaker: Mr Ignacio SALAFRANCA</i> <i>Mexican speaker: Mr. Carlos Flores Rico, MP</i></p> <p><i>- The European constitutional project</i> <i>European speaker: Mrs LICHTENBERGER</i></p>
12:30 to 14:00	<p><i>Trade aspects:</i></p> <p>Progress in the WTO negotiations (Hong Kong meeting) <i>- European speaker: Mrs Erika MANN</i> <i>- Mexican speakers: Senator Carlos MEDINA PLASCENCIA</i> <i>Mr Jorge MARTÍNEZ RAMOS, MP</i></p> <p>Environmental aspects <i>- European speaker: Mrs LICHTENBERGER</i></p> <p>Dialogue with local legislators</p>
14:00 to 16:00	Lunch hosted by the Chamber of Deputies San Carlos Restaurant
16:00 to 17:00	<p><i>Cooperation:</i></p> <p>Report on the adoption of the 7th EU Cooperation Framework Programme EU budgets for science, technology and education earmarked for Mexico and Latin America Latina (2007-2013) Prevention and cooperation on natural disasters and pandemics Cooperation on social cohesion (Chiapas/European Commission integrated social development project)</p> <p><i>Speakers: representatives of the Mexican Embassy to the European Union and of the Commission delegation in Mexico</i></p>
17:00 to 18:30	Dialogue with businessmen
18:30	Transfer to Government House
19:00	Dinner hosted by the Federal Governor of Nuevo León, Mr José Natividad González Parás Venue: Government House

Thursday 12 January 2006

**Second meeting of the Mexico-European Union Joint Parliamentary Committee
Monterrey, NL**

9:00 to 10:30	<p><i>Miscellaneous topics:</i> Migration in Mexico and Europe</p> <p><i>Speaker: Senator Sadot SÁNCHEZ CARREÑO (Mexico)</i></p>
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	<p><i>Speaker: Mr Juan José GARCÍA OCHOA, MP (Mexico)</i></p> <p>Integration and migration - European speaker: to be determined - <i>Mexican speaker: Mr Carlos JIMÉNEZ MACÍAS, MP</i></p> <p>Security and data protection - <i>European speaker: Mr KLINZ</i></p>
10:30 to 11:30	Final considerations and adoption of Final Declaration
11:30 to 12:00	Other business Date and place of the 3rd EU-Mexico JPC meeting
12:00 to 13:00	Transfer to the hotel
13:00 to 14:30	Lunch provided by a Mexican export company
16:00 to 17:30	Visit to the Monterrey Institute of Technology
18:00 to 19:00	Visit to the MARCO Museum

Friday 13 January 2006

7:00 to 9:00	European Delegation: transfer to the Nuevo Laredo customs house
9:30 to 12:00	Meeting at the Nuevo Laredo customs house
12:00 to 13:00	Lunch (own arrangements)
13:00	Transfer to Monterrey airport
17:30	Departure for Mexico City
21:00	Return of the European Parliament delegation