Mexico and China Continuously Renovate Their Comprehensive Strategic Partnership for Mutual Benefit

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Since mid-2013, Mexico and China have been promoting a Comprehensive Strategic Partnership, giving special attention to political dialog, continuously expanding economic, social, and cooperation relations, fostering commonalities on global governance, and constantly improving the multiple agreements and institutions that give support to this bilateral relationship.

There are several factors that make this an important strategic relationship for Mexico. For several years, China has been one of Mexico's main trading partners, being the second largest source of imports and the third largest destination of Mexican exports. China is an increasingly important country of origin of direct investments into Mexico and is a growing source of technologies, finance, and tourism. On the other hand, Mexico is also deemed important by China, as it ranks second in importance among its relations in Latin America and the Caribbean region, while the Mexican economy is among the top eight most relevant markets for Chinese exports.

The sustained increase in exchanges has been due to the evolution of Mexico's economy, societal changes, and foreign policy definitions in our recent history, as well China's economic and social transformation of the last four decades. For us in Mexico, there is no doubt about the increasing relevance of China in the world, as it has become the second world power and the largest economy in terms of purchasing parity. It is also the economy with the highest participation in international trade, leading in several cutting-edge sectors of the Fourth Industrial Revolution.

All these aspects are the basis for the priority that, in the daily exercise of Mexico's foreign policy, we give to the evolution of China and to the numerous chapters of our bilateral relationship, a partnership that we hope will grow even stronger in the years to come.

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H. Wang and L. Miao (eds.), *China and the World in a Changing Context*,
China and Globalization, https://doi.org/10.1007/978-981-16-8086-1_1

1 The Construction of the Mexico-China Comprehensive Strategic Partnership

The foundations for the current level of cooperation and understanding between Mexico and the People's Republic of China were built almost half a century ago, with the establishment of diplomatic relations in 1972. These foundations have grown and strengthened in line with the development of both countries and in accordance to their respective participation in the global scene.

1.1 The Importance of Political Dialog

Throughout this journey, high-level political dialog has been the relationship's main engine and is the trigger for specific actions in all sectors. Since the beginning of this century, Mexico and China have pursued a constant political dialog at the highest levels, which has its most important expression in the frequent contacts between the leaders of the two nations and reciprocal ministerial visits, the works of the Permanent Binational Commission and its various working groups, the meetings of the respective mechanisms for political dialog, strategic dialog, and bilateral consultations on multilateral matters, as well as a set of three high-level groups in charge, respectively, of economic and trade relations, investment, and cooperation among business leaders, as the most representative of a long list of bilateral ties.

Over the last three years, President Andrés Manuel López Obrador has continually reaffirmed the importance Mexico assigns to China, ever since he was elected in 2018. This determination has been confirmed in several visits to China by the Mexican ministers of foreign affairs, economy, agriculture, and tourism; by the adoption of new agreements and by the recent meetings of the various consultative mechanisms. A very important step in this direction was the meeting held in Beijing by our two foreign ministers in July 2019, when Mexico's Secretary of Foreign Affairs Marcelo Ebrard and Councilor of State and Foreign Minister Wang Yi agreed on a roadmap to keep deepening and strengthening our bilateral relationship.

In 2020, despite the many disruptions caused by the COVID-19 pandemic, this relationship showed its resilience once again, as direct contacts did not decrease, but actually increased. In fact, since the end of 2019, we can attest for the following meetings and agreements: the 4th Meeting of the Mexico–China Parliamentary Forum in Beijing at the end of 2019; numerous Mexican companies and government officials were in attendance at the Second China International Import Exhibition in Shanghai in November 2019, where the high-level business group held its seventh meeting. New agreements to allow for trade on agricultural products also came into force, such as those for bananas and sorghum. In 2020, even in the middle of the pandemic, numerous events took place, including the 17th Mexico–China Political Consultation Meeting, the Third Consultation on Multilateral Issues, the Eighth High-level Working Group Meeting on Economic Matters (GAN), with sessions of

all its subgroups and the signing of new agreements to boost bilateral trade. At the end of the year, again, the presence of Mexico in the Third CIIE proved beneficial for both exporters and importers.

Since the beginning of the pandemic, new, and improved collaboration has been confirmed at the highest level, thanks to direct communication between Presidents Andrés Manuel López Obrador and Xi Jinping and to the constant dialog between our respective foreign ministers. These contacts have been essential to address the urgency of social needs derived from the pandemic, particularly the purchasing, from China, of essential medical supplies to care for COVID-19 patients in Mexico, and the repatriation of Mexicans who had no commercial flight options to return to our country. The Shanghai-Mexico City *green channel* was essential for the transport of Chinese medical equipment and personal protection equipment as well as mechanical ventilators to Mexico. Also, donations by central and local governments in China, as well as Chinese companies, to the health service providers and Mexican entities, have been highly appreciated and are of great use for the protection of people in my country. Virtual exchanges of experiences between health authorities have also been essential to share the best Chinese practices to contain COVID-19.

Another important result of this collaboration is the joint work carried out by authorities and laboratories of the two countries to develop a vaccine against the coronavirus. Phase III clinical trials in Mexico of Chinese formulas have allowed Mexico to be one of the pioneer countries in applying two Chinese-made vaccines and planning for the introduction of a third one.

Undoubtedly, these milestones pave the way for a stronger and deeper cooperation in the post-pandemic recovery period.

2 Economic Relations

The Comprehensive Strategic Partnership has given a great boost to bilateral trade, reciprocal investments, tourism, and technological and scientific cooperation.

2.1 Trade

According to Mexican statistics, total trade between Mexico and China was over USD 95 billion in 2019, confirming the growing trend in recent years. In 2020, the global depression resulting from the COVID-19 pandemic presaged a substantial drop in exchanges; fortunately, this did not happen. On the contrary, preliminary figures indicate that total bilateral trade exceeded USD 80 billion in 2020, with a slight increase in Mexican exports to China, which are expected to keep expanding as a result of the improving competitive conditions of the Mexican economy.

Indeed, Mexico keeps enhancing its role in international trade and investment, as demonstrated by the recent improvement of its most relevant agreements for

economic cooperation, as the new Trade Agreement between Mexico, the United States, and Canada (USMCA), the updated Global Agreement between Mexico and the European Union, participation in the Comprehensive and Progressive Treaty of Trans-Pacific Partnership (CPTPP), a recently adopted Mexico-United Kingdom Trade Continuity Agreement (after Brexit), and the deepening of the integration process in the framework of the Latin American Pacific Alliance. All these agreements make Mexico a very attractive place for investments, with legal certainty, extensive logistical advantages, and the possibility of accessing various markets through a reliable and constantly modernizing institutional structure.

Furthermore, the new economic model of “dual circulation” in the Chinese economy will bring an added impetus to these trends, as consumption and imports will continue to expand, with expected benefits in the fresh and processed food sector, as well as in the strengthening of existing value chains in the automotive, electronic, chemical, household appliances, construction materials, and metal processing sectors, among others.

2.2 Chinese Investment in Mexico

New investments play a vital role in widening these links between our two economies as they have a remarkable effect on local development, job promotion, growth of SMEs, access to new sources of technology, the formation of human resources, the fostering of new strategic alliances, and the diversification of markets and capital.

China ranks third among Asia-Pacific countries investing in Mexico and is among the top ten worldwide. The accumulative Chinese investment in Mexico amounts to about USD 1.5 billion. Between 2013 and 2017, it grew 315.5%, with four out of ten investment proposals in industrial parks coming from Chinese companies. Nowadays, there are more than two thousand companies with Chinese participation that have been established in Mexico. Chinese investment is mainly concentrated in the extractive industries, trade, manufacturing industry, construction, and commercial and financial services, with many of the big Chinese companies playing a substantive role in Mexico’s development. Standing out among them are Huawei, Didi, ZTE, Hisense, Alibaba, Lenovo, Minth, Golden Dragon Copper, Foton, SINOPEC, China National Off shore Oil Corporation (CNOOC), Jinko Solar, Envision, JAC, and BIAC. In addition, other Chinese companies are present in different infrastructure projects in Mexico.

2.3 Mexican Investment in China

For its part, Mexican investment in China totals over USD 200 million, with a significant presence by Bimbo, Gruma, Grupo Kuo (industrial chemicals), ALFA through Nemak and Softek. Other companies work through associations or distribution and marketing operations such as: Interceramic (floors and tiles), Tamsa (steel

pipes), La Costeña, Grupo Villacero (steel), Metalsa (auto parts), Latin Asia (food), Worcester (valves), Seminis (vegetable seeds), Xignux (cables and transformers), IDEAL (analysis of infrastructure projects), and Femsa Cerveza (beer).

2.4 Working Toward Renewed Promotional Strategies

With these links in mind, promotional activities carried out by the Mexican government go hand in hand with actions of all the economy's actors, under a strategic and long-range approach, which recently led to the reconfiguration of global promotion tasks within the Ministry of Foreign Relations, working in tandem with the Ministry of the Economy and other sectoral entities, as well as with the various business associations involved in our bilateral partnership. Essential to the purpose of promoting our reciprocal economic relations is the continued participation of Mexican companies in the major promotional events that take place in China every year, such as the CIIE, Shanghai and Canton fairs, the Annual Conference of Agricultural Wholesale Markets in China and other regional and specialized events, which are among the most important. Equally crucial are the various inter-regional meetings, such as the China-Latin America and Caribbean Business Summit, the respective APEC business forums, and at joint promotional events organized by the countries of the Pacific Alliance, among other high-impact events.

3 People-to-People Exchanges are at the Core of Our Partnership

Alongside the importance given to our economic relations, we strive to promote more social contacts through tourism, educational and cultural exchanges, cooperation for development, and by exchanging experiences of our respective national public policies.

In this sense, the intense cultural agenda of Mexico in China has allowed for a greater rapprochement and a deeper understanding between Mexico and China. Mexico participates annually in practically all Chinese art and culture festivals in all disciplines, including literature, plastic arts, music, cinematography, music and performing arts, and, of course, the promotion of Mexican cuisine. With this, we work to spread a good image of our country in the great Chinese territory, and we promote tourism and the creative and cultural industries of Mexico.

The teaching of Mandarin Chinese and Spanish is another way of bringing our peoples closer together. Currently, more than 55,000 people study the Spanish language in China, while in Mexico, thousands of Mexican students take advantage of courses at five Confucius Institutes for language learning and courses on Chinese culture.

Academic exchanges are promoted through different universities in the two countries, which maintain close ties thanks to institutional mechanisms such as the Bilateral Program of Scholarships of Excellence Mexico–China and the Special Programs of the Government of Mexico for Foreigners. The liaison offices of Mexican universities in China such as Mexico’s National University (UNAM), Tec de Monterrey and Universidad Veracruzana, as well as the joint research programs and the permanent tasks of various study centers on Mexico in the main Chinese universities, also have seen growing importance.

According to the National Association of Universities and Institutions of Higher Education (ANUIES), in recent years, China was the tenth most preferred destination for Mexican students going abroad for academic exchanges and the sixth largest country of origin for international students in Mexico. To maintain this level of exchange, the presidents of the main universities in Mexico and China carry out a permanent dialog through the Forum of Rectors of Mexico–China, whose third session was held in Mexico City in October 2019. The next meeting is planned to be hosted online sometime during autumn 2021.

3.1 Tourism

Before the restrictions on international travel put in place during the COVID-19 pandemic, tourism between Mexico and China reflected a growing interest of both our people in better understanding each other’s cultures and visiting flagship destinations. By the end of 2019, eleven weekly flights connected Mexico and China directly, which, together with numerous additional connections through North America and Europe, led to a sustained growth in tourism. In 2019, nearly 200,000 Chinese tourists arrived in Mexico, which also has ambitious goals aimed at expanding the number of Chinese visitors in the coming years. For this purpose, Mexico’s Ministry of Tourism has devised a new, comprehensive promotion strategy in China, involving all relevant actors in the sector (airlines, local and national governments, and the hospitality sector), which we are ready to relaunch once regular contacts are resumed in the new post-COVID-19 reality.

3.2 Dialog in Multilateral Forums

In the multilateral sphere, Mexico and China promote discussions on global governance in different forums of the United Nations System, the G-20, the Asia–Pacific Economic Cooperation Forum (APEC), the China–CELAC Dialog, the Forum of Latin America–East Asia Cooperation (FEALAC), and other consultative and coordination bodies. We have an agenda of shared interests on relevant issues such as poverty reduction, the promotion of a multilateral trading system with clear rules,

the fight against climate change, and the search for innovative cooperation formulas to promote sustainable and inclusive growth.

In 2020, the support of the Chinese government for Mexico's resolution 74/274 at the United Nations, through which the international community pledged to guarantee equitable access to medicines, vaccines, and medical equipment to combat the COVID-19 pandemic, stands out. Both governments have also endorsed this wish through their respective participation in the COVAX Initiative.

Mexico's election to a non-permanent seat on the UN Security Council during the 2021–2022 biennium will bring both countries even closer in defending multilateralism. These actions and the recent reactivation of the Bilateral Consultations on Multilateral Issues allow us to look forward to encouraging scenarios of enhanced cooperation in this area.

3.3 Collaboration in Regional Forums

Traditionally, China and the much of Latin America and the Caribbean region have developed a rather fruitful dialog through the Ministerial Forum provided by the Conference of Latin American and Caribbean States (CELAC). In the last year, actions in this regard have been boosted by two relevant factors. On the one hand, the pandemic triggered multiple new contacts and cooperative efforts in the fight against this global threat; on the other, Mexico holding the Pro Tempore Presidency in CELAC has allowed for the inter-regional projection of the excellent relations Mexico has on both sides of the Pacific basin.

Working under the China-CELAC umbrella, important ministerial encounters have taken place in the last few months, like the Second Forum on Science, Technology, and Innovation; the China-CELAC Cooperation Forum on Digital Technology to Combat COVID-19; and the Second Forum China-CELAC on Agriculture, plus other specialized virtual meetings on the exchange of experiences in dealing with the pandemic.

The recently agreed extension of Mexico's PPT at the head of CELAC for 2021 will allow consolidation of the role of an effective bridge that the Mexican government has played between China and Latin America, as it is called to organize the third ministerial meeting of the China-CELAC Forum in this period.

In addition, plans to celebrate the Fourteenth CHINA-LAC Business Summit in Chongqing during the summer of 2021 continue, provided that health conditions allow for it.

4 Emergent Priorities in Bilateral Relations

The unprecedented circumstances generated by the health emergency caused by COVID-19 have led to a focus in two sectors that will become more important going

forward: One is cooperation in science and technology, and the other relates to the exchange of experiences on public policy.

The extraordinary measures implemented by China in the face of an unprecedented situation have shown undeniable results in different sectors from which other countries can, without a doubt, derive good public policy practices. Among them, the following deserve special attention: health and sanitary measures for pandemic control, social protection policies, actions for economic recovery, technological research and development, and new formulas for international cooperation. The monitoring of these policies is important for Mexico, due to their impact on the global economy and the opportunities for economic cooperation they could generate. Together, we may also add momentum to the reconsideration of rules of global governance, especially in sectors related to human development as expressed in the 2030 Agenda and in the common actions aimed to tackle climate change, which is among the most pressing tasks.

5 Getting Ready to Celebrate 50 Years of Diplomatic Relations

On February 14, 2022, Mexico and China celebrated 50 years of uninterrupted diplomatic relations with a very dynamic, evolving, ever-changing bilateral agenda that ripples in multiple sectors of both countries. These have been 50 years of mutual understanding, learning, and collaboration, and we are certain that the bonds we have developed so far will allow us to further deepen ties in the future, to fully achieve the great potential of collaboration offered by our two great civilizations.

Given the radical change in circumstances the world is going through, the moment is right for a collective rethinking of the future. We, China and Mexico, can do that based on the solid foundations of the relationship we have built together over the last five decades. From the Mexican side, we will persevere in boosting the Mexico–China Comprehensive Strategic Partnership by acting in six interrelated areas:

- working hard to restore exchanges at least to levels similar to those prevailing in the years previous to the pandemic, stressing cooperation on health matters in the short term;
- consolidating the progress already achieved, especially in political dialog and the institutional framework of the relationship;
- deepening cooperation in areas with the greatest potential for expansion, such as trade, investment, technology, tourism, cultural exchange, education, and cooperation for development;
- incorporating new sectors, new agreements, and new participants into this strategic partnership;
- promoting greater communication on global and regional issues;
- exploring new scenarios for the future, in the light of changing national and international circumstances.

All of this will lead us to envision a collaboration that is broader and more long term. The roadmap has been drawn up, and we are ready to remain resolute in continuing down that path.

H.E. Mr. José Luis Bernal is the ambassador of the United Mexican States to the People's Republic of China. He has been the ambassador to China since April 2017. Previously, he was ambassador of Mexico to South Korea, Mongolia, and the DPRK, the Czech Republic, Switzerland, and Liechtenstein, Consul General in Los Angeles, and Deputy Representative to the OECD. He also served at the Mexican Embassy in Washington, D.C. (1985–1993). In Mexico's Ministry of Foreign Affairs, Mr. Bernal has occupied several positions in the areas of International Economic Relations, Multilateral Affairs, and HR Administration. Born in Mexicali in 1956, José Luis Bernal holds a B.A. in International Relations SCL from the National University of Mexico and a M.A. in Economics from CIDE/Mexico.

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