

Japan should deepen strategic ties with Mexico

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(Tokyo, Japan). Mexican President Enrique Pena Nieto expressed his support for Japan's participation in the Trans-Pacific Partnership free trade talks during his meeting with Prime Minister Shinzo Abe in Tokyo on Monday.

Pena Nieto is the first leader from the 11 countries already engaged in the TPP negotiations to support Japan's entry into the talks.

Japan has already concluded a bilateral economic partnership agreement with Mexico, which has various other free trade pacts, including the North American Free Trade Agreement.

Japan should reinforce its cooperation with Mexico to facilitate its entry to the talks and make trade rules once its entry is endorsed.

Going Strong

The Mexican economy remains relatively strong at a time when the global economy is mired in uncertainty. Compared with Brazil and other nations whose economic expansions have screeched to a halt, Mexico is chugging along steadily, although its real-term growth rate slowed somewhat in 2012 to 3.8% on the year.

Mexico's expansion is being led by automobile and other manufacturers. In 2012, auto production there increased to an all-time high of 2.88 million vehicles, almost double the number three years earlier. Automakers in Mexico, including Japanese firms such as Honda Motor Co. and Mazda Motor Corp., are carrying out capacity increases one after another.

Mexico has become more important to Japanese companies as a strategic base covering both the North and Latin American markets. It is also an attractive consumer market, with a population of more than 100 million people.

Energy Links

Significantly, Abe and Pena Nieto pledged to cooperate in the field of energy. Mexico is the world's eight-largest oil producer. Although the country's oil industry is monopolized by the state-run oil company, Pena Nieto, who took office in December last year, has indicated a willingness to introduce technology and capital from abroad. Japan should actively cooperate with Mexico in the field of energy not only to show its support for the reform-oriented president but also to enhance Japan's energy security now that demand for oil and gas is swelling as a result of the nuclear accident in March 2011.

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