



THE CANADIAN CHAMBER OF COMMERCE  
LA CHAMBRE DE COMMERCE DU CANADA



# FORGING A NEW STRATEGIC PARTNERSHIP BETWEEN CANADA AND MEXICO

SPECIAL REPORT





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Perrin Beatty and Andrés Rozental



THE CANADIAN CHAMBER OF COMMERCE

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## ABOUT THE AUTHORS

**The Honourable Perrin Beatty** is the president and chief executive officer (CEO) of the 192,000-member Canadian Chamber of Commerce, Canada's largest and most representative national business association. In his capacity as president and CEO, Mr. Beatty is the principal spokesperson advocating the policy positions of the Canadian Chamber's members to the federal government, international organizations, the media and the general public.

Prior to joining the Canadian Chamber in August 2007, Mr. Beatty was the president and chief executive officer of Canadian Manufacturers & Exporters (CME).

A descendant of one of Canada's most prominent manufacturing families, Mr. Beatty grew up in Fergus, Ontario and graduated from the University of Western Ontario in 1971. A year later he was elected to the House of Commons as a Progressive Conservative and in 1979 he was appointed Minister of State (Treasury Board) in the government of Joe Clark, at the time the youngest person ever to serve in a federal Cabinet. He held six additional portfolios in subsequent Progressive Conservative governments, including National Revenue in 1984, Solicitor General in 1985, National Defence in 1986, Health and Welfare in 1989, Communications in 1991 and Secretary of State for External Affairs in 1993.

Following the 1993 federal election, Mr. Beatty joined a number of private sector boards and worked as a consultant in the field of communications. He was a honorary visiting professor with the Department of Political Science, University of Western Ontario, where he taught a course in communications technologies and public policy. As well, he wrote a weekly column on government and politics for a major Canadian newspaper. In 1995, Mr. Beatty was appointed president and CEO of the Canadian Broadcasting Corporation, a position he held until joining CME in August 1999. In 2008, Mr. Beatty was named chancellor of the University of Ontario Institute of Technology.

In recent years, Mr. Beatty has served on a number of Canadian government advisory committees, covering issues that include border management, government operations, privacy and international trade. He currently chairs the Private Sector Advisory Board. He is also a member of the advisory council of the Canadian Defence and Foreign Affairs Institute and is a member of the Board of Directors of the Canadian International Council.

**Andrés Rozental** is a member of CIGI's International Board of Governors and Operating Board of Directors. He was Mexico's ambassador to the United Kingdom from 1995 to 1997. He was a career diplomat for more than 35 years, having served his country as deputy foreign minister (1988–1994), ambassador to Sweden (1983–1988), permanent representative of Mexico to the United Nations in Geneva (1982–1983), as well as in various responsibilities within the Mexican Foreign Ministry and abroad. Since 1994, he holds the lifetime rank of eminent ambassador of Mexico.

Ambassador Rozental holds non-executive board positions in several important multinational corporations in Brazil, the United States, France, the United Kingdom and Mexico. He chairs the board of ArcelorMittal Mexico and is an independent board member of ArcelorMittal Brasil, Ocean Wilson Holdings and Wilson Sons Brazil. He holds advisory board positions with EADS Mexico, Toyota and Kansas City Southern de México. He is president of his own consulting firm, Rozental & Asociados, which specializes in advising multinational companies on their corporate strategies in Latin America. He is also active in a number of non-governmental organizations and projects relating to global governance, migration policy, climate change, Latin American politics and democracy promotion. He is currently a senior non-resident fellow at The Brookings Institution, a senior adviser to Chatham House in London, a board member of the Woodrow Wilson Center's Mexico Institute and a trustee of the Migration Policy Institute in Washington, DC. He has served as a governor of Canada's International Research Development Centre since 2008 and has been a member of CIGI's international advisory board since 2002. He is the founding president of the Mexican Council on Foreign Relations, established in 2001.

Ambassador Rozental obtained his professional degree in international relations from the Universidad de las Américas in Mexico, and his master's in international economics from the University of Pennsylvania. He is the author of four books on Mexican foreign policy and of numerous articles on international affairs.

## EXECUTIVE SUMMARY

Both Canada and Mexico are recovering well from the global economic recession of 2008-2009, but must work harder to make their bilateral relationship work to their mutual benefit. Bilateral trade and investment have grown steadily from very low pre-North American Free Trade Agreement (NAFTA) levels, but there remains enormous, untapped potential, particularly in Mexico. Student, tourist, investor and temporary worker

exchanges are enhancing familiarity with each other, but unhelpful stereotypes remain common. New investment and trade opportunities should flow from the new Mexican administration's commitment to open up the energy sector to foreign participation. The assessment and recommendations contained in this special report point to the benefit of efforts that will intensify bilateral partnerships, not only in their own right, but also in strengthening the two countries' ability to deal more effectively with the United States in pursuing matters of mutual concern.

## FORGING A NEW STRATEGIC PARTNERSHIP BETWEEN CANADA AND MEXICO

*Perrin Beatty and Andrés Rozental*

Canada and Mexico, living alongside and often in the shadow of the colossus of the twentieth century, have long seen their place in the world as deeply coloured by the reality that they are of the Americas, but not Americans. The two countries have benefited from their proximity to the largest economy on Earth and shelter under its security shield, but have been equally determined to maintain their separate identities and values. As a result, they have honed the skills of idea shapers, coalition brokers and bridge builders. Unlike Americans, they have had to learn how to speak softly, but convincingly, in the full knowledge that they do not carry a big stick.

What surprises is that Canada and Mexico have accomplished so little together, given their similar interests in learning how to live in harmony with, but remaining distinct from, the United States, and their analogous experiences as middle-level powers. While they can celebrate nearly 70 years of diplomatic relations, those years have not been distinguished by many major achievements. Relations have been cordial and harmonious, but they cannot be said to have been productive. The potential for more has always been there, but until recently, that potential never seemed capable of being translated into concrete results.

The 1994 NAFTA provided the opportunity to redefine the bilateral relationship. While Canada may have joined the NAFTA talks to preserve the gains from the 1988 Canada-US Free Trade Agreement, this "reluctant" decision proved to be remarkably rewarding (Bugailiskis and Dosma, 2012: 199-200). Canada not only succeeded in protecting its primary market with its most important trading partner — the United States — but it also found

a new partner in Mexico. Since NAFTA, Canada's trade with Mexico has grown nearly sixfold. Today, Mexico is Canada's third-largest trading partner, with two-way trade reaching CDN\$34.4 billion in 2011. Canada's exports to Mexico reflect the breadth of the Canadian economy and run the gamut from pulses to airplanes (see Appendix).

Growth in bilateral trade started slowly, but has picked up speed over the past decade as Mexico put the peso crisis of the mid-1990s behind it and learned to take advantage of NAFTA's opportunities. Increasingly, Mexico has become an integral part of North American-based supply chains, and much of its trade with its NAFTA partners is inter-corporate. As the *Financial Times* points out:

Mexico is now vying with China as the manufacturing hub of choice for US, [Canadian], and other multinational companies — it is as economically integrated with the US [and Canada] as any two members of the euro zone are to each other. Much of this is driven by the rise in the cost of oil, which makes transport costs increasingly pricey for US companies to make goods for domestic consumption as far away as East Asia. And most of the rest is driven by Chinese wage inflation. In 2000, the average Chinese worker was paid 35 cents an hour versus US\$1.72 in Mexico, according to HSBC. Now the Mexican gets paid US\$2.11 an hour and the Chinese US\$1.63. Pretty soon Mexico will have the lower labour costs (Luce, 2012).

The growth in the bilateral economic relationship has not been limited to trade. Canadian investments in Mexico have more than doubled since the late 1980s, as Canada has become one of Mexico's largest sources of foreign direct investment (FDI) (see Chart 12 in the

Appendix). More than 2,600 Canadian companies have offices and operations in Mexico, including major firms such as Bombardier, Goldcorp and Linamar. Companies in industries ranging from finance to pharmaceuticals, such as Scotiabank and Apotex, have used their Mexican operations as launch pads to reach other markets in Central and South America. Mexican firms such as Cemex, Grupo Bimbo and Univision have begun to make significant inroads into the United States, but to date have not shown much interest in expanding to Canada.

After the United States, Mexico is now the largest foreign destination for Canadians. The majority of these are short-term visitors, but there are also a growing number of business, student and other long-term residents living in Mexico. In the other direction, Mexico is the second-largest source of temporary foreign workers for Canada, boosting the productivity of Canada's agricultural sector through the Seasonal Agricultural Workers Program. As Canada's labour force continues to age, Mexico offers a rich source of younger workers upon which to draw. The earlier flood of illegal migration across the Mexico-US border has slowed to a trickle, while many older Mexicans are now returning home to pursue new opportunities closer to their families. Agreed labour mobility programs have become much more attractive. Mexicans are also studying abroad in increasingly large numbers, yet Canada attracts only five percent of this market.

Despite these growing levels of economic interaction, most Canadians and Mexicans still hold largely stereotypical images of each other. Many Canadians see Mexico as sun, sand and margaritas, while others focus on criminality, corruption and drugs (Jiménez, 2012: 78–84). Mexicans, meanwhile, when polled, often reply that Canada is their favourite foreign country, but as the editor of the Mexican daily *Excelsior* puts it, “we know nothing about Canada and that may be the reason we like it” (Carreño Figueras, 2012: 87). In short, the two countries have much to learn about one another, and there is a tremendous opportunity to increase that knowledge by, for example, increasing exchanges between Mexicans and Canadians through labour and student mobility agreements and initiatives.

The election of Mexico's new president presents an opportunity to recalibrate bilateral relations and look for ways to upgrade and change those relations to a strategic partnership. The ongoing shift in global economic power from Western Europe and North America to the emerging economies of Asia and Latin America and their burgeoning middle classes provides a compelling reason to strengthen Canada's engagement with Mexico. Everyone, including Canada, may be preoccupied with the fast-growing economies of China, India and Brazil,

but the success of these economies remains a mixed bag for Canada. On one hand, they offer new investment and trade opportunities. On the other, multinational firms from these economies increasingly do not “play by conventional, market-based rules,” and their governments are unafraid to guide these firms to act in the state's interest (Burney et al., 2012: 9).

As global competition becomes more intense, Canada and Mexico could each benefit from taking a broader view of North American relations and from thinking about how to strengthen regional economies. The three North American economies enjoy enormous complementary potential. Canada and the United States are rich in skilled labour and value-added industries, Mexico boasts a young and growing workforce, and all three are rich in natural resources. An enhanced economic partnership among Canada, Mexico and the United States will make North America as productive and competitive as any other major economic area. To make such an enhanced partnership a reality, Canada and Mexico must first strengthen their bilateral bonds.

To that end, the two countries should realize that despite the growth in bilateral trade and investment, they may be leaving economic opportunities lying on the table. Today, Canada's economy is larger than Mexico's, but within a few decades the relative position of the two countries will switch. PricewaterhouseCoopers projects that, on a purchasing power parity basis, Mexico's GDP will be US\$6.6 trillion by 2050 — the seventh-largest economy in the world — twice Canada's projected GDP of CDN\$3.3 trillion (Elliot, 2011). Additionally, by 2050, one in six Americans will be of Mexican ancestry (Zubieta, 2012: 196). In short, the Mexican economy and the Mexican diaspora will provide new and compelling opportunities for trade and investment far too large for Canadians to ignore.

The Canada-Mexico relationship may also become progressively more important as a result of demographic factors. In many of Canada's traditional developed-world trading partners, population and economic growth have slowed; Mexico, on the other hand, enjoys the economic dividends that come from having a relatively young population and a growing middle class. Not surprisingly, while trade with Mexico has grown sixfold since 1980, Canada's trade with its traditional economic partners such as Japan, Germany, the United Kingdom and France has remained flat or declined (see Chart 1 in the Appendix). Even Canada's trade with the United States has declined as a proportion of total trade since the early 2000s.

The two economies complement one another: Canada's older, relatively skilled workforce can provide research and design services, while Mexico's abundance of lower-skilled, younger workers are ideal for manufacturing

and resource extraction. Both countries also have large reserves of natural gas, oil and mineral resources that are being developed to their maximum potential. Additionally, Mexico is not just a lucrative market for Canadian businesses: it also offers a gateway to the US Spanish-speaking market and the rest of Spanish-speaking Latin America.

Canada may also become an increasingly important source of capital for Mexico. The United States has traditionally been Mexico's principal investment partner, supplying over 70 percent of FDI in Mexico in the early 2000s. The global financial crisis highlighted Mexico's need to diversify its FDI sources: as the United States fell into recession in 2009, Mexico's FDI inflows collapsed to 60 percent of their 2008 levels (Laudicina, Gott and Pohl, 2010: 59). Canadian FDI in Mexico has doubled since NAFTA, and Canada is now Mexico's fourth-largest source of FDI. While this growth is important for boosting Mexican productivity and lessening its reliance on American capital, it is a modest increase when compared with trade growth. It also represents less than one percent of Canada's overseas FDI stocks, suggesting that there may be mutually profitable investment opportunities waiting to be pursued.

In the immediate future, there are useful opportunities for Canada and Mexico to collaborate on regional and international issues. Both boast large hydrocarbon industries and both have relatively carbon-intensive economies. It may be in both states' interests, for example, to coordinate their planning for a carbon-pricing scheme that will eventually involve the United States. Given the gross inequality in power between the United States and Canada or Mexico alone, Mexican-Canadian coordination on some continental issues could help even the playing field. This applies, for example, in pursuing greater alignment in their regulatory regimes.

At the same time, it is important not to lose sight of the significant transnational crime challenges confronting the incoming government of President-elect Peña Nieto. Mexico has suffered 55,000 drug-related deaths since President Calderon launched the "war on drugs" in 2006, although Mexico's drug-related murder rate is still lower than that of Colombia, Venezuela, Honduras, Guatemala and other parts of Central America and the Caribbean. The cartels have responded to the war on drugs by spreading their business throughout Latin America and the Caribbean. Mexico's drug violence may be largely confined to the border areas with the United States, but the continued violence and corruption that accompanies the drug trade corrodes public confidence in Mexico's security services and its potential as a strategic partner. Canada already assists Mexican efforts to train and upgrade the skills of Mexico's judiciary and police, but increasing assistance would be a natural complement

to Canada's own anti-drug efforts. In the long run, strengthening the relationship will require Canada to continue to support Mexico's efforts at governance and security sector reform.

Ultimately, turning the bilateral relationship into a strategic partnership will mean realizing that what is good for Mexico can also be good for Canada. Further strengthening Mexico's economy will not only help the 52 million Mexicans who live in poverty, but will also enhance Canada's ability to service Mexico's growing middle class. A concerted effort by both parties to build and improve upon the existing relationship could multiply existing benefits several-fold. From a Canadian perspective, several policy initiatives should contribute to strengthening the bilateral relationship. To that end, the recommendations take two views of what needs to be done: In the short-run, Canada and Mexico should strive, wherever possible, to reduce barriers to the movement of goods and people between the two countries. Longer-term, Canada should support Mexican efforts to further reform the Mexican economy and to deal with organized crime. A stronger, wealthier, less-violent Mexico will, ultimately, make for a stronger, more prosperous Canada-Mexico relationship.

## RECOMMENDATIONS

- **Work on deepening the direct, bilateral relationship between Canada and Mexico where there are real gains to be made by strengthening trade, investment and people-to-people linkages.** The two countries should realize that despite the growth in bilateral trade and investment, they may be leaving economic opportunities lying on the table. The Mexican economy and the Mexican diaspora provide new and compelling opportunities for trade and investment, which are much too large for Canadians to ignore. The Canada-Mexico relationship will also become progressively more important as a result of demographic factors. In many of Canada's traditional developed-world trading partners, population and economic growth have slowed; Mexico, on the other hand, enjoys the economic dividends that come from having a relatively young population and a growing middle class.
- **Work together to maximize benefits from participation in the TransPacific Partnership (TPP).** Now that Canada and Mexico have joined the TPP, they need to work closely with each other and with the United States to develop a common approach and maximize the benefits from participation. They should also work together to forge outreach and public education programs about the benefits of TPP participation.

- Pursue further economic cooperation with the United States on a pragmatic basis.** All three countries have recognized the benefits from aligning their regulatory regimes by eliminating unnecessary differences and duplication, and from ensuring that future regulations evolve in a complementary fashion. Similarly, all three countries are intent on reducing red tape and duplication at the border. Ongoing border and regulatory initiatives should be results-oriented and pursued in the most effective way possible, bilateral or trilateral, as the case may be. This policy recommendation can be extended to any North American issue, including continental security perimeter initiatives and anti-narcotics efforts.
- Institutionalize the North American Leaders' Summit (NALS) and establish a complementary North American Business Council.** A stronger North American partnership will require deliberate attention from leaders in all three countries. It is easy to become overwhelmed by new events in a rapidly changing world and lose strategic focus. In 2011, the NALS was postponed, and in 2010 it was not held at all. Creating a standing secretariat for the NALS and ensuring that the summit occurs every year will help bring additional consistency to the relationship and create momentum for long-term policy planning. Growing Canada's and Mexico's strategic relationships with each other, and with the United States in the long run, will require a deeper knowledge of each other's economies and cultures. An advisory council of North American business leaders should generate greater awareness on issues of common importance to all three economies.
- Launch a public awareness campaign about the mutual economic opportunities for Canada and Mexico.** Public awareness of Mexico is low in Canada and vice versa. Pursuing closer economic ties with Mexico will require public support and understanding. Canadian and Mexican businesses may also be insufficiently aware of the opportunities that the two countries offer for one another. With President-elect Peña Nieto's promise to allow foreign investment in the Mexican petroleum sector, there is, for example, a window of opportunity for Canadian energy firms to look for opportunities in Mexico. Allowing more FDI into the Mexican petroleum sector could bring more cutting-edge drilling technology to Mexico.
- Remove the visa requirement for Mexican visitors to Canada and encourage student exchanges between Canada and Mexico.** If the government believes Mexican claimants are abusing Canada's refugee regime, it is better to address that issue via refugee reform, rather than by maintaining the visa requirement for legitimate tourists and business visitors. Removing the visa requirement for tourists and short-term business visitors and streamlining the process for Mexican students will encourage people-to-people exchanges and ease the process of doing business in Canada and Mexico.
- Increase funding to the Anti-Crime Capacity Building Program (ACCBP).** At CDN\$15 million, the ACCBP's funding is inadequate compared to the scope of the region's transnational crime challenge. Judicial and police training programs in Mexico have slowed due to a lack of funding. President-elect Peña Nieto is determined to continue to confront Mexico's drug cartels. Increasing the ACCBP's budget and focusing its efforts on supporting Mexican security sector reform and training would strengthen Mexico's policy of confronting the cartels.

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## APPENDIX

The first nine charts compare the growth in Canada-Mexico trade with some of Canada and Mexico’s other trading partners. Four of the charts show the relative growth of the share of various partner countries compared to the baseline year of 1980 (Charts 1–3). The United States, still by far Canada’s single-largest trading partner, is not included in any of the Canadian charts. The charts show that Mexico has become a crucial trading partner, with growth in Canada-Mexico trade outstripping all other partners except China. Traditional industrialized trading partners, such as Germany, the United Kingdom, Japan and France trade less with Canada than they did in 1980 as a proportion of our total trade, while Mexico’s share of Canada’s trade has grown sixfold since the 1980s. The growth charts are all normalized to a base year of 1980, so they show relative growth, rather than absolute trade volume. Charts 4 and 5 also compare Mexico’s share of Canadian trade to other nations as a percentage of Canada’s total trade. Again, the same story emerges: since NAFTA, Mexico has become one of Canada’s leading trading partners.

The Mexico-focused charts seem to tell a somewhat different story. Canada’s trade growth with Mexico has been strong, while Japan, Spain, Germany and the United States’ shares of Mexico’s trade have all declined since the 1980s (Chart 6). On the other hand, the growth in Canada’s share of Mexican trade seems insignificant

compared to those of China and India (Chart 7). However, comparing the total share of Mexico’s trade for each country, it becomes clear that India is still a minor partner. After the United States and China, Canada is now Mexico’s largest trading partner (Charts 8 and 9).

Canada’s business investments in Mexico have not grown at the same pace as its trade flows. Canada’s foreign direct investments are highly concentrated in the United States. A little over 0.5 percent of Canada’s FDI is in Mexico, a figure about on par with Canada’s FDI in China, but much smaller than Canada’s investments in Brazil (Chart 10). In the long-run, Canadian prosperity will mean trading with and investing in the world’s demographically young, fast-growing economies.

Canada has become Mexico’s fourth- or fifth-largest supplier of FDI. Data on FDI inflows to Mexico are very noisy, so the national origin of FDI flows into Mexico in 1989 and 2009 are shown in Charts 11 and 12. The most notable feature of the last 20 years has been the relative decline of FDI from traditional economic powerhouses such as the United States, Japan and Germany, and diversification towards the Netherlands, Spain and Canada. Overall, these figures suggest that there may be some room to grow: Canada is, after all, relatively capital abundant compared to Mexico.

Chart 13 shows the composition of Canada’s goods exports to Mexico, providing a snapshot of the sectors of the Canadian economy that currently have the largest interests in the Mexican economy.

Chart 1: Canada’s Trade with Mexico and Traditional Economic Partners: Relative Growth

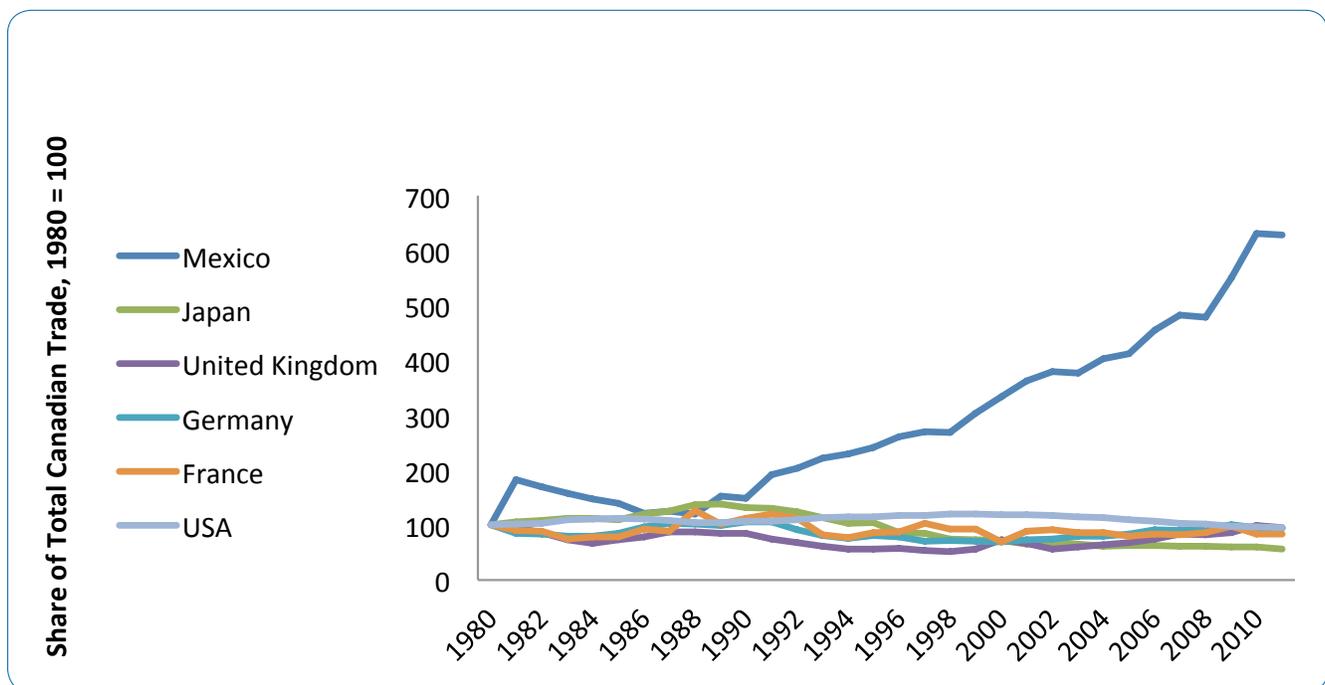


Chart 2: Canada's Trade with Mexico and the BRICs: Relative Growth

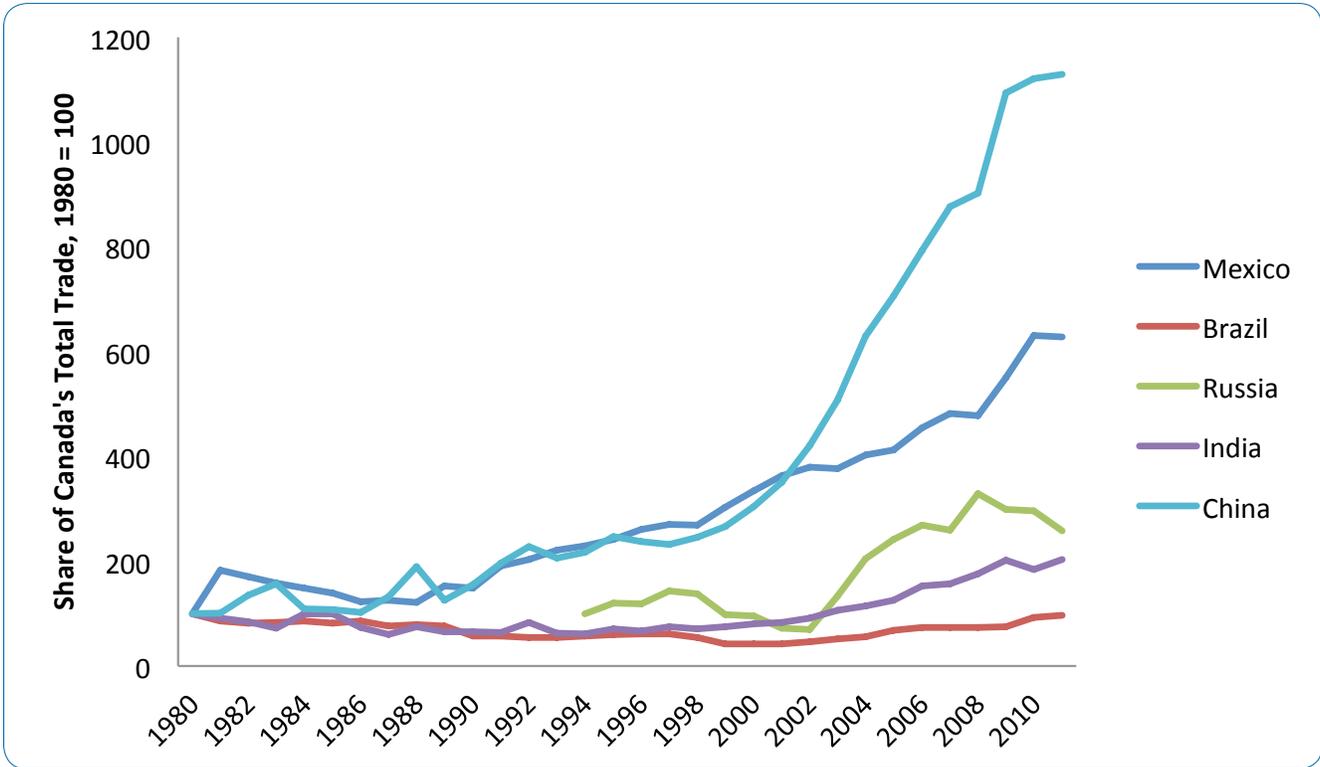


Chart 3: Canada's Trade with Mexico and the European Union: Relative Growth

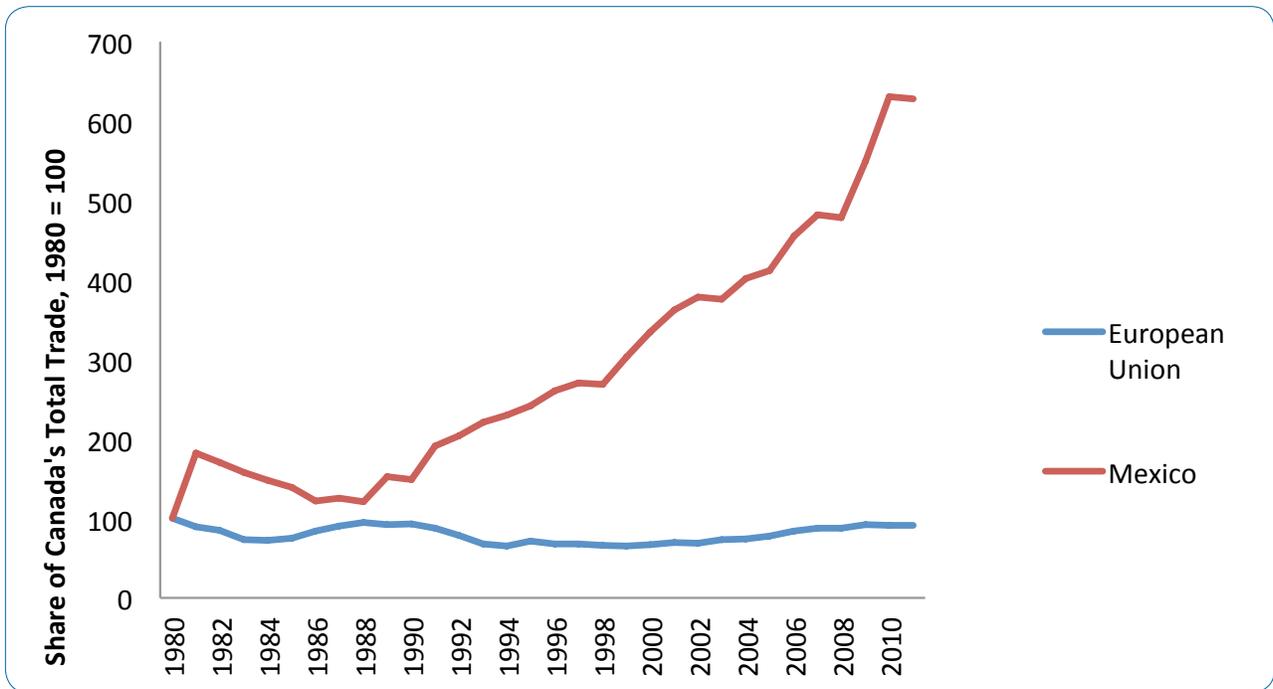


Chart 4: Canada's Trade with Mexico and the BRICs: Share of Total Canadian Trade

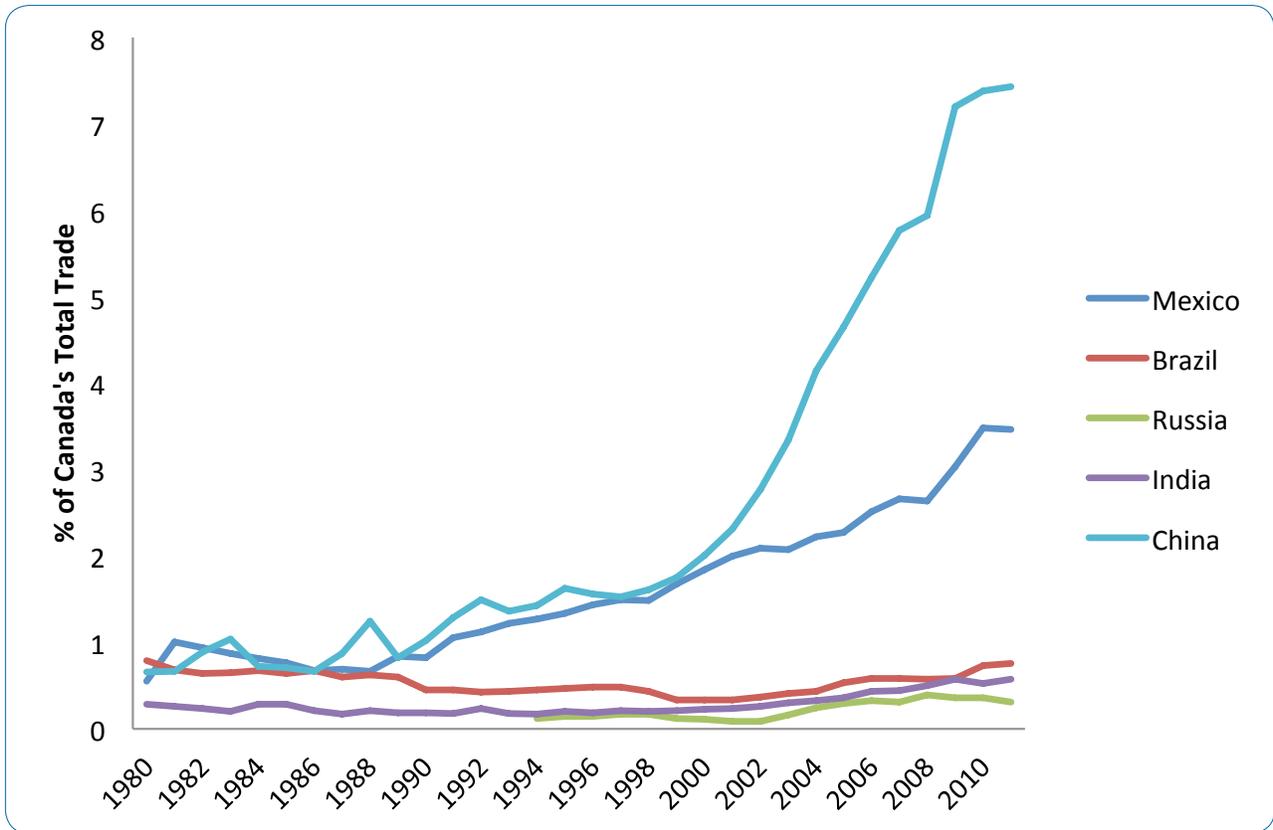


Chart 5: Canada's Trade with Mexico and Traditional Economic Partners: Share of Total Canadian Trade

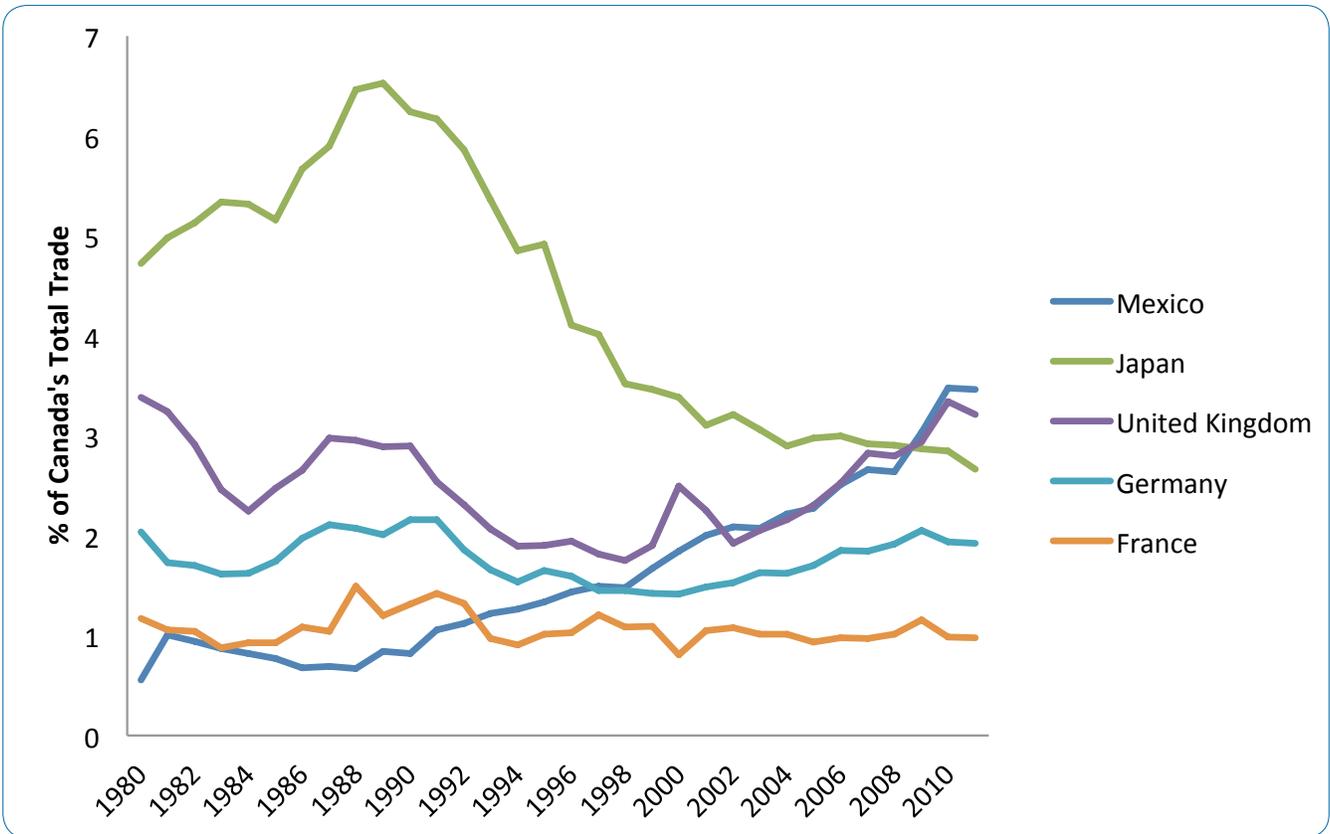


Chart 6: Mexico's Trade with Canada and Traditional Economic Partners: Relative Growth

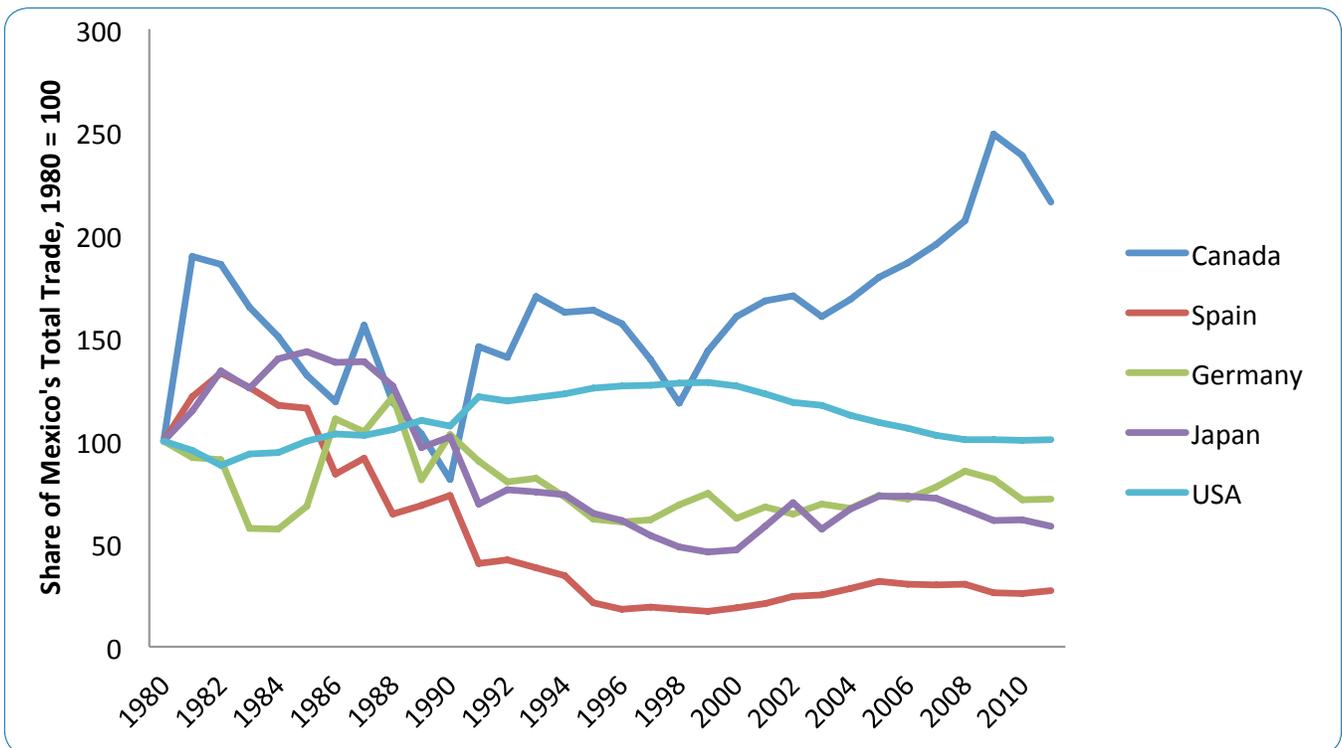


Chart 7: Mexico's Trade with Canada and the BRICs: Relative Growth

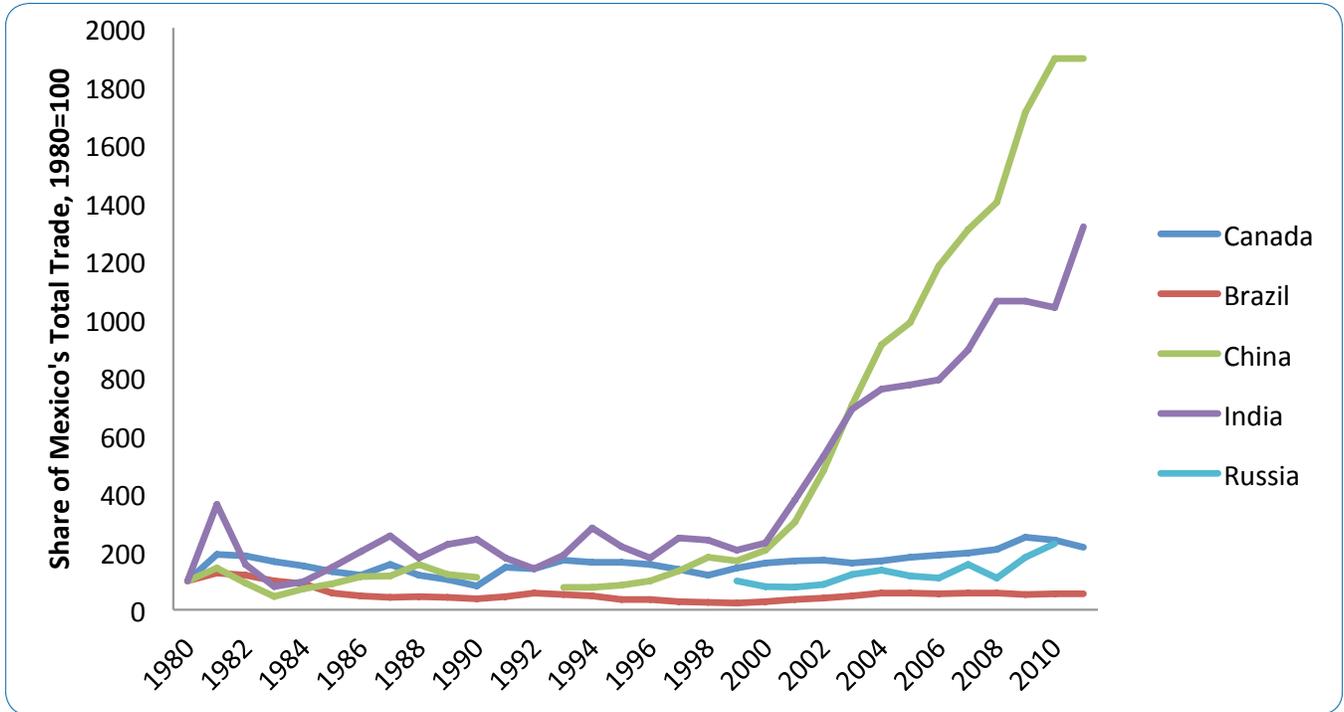


Chart 8: Mexico's Trade with Canada and the BRICs: Share of Total Mexican Trade

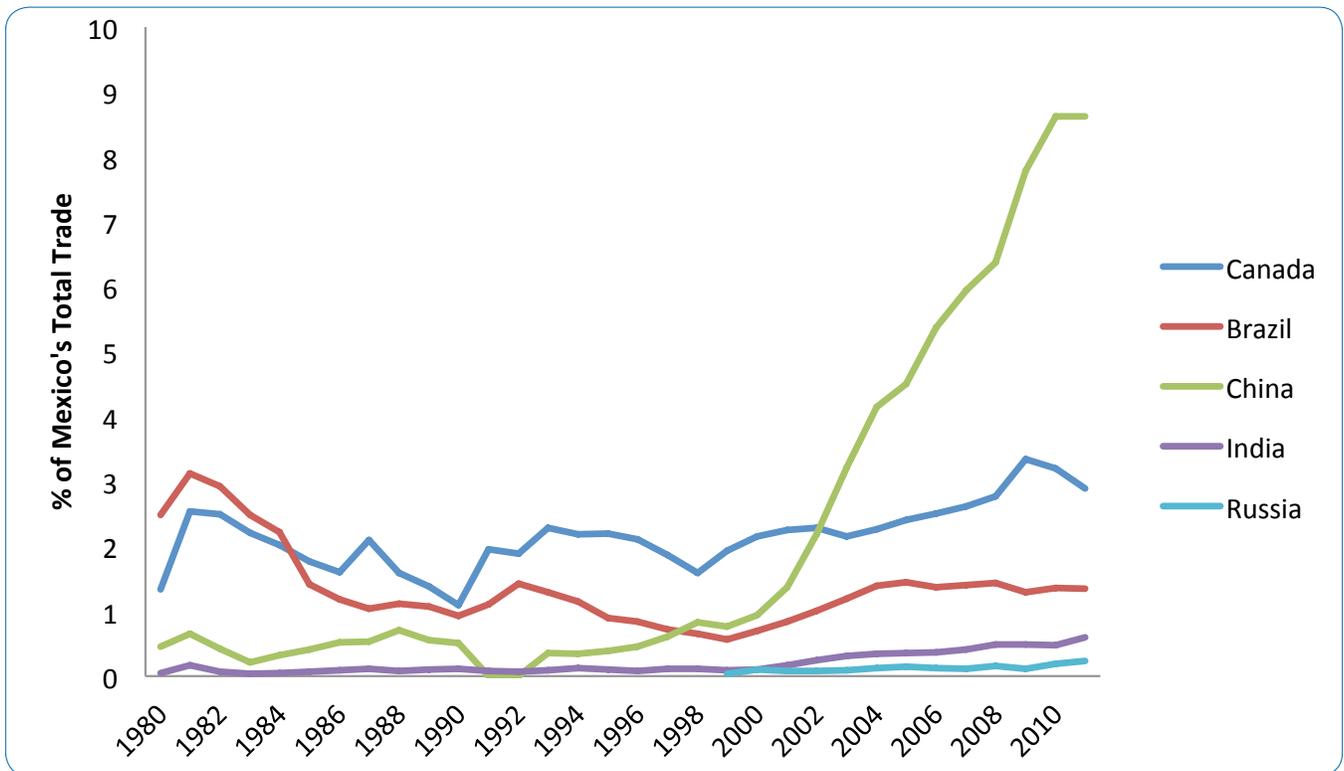


Chart 9: Mexico's Trade with Canada and Traditional Economic Partners: Share of Total Mexican Trade

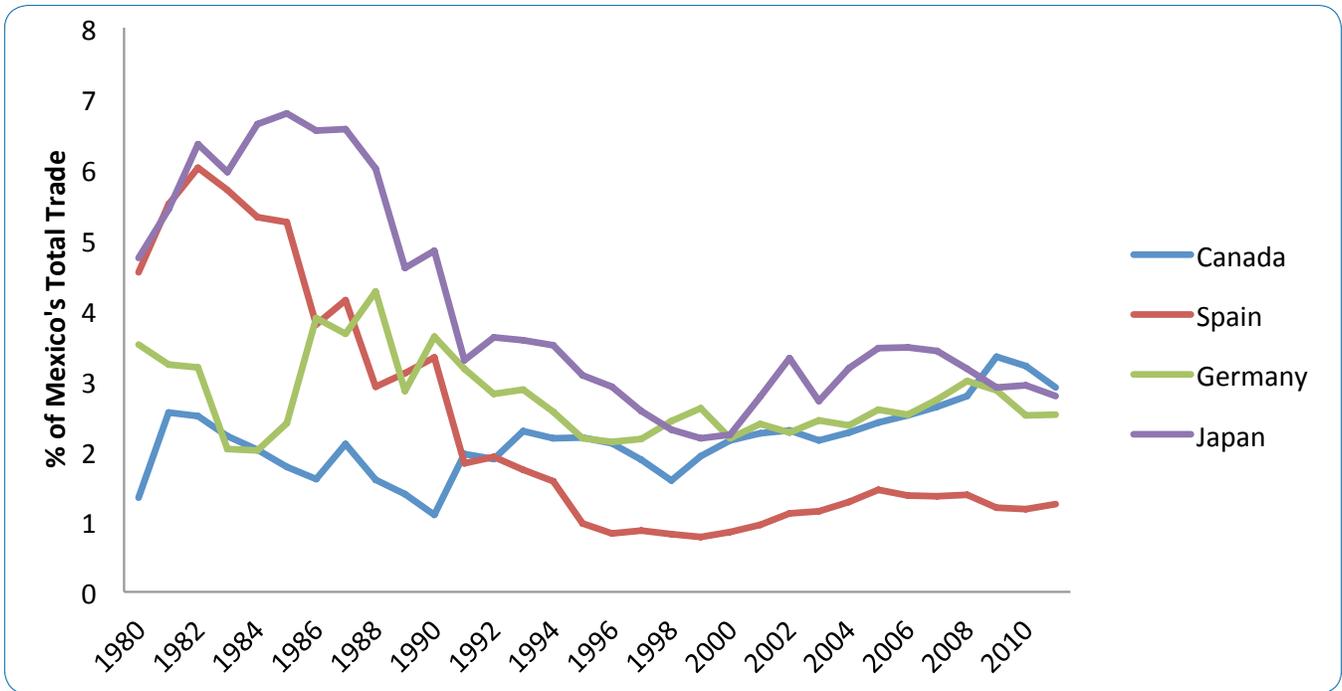


Chart 10: Mexico, Brazil, India and China: Canadian FDI Stocks

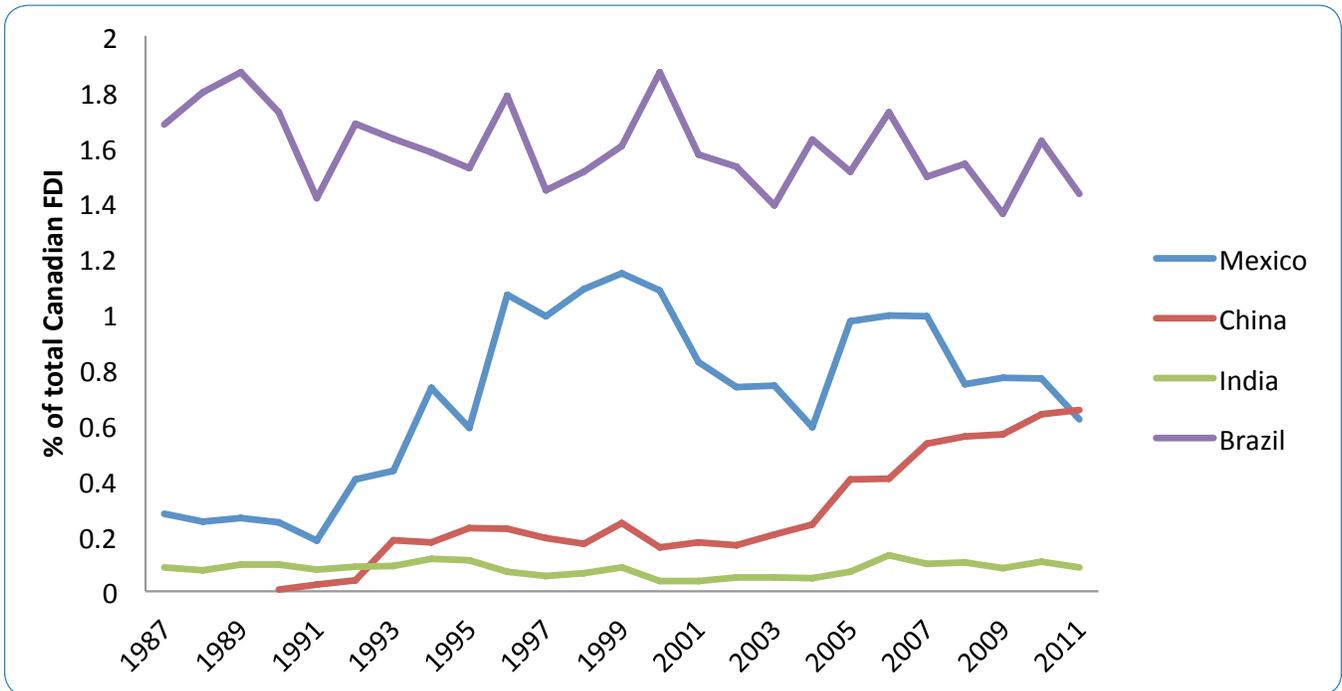


Chart 11: Sources of FDI in Mexico, 1989

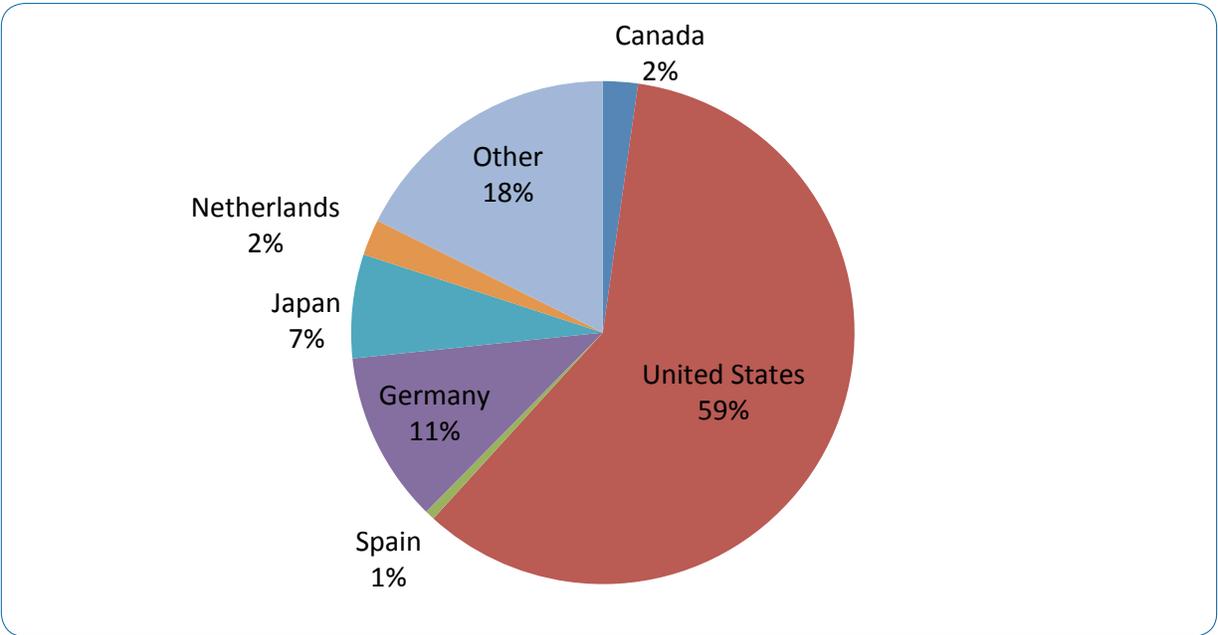


Chart 12: Sources of FDI in Mexico, 2009

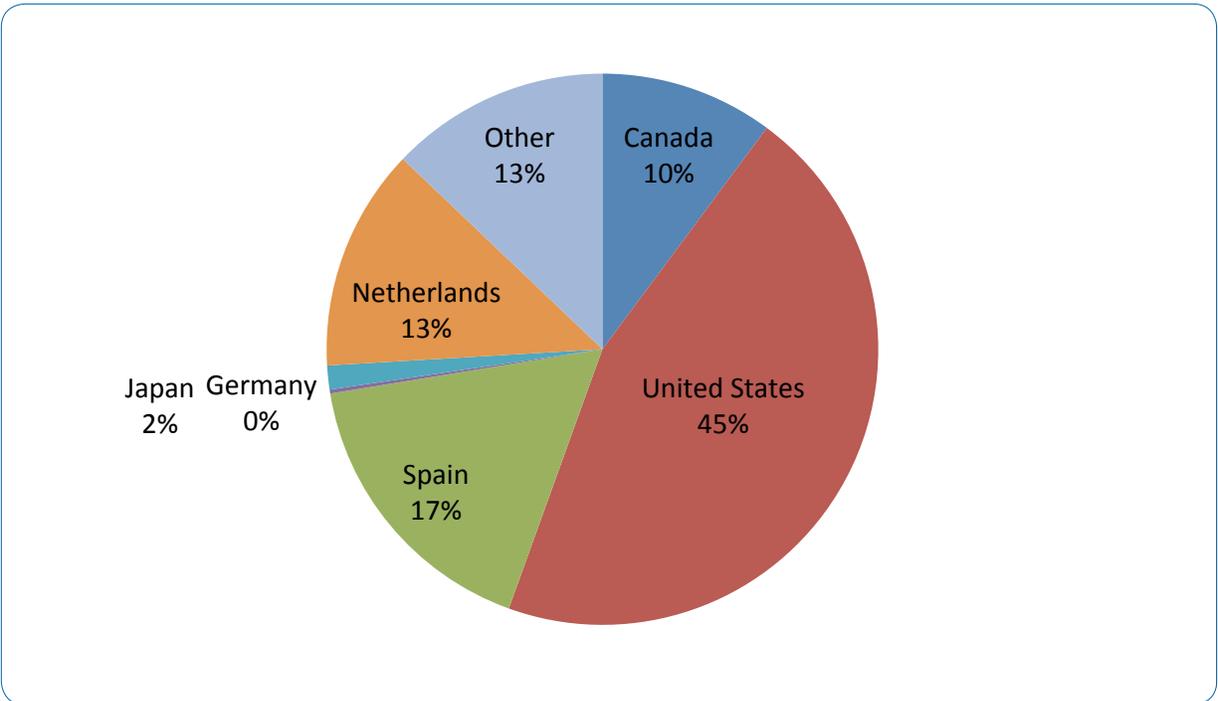
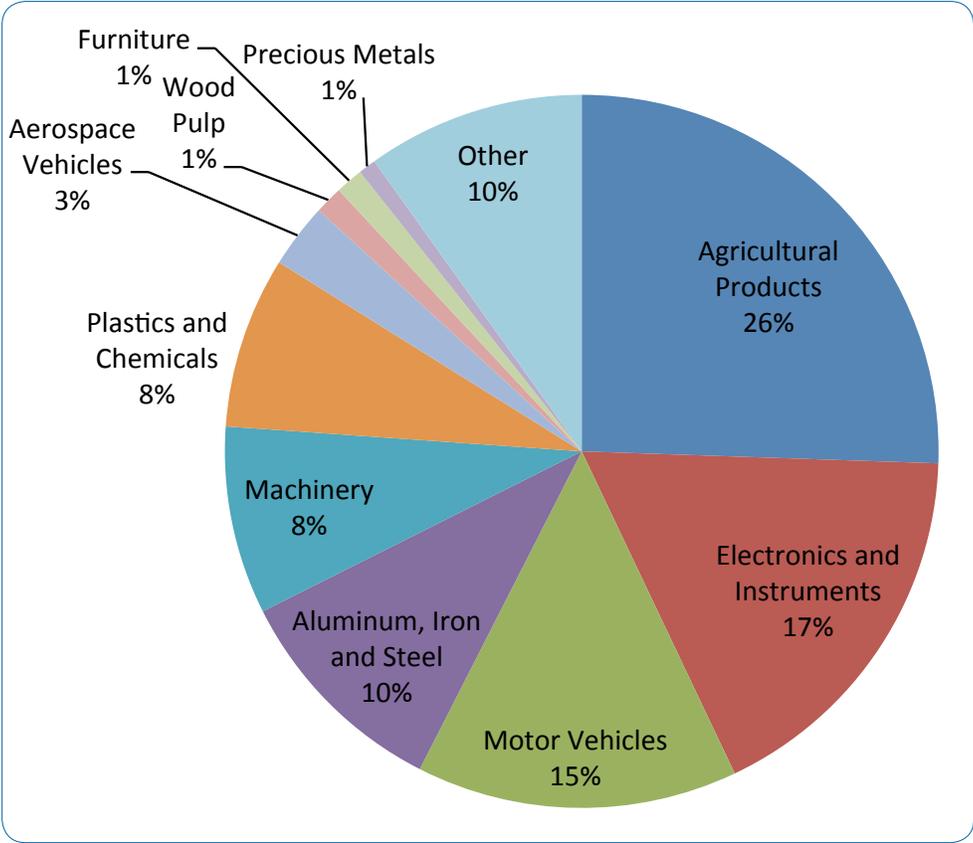


Chart 13: Canadian Merchandise Exports to Mexico, 2007–2011



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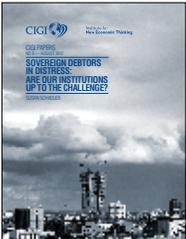
Drawing on a quarter century of research on the Cuban missile crisis, this paper argues that given what is now known about what actually happened in Cuba by October 1962, the escape from nuclear catastrophe seems even more miraculous and the drive to rid the world of nuclear weapons is even greater, with zero being the right number of nuclear weapons the world should possess.



## FROM BRETTON WOODS TO THE EURO: HOW POLICY-MAKER OVERREACH FOSTERS ECONOMIC CRISES

Pierre Siklos

This paper considers the relevance of the Bretton Woods system for the prospects of reform of the international monetary system and in the context of the ongoing euro area financial crisis, exploring the challenges that must be met in attempting to reform the current international monetary system and euro area policies.



## SOVEREIGN DEBTORS IN DISTRESS: ARE OUR INSTITUTIONS UP TO THE CHALLENGE?

Susan Schadler

A CIGI and INET conference brought together global experts on sovereign debt crises. This paper expands on the ideas put forward during the discussion, highlighting relevant recent history and research, and proposes an action plan.



## HOW GLOBAL WATCHDOGS MISSED A WORLD OF TROUBLE

Paul Blustein

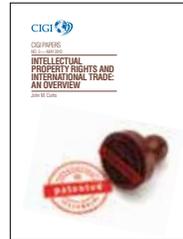
Based on interviews with scores of policy makers who worked on the Financial Stability Forum (FSF) and thousands of pages of previously undisclosed documents, this paper examines the FSF and brings to light the failure of regulators to keep pace with the globalization of the financial system.



## A FLOP AND A DEBACLE: INSIDE THE IMF'S GLOBAL REBALANCING ACTS

Paul Blustein

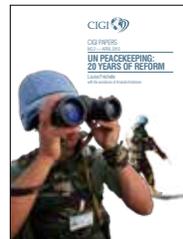
The need for economic cooperation among major powers is greater than ever, and a well-coordinated plan aimed at shrinking imbalances is seen as highly desirable. This paper is a detailed account of the initiatives, led by the IMF, to address imbalances prior to the 2008 global financial crisis.



## INTELLECTUAL PROPERTY RIGHTS AND INTERNATIONAL TRADE: AN OVERVIEW

John M. Curtis

This paper examines extraordinary changes in intellectual property law and policy over the last 20 years, many as the result of their intersection with international trade and numerous international trade agreements brought into force during this period.

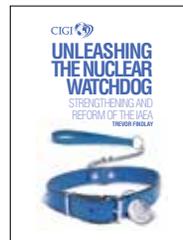


## UN PEACEKEEPING: 20 YEARS OF REFORM

Louise Fréchette

with the assistance of Amanda Kristensen

The end of the Cold War opened a new chapter in UN peacekeeping. This paper reviews key reforms implemented by the UN, concluding that real progress has been achieved. Serious weaknesses remain, however, and the UN must make every effort to continue to improve its performance.



## UNLEASHING THE NUCLEAR WATCHDOG: STRENGTHENING AND REFORM OF THE IAEA

Trevor Findlay

Since its establishment in 1957, the IAEA has evolved deftly, and today, fulfills irreplaceable functions in the areas of nuclear safeguards, safety and the promotion of peaceful uses of nuclear energy. Based on more than two years of research, this paper concludes that while the IAEA does not need dramatic overhaul, it does need strengthening and reform.

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57 Erb Street West  
Waterloo, Ontario N2L 6C2, Canada  
tel +1 519 885 2444 fax +1 519 885 5450  
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