



Introduction by
The Rt Hon Lord Hurd
of Westwell CH CBE PC
Chairman, FIRST
Advisory Council

A visit to Britain by the President of Mexico would always be a welcome and important event, but President Calderón's State Visit this month is particularly significant. Both Mexico and Britain are facing the consequences of economic recession. Both Governments are introducing measures designed to limit the damage to their economy and prepare the way for recovery. President Calderón's package of measures announced in January has been described as well rounded and comprehensive. Because both our countries are democracies our Governments have been open in acknowledging the particular difficulties with which they wrestle. Britain's financial sector has suffered setbacks which are explosive in their force. Mexico has to cope with an onset of banditry by armed gangs connected with the drug trade. I am sure that the President, his Ministers and their British counterparts will discuss frankly the lessons which each of us can draw from the experience of the other.

Meanwhile we have to handle the daily challenges and opportunities of the relationship between two vigorous trading nations. The framework for British trade with Mexico is established by the EU-Mexico Free Trade Agreement (EUFTA). Under this all tariffs on the import of European industrial goods into Mexico were lifted in 2007, which puts our goods on the same footing as those from the US. Mexico is Britain's second largest export market in Latin America and our exports rose by more than 11 per cent in the first ten months of last year compared with 2007. Although this is encouraging we still have a long way to go before we can score the figure for exports to Mexico which should be achievable. It is heartening to note that British firms are following closely and working to contribute effectively to the priorities which the President has set for his Government's domestic investment. I am thinking for example of the British

firm specialising in inter-active learning technology which has become a major supplier for the programme which the Federal Government is developing in that field. Another example is the British firm which has been awarded a project for methane capture in Northern Mexico and three other contracts for landfill programmes. Success in a country like Mexico goes to those who not only work hard but leap ahead of traditional thinking and focus on the rapidly developing priorities of the 21st century.

The President will also want to discuss the wider issues of a world in travail. With good reason the European Commission has proposed that the EU should establish a strategic partnership with Mexico. Mexico's role as an actor on the world stage is steadily growing in importance. She is the only Latin American member of the OECD. This gives her a unique opportunity to bridge the intellectual gap which too often divides thinking in Western countries from those in the developing world. Mexico, like Britain, has a special relationship with the United States, in her case born out of the agreement on NAFTA in 1994. Mexico, like Britain, uses her opportunities to speak out against protectionism and will certainly be doing her best to persuade the new American President that NAFTA is worth cherishing – and more generally that the global trading system should concentrate on removing rather than increasing restrictions. That is a strong shared interest between Britain and Mexico. So is Mexico's strong stance on measures to deal with climate change as the world moves to consider a replacement for the Kyoto Agreement.

The case for closer co-operation between Britain and Mexico is overwhelming. But effective co-operation depends on shared knowledge. We in Britain have been slow to develop our knowledge and understanding of modern Mexico. The President's visit gives us a precious opportunity to remedy this failing.