

# Strengthening a key relationship

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**T**he commercial relationship between Mexico and the UK is an important one for both countries, and one that is increasingly being recognised for its true value.

Burgeoning trade figures indicate the growing strength of this link, which makes Mexico the UK's largest trade partner in Latin America after Brazil. During 2007-08 UK imports from Mexico rose 28 per cent, while exports grew 11 per cent. These statistics reflect the complementary nature of our economies, the huge potential for partnership and the fact that both the UK and Mexican governments have embraced this with practical measures.

The largest trading nation in Latin America, Mexico has acted decisively to position itself in the global marketplace. Its unparalleled network of free trade agreements allow commercial partners to capitalise on its large internal market and its strategic location as a springboard into the Americas. The UK offers an open and dynamic economy with excellent access to the wider European and global markets. But I do not believe that UK or Mexican companies are yet taking full advantage of the enormous opportunities available to them. On my first visit to Mexico some 15 years ago I recognised that this was a market where British exporters were under-represented. To some extent this remains the case today.

Now is the time to take positive action to support our key trading partnerships and affirm our commitment to them. It is trade and investment which will see our economies through the current economic downturn, allowing them to emerge from it in a position of strength. Research indicates that the most significant remaining barrier to the development of our bilateral relationship is one of perception. Incorrect attitudes about both of our countries remain, alongside a lack of awareness of business opportunities. For example, a misconception has persisted in some quarters that difficult regulations make Mexico a tough proposition for would-be exporters or investors. The truth is that doing business in Mexico is significantly easier than in many emerging markets, and the World Bank's most recent assessment ranked Mexico above Brazil, Russia, India and China in terms of ease of doing business. Our international business development organisations must be at the forefront of dispelling misconceptions and promoting the growing commercial partnership between our countries.

UKTI and ProMéxico launched our response to this

challenge in May 2008 – a Joint Action Plan to more effectively co-ordinate our work within a framework of regular meetings. It identifies particular areas, like marketing and access to trade, where our organisations can co-operate to increase trade and investment. UKTI is raising awareness among British firms of Mexico's status as a priority high-growth market, and of the ongoing programme of practical assistance that we can offer to companies who are interested in exploring its potential.

We have increased our staffing in Mexico for the benefit of UK firms, and for the benefit of Mexican companies wishing to explore opportunities in Britain. UKTI now runs five operations in strategic locations across Mexico: Mexico City, Monterrey, Guadalajara, Villahermosa and Tijuana. Services offered by the UKTI team in Mexico include strategic advice, market research, networking opportunities and introductions to high-level interlocutors. We also have a dedicated press and marketing team which can help promote products or services to a targeted audience.

We are delighted that ProMéxico has designated the UK as a target market and opened its European hub in London. The increase in the resources allocated by both countries shows our joint determination to support the growth of bilateral trade and investment with useful measures on the ground. Which sectors will be the engines of this growth? The team that UKTI has established in Mexico can assist with any sector but has particular expertise in aerospace, environment, automotive, consumer goods, creative industries, education, energy, financial services, healthcare, infrastructure and security. British companies have already taken advantage of UKTI support to sell a range of goods and services in Mexico – from beer to automatic number plate recognition technology. They have entered the Mexican market to manufacture complex airfoil components and to collaborate on construction projects. The opportunities are tangible.

We need to be realistic about the global challenges that exist for business and face them head on. But I believe that as part of our response to these challenges we must sharpen our awareness of the potential offered by high-growth markets and strengthen our key trading relationships. Britain's partnership with Mexico is important in both of these respects, and I am delighted that UKTI will be at the heart of this relationship as it continues to grow.

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