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Canada-Mexico: Off to a new start

By [Carlo Dade](#), [Olga Abizaid](#)

Last week's visit of Mexican President Felipe Calderón to Canada got the bilateral relationship back on track. True, the visa requirement, an irritant, will remain in place until the refugee system is revamped. But Calderón took home four initiatives to deepen ties with Canada.

The most important outcome is the new Canada-Mexico Joint Action Plan that will set the tone and build a strategic vision of the relationship. It sets four priorities for the bilateral agenda in the coming years: fostering competitive and sustainable economies; protecting citizens and interests jointly in the world. Considering that few institutional mechanisms are in place to manage the overall relationship, the agreement is a significant achievement.

The other three initiatives seek to enhance flows of people and facilitate cargo shipments between the two countries and contribute to economic growth.

To improve the latter, Canada committed close to \$4 million by 2011 from the \$15 million allotted to its newly launched Anti-Crime Strategy for security. These monies will support Mexico's judiciary reform, including training and education for judges in the country's recently reformed system.

To build the capacity of judges acting under this new system, Canada will also assist Mexico in adapting legal licensing and development at the state level. It will also harmonize criminal legislation and strengthen prosecution services.

With a clear intention to enhance flows of people and facilitate business, the two countries decided to move toward an open skies framework for aviation to allow greater market access for passenger, all-cargo and combination services. Both countries also signed an initiative to facilitate entry for Canadians and Mexicans that wish to travel and work in the other country for up to a year. This is a welcome recognition of the importance of businessmen, academics, students, civil society organizations, or tourists—in creating deeper linkages between the two societies and their economies.

Although bilateral trade saw over a five-fold growth since the passage of the North American Free Trade Agreement (NAFTA) in 1994, Canada's largest foreign investor, the bilateral—and North American—economic agenda seems to have reached a plateau.

Renewed attention to this file will hopefully foster co-operation in science, technology and innovation, enhance foreign investment and integrate enterprises into value chains and foreign trade structure, and foster the development of regional value chains and economic clusters.

Auto parts maker Linamar's \$120-million investment pledge and Bombardier's interest in investing up to \$400 million in the next three years in regional value chains in the automobile, aerospace and trains industries. These discussions would also be a good opportunity to assess the impact of the new initiatives.

future of North America.

Furthermore, the acknowledged linkage of the competitiveness agenda with sustainable development opens a window of opportunity to diversify away from traditional sources of energy. Given the relevance that land and air transportation have in the movement of people and goods in North America, there is an opportunity to push for the use of alternative fuels in transportation, for instance the possibility to mix biofuels for jet fuel and to work on increasing the American content.

On the world stage, both countries have an opportunity to make proposals and join forces on climate change in the lead up to the COP15 in Copenhagen at the end of 2009. In addition, given the prominent place that Latin America has in both countries' foreign policy objectives, they could explore the area identified as a potential area for bilateral co-operation but there are more things that could be done on governance and strengthening technical assistance.

The visit of Calderón to Ottawa gave many reasons to be optimistic about the future of the relationship. The key question is consistency. It is not a priority. To keep momentum, Canada could benefit from appointing a Secretary of State to liaise with Mexico. This would help to send a clear signal to Mexico that there is interest in the relationship. A little travel budget is all that is needed; the gains would be significant.

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