

GENERAL AGREEMENT ON

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TARIFFS AND TRADE

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UNDERSTANDING BETWEEN THE UNITED STATES AND MEXICO
CONCERNING A FRAMEWORK OF PRINCIPLES AND PROCEDURES FOR
CONSULTATIONS REGARDING TRADE AND INVESTMENT RELATIONS

Mexico and the United States have transmitted to the Secretariat, for the information of contracting parties, the text of the "Understanding Between the Government of the United States of America and the United Mexican States Concerning a Framework of Principles and Procedures for Consultations Regarding Trade and Investment Relations" and an "Immediate Action Agenda", signed in Mexico City on 6 November 1987 by Mr. Héctor Hernández, Secretary of Commerce of the Government of the United Mexican States, and Mr. Clayton Yeutter, United States Trade Representative.

The text of the Understanding and the Agenda are annexed hereto.

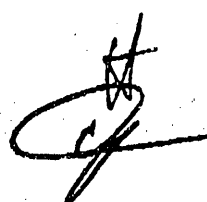
UNDERSTANDING

BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA -- AND THE GOVERNMENT OF THE UNITED MEXICAN STATES CONCERNING A FRAMEWORK OF PRINCIPLES AND PROCEDURES FOR CONSULTATIONS REGARDING TRADE AND INVESTMENT RELATIONS

1. Statement of Principles

The Government of the United States of America and the Government of the United Mexican States.

1. Desiring to enhance even further the friendship and spirit of cooperation between both countries;
2. Recognizing that continuing dialogue and frequent consultations concerning trade and investment matters are vital to the constructive and positive relationship between the United States of America and the United Mexican States;
3. Recognizing the desirability of resolving all issues as soon as possible;
4. Taking into account the participation of both countries in the General Agreement on Tariffs and Trade, and noting that each party reserves for itself the rights it may have under the terms of the General Agreement, together with its agreements, understandings, and other instruments;
5. Recognizing Mexico's present status as a developing country and the rights and obligations accorded to developing countries under the General Agreement on Tariffs and Trade and all other instruments applied therefrom;
6. Recognizing the importance of promoting a more open and predictable environment for international trade and investment;
7. Taking into account the need to eliminate non-tariff barriers in order to facilitate greater access to the markets of both countries;
8. Recognizing that export earnings are important to the ability to fulfill foreign debt obligations;
9. Recognizing the benefits that can result for each country from increased international trade, as well the detrimental effects of protectionism;
10. Recognizing the increased role of services in their domestic economies and their bilateral relations, and taking into account the commitments undertaken by both countries in the Uruguay Round;



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2.

11. Recognizing the complementary role of direct foreign investment in furthering growth, creation of jobs, expansion of trade, technology transfer and economic development;

12. Recognizing the importance of providing within the legal and regulatory framework of each country adequate protection and enforcement of intellectual property rights; and taking account of their commitments in GATT, in the Conventions administered by the World Intellectual Property Organization (WIPO), and in the Universal Copyright Convention;

13. Recognizing the special role of commerce in the development of their border regions and the need for special cooperation on border commercial matters;

14. Taking note of the progress made in the current process of trade liberalization of the Mexican economy;

Intend to abide by the preceding principles of trade and investment and agree to the following:

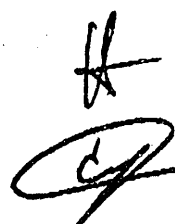
II. Consultative Mechanism

1. Either party may request at any time consultations with the other party on any matter concerning bilateral trade and investment relations, including trade and investment opportunities and problems. Any such consultations shall be without prejudice to the requirements of domestic law.

2. Request for consultations shall be accompanied by a written explanation of the subject to be discussed and consultations shall be held within 30 days of the request, unless the requesting party agrees to a later date. Consultations will take place initially in the country whose measure or practice is the subject of discussion.

3. In the event that consultations involve a dispute concerning a trade measure or practice, every effort will be made to resolve the dispute at the working level. Either party may request review of the issue at a higher level. If resolution is not reached within 30 days following the first meeting, either party may seek other means of settlement, including referral of the dispute to the dispute resolution procedures applicable to the General Agreement on Tariffs and Trade (GATT), to which both countries are a party. If a measure is referred to the GATT, consultations under this Understanding shall be considered to have constituted consultations under Article XXIII (1) of the GATT or any preliminary bilateral consultations required as part of any GATT code dispute settlement procedures.

4. In the event that consultations involve an investment measure or practice, every effort will be made to resolve the issue at the working level. Either party may request review of the issue at a higher level. If agreement is not reached within 30 days following the first meeting, either party may use other means consistent with its domestic law and its international obligations.



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3.

5. Consultations should be held annually at the Cabinet or Subcabinet level to review the status of the bilateral trade and investment relationship.

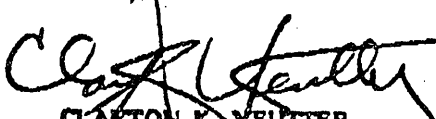
6. All consultations under this Understanding will be jointly headed by the Office of the United States Trade Representative (USTR) on the part of the United States and by the Secretariat of Commerce and Industrial Development (SECOFI) on the part of Mexico. USTR and SECOFI shall be assisted by officials of other governmental entities as circumstances require and may delegate their authority when appropriate.

III. Data Exchange

1. Both parties will examine the requirements and possibilities which arise concerning an improved exchange of statistical information. In addition, both parties will participate in the GATT Tariff Study.

Done in Mexico City this sixth day of November nineteen hundred and eighty-seven, in four original copies, in English and Spanish languages, each text being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA


CLAYTON K. YEUTTER
UNITED STATES TRADE
REPRESENTATIVE

FOR THE GOVERNMENT OF THE
UNITED MEXICAN STATES


HECTOR HERNANDEZ CERVANTES
SECRETARY OF COMMERCE AND
INDUSTRIAL DEVELOPMENT

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IMMEDIATE ACTION AGENDA

In relation to the Understanding Between the Government of the United States of America and the Government of the United Mexican States Concerning a Framework of Principles and Procedures for Consultations Regarding Trade and Investment Relations, the United States and Mexico confirm the following:

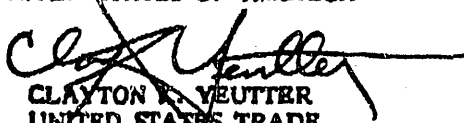
1. To be ready to commence the holding of bilateral consultations, within 90 days of the signing of the aforementioned Understanding, on the following topics:

- Textile products
- Agricultural products
- Steel products
- Investment matters
- Matters involving technology transfer and intellectual property
- Electronics products
- Exchange of information on the service sector geared towards improved analysis and towards the work being undertaken in the Uruguay Round of Multilateral Trade Negotiations.

2. Both Parties recognize that the inclusion of the preceding topics in the immediate Agenda of Consultation does not limit the right of each country to include any other issue relating to trade and investment which might arise in the short term and require immediate bilateral consultations; neither does it prejudice the raising of new issues in the future.

Done in Mexico City this sixth day of November nineteen hundred and eighty-seven, in four original copies, in English and Spanish languages, each text being equally authentic.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA


CLAYTON K. YEUTTER
UNITED STATES TRADE
REPRESENTATIVE

FOR THE GOVERNMENT OF THE
UNITED MEXICAN STATES


HECTOR HERNANDEZ CERVANTES
SECRETARY OF COMMERCE AND
INDUSTRIAL DEVELOPMENT