

## **Curriculum Vitae**

### **H.E. Ms Rosario Green Minister of Foreign Affairs, Mexico**

Ms Rosario Green was born in Mexico City in 1941.

She studied International Relations at Mexico's National Autonomous University and holds a Master's degree from El Colegio de Mexico. She also did post-graduate studies at Columbia University specializing in International Economics and Latin American Problems. Ms Green has also been a professor and researcher at the Centre of International Studies, El Colegio de Mexico and at the Iberoamericana University.

Ms Green has held many diplomatic, political and ministerial positions, as follows:

- 1972 - 1974 First secretary in Mexico's Permanent Mission before the UNO in Geneva
- 1982 Adviser to the Executive Director of the World Bank for Mexico, Panama and Venezuela, in Washington, D.C.
- 1983 - 1989 Director of the Institute Matias Romero of Diplomatic Studies in Mexico
- 1986 - 1989 Executive Director in Mexico of the Commission about the Future Relations Mexico-United States
- 1988 - 1989 Executive Director of the Commission of International Affairs of the PRI (Revolutionary Institutional Party)
- 1989 - 1990 Ambassador of Mexico to the German Democratic Republic
- 1990 - 1992 Executive Secretary of the Human Rights National Commission
- 1992 - 1994 Deputy Minister of Foreign Affairs covering Latin America, Cultural Affairs and International Cooperation
- 1994 - 1997 Under-Secretary General of UNO
- 1997 - 1998 President of the Colosio Foundation and Senator of the PRI (Jan)

**MEXICO AND SINGAPORE  
PARTNERS FOR GROWTH:  
SHARING THE ECONOMIC CRISIS EXPERIENCE**

by

**HER EXCELLENCY MS ROSARIO GREEN  
MINISTER OF FOREIGN AFFAIRS, MEXICO**

### **Introduction**

It is an honor to be here at the Institute of Policy Studies of Singapore. As you probably know, this is my first trip to your country. Needless to say I am impressed. I have certainly followed with great interest your achievements. With many other Mexicans, I shared for a very long time an admiration for your determination and courage.

I therefore knew that I was to find a land of extraordinary potential for cooperation. However, I have to confess my expectations fell short to what I have seen and, most important, of what I have felt.

It is now that I fully understand the true meaning of Prime Minister Goh Chok Tong's words in Mexico when he said, and I quote:

“While Asia has been the focus of Singapore business due to our proximity and familiarity with the regional markets, we are looking beyond our immediate region to other thriving regions. Mexico can help Singapore to tap vast opportunities. Mexico is familiar with the market terrain of the vast North American region, while Singapore has the capital, technology and management.”

Mexico shares those beliefs, I am convinced.

Let me say at the outset that Mexico is firmly committed to strengthening and widening its many ties with the Asia-Pacific region. Historically, we have shared many common goals and objectives, and we have developed close cultural, economic and political relations.

In Mexico we see ourselves as an integral part of the Pacific Rim community. Our heritage has been enriched by the constructive influence of the Asian countries, which may have originated even earlier than the European presence in our hemisphere.

More recently, our countries have reached towards each other in order to enhance our development objectives and our political dialogue. I believe that so far we have been successful. My visit to your country aims at increasing the level of awareness that we have of each other and of the many possibilities of embarking in common enterprises as we cross the threshold towards a new century.

Mexico and Singapore have come a long way in the construction of solid bilateral ties. We are at a point in time during which we have developed a strong friendship and mutual understanding. It is for this reason that we have to go one step forward and establish a new era of closer collaboration. We have to strengthen and design our bilateral agenda, for both countries to be better prepared for the challenges of globalization that will continue to exist in the next century.

We have much work to do; we have to build a future. Mexico is ready. We see in Singapore a partner of extraordinary potential that complements our diversification efforts and can help Mexico to be present in Southeast Asia. Mexico can help Singapore to be present in the Americas, thanks to the Free Trade Agreements that we have signed with countries in South, Central and North America.

### **Mexico's Foreign Policy**

Our interest in reaching out to the Asia-Pacific region is not accidental. It must be understood as a deliberate strategy of the Mexican government. As a result of our foreign policy goals, we are firmly interested in taking advantage of the fact that Mexico is, in a sense, a crossroad of the world.

Our goal is to give our foreign policy greater balance and to widen new opportunities of cooperation, development and exchange. Thus, we are actively engaged in a policy of diversification.

This policy has three main objectives:

- a) To promote the comparative advantages of Mexico, both political and economic, within the world's trade centers and in multilateral organizations;
- b) To assure that our foreign policy adequately supports and reflects the interests of our country in bilateral and multilateral cooperation agreements; and
- c) To promote international initiatives that demonstrate our common concern over the major global issues of the post cold-war era: international financial stability, fight against drug-trafficking and organized crime, environmental protection, and others.

Mexico intends to play an important role in shaping the world of the coming century. Our foreign policy is action-oriented and we want to assure that our contribution to global development and stability also results in higher standards of living for all Mexicans.

### **Relations with North America**

Our proximity to the United States and Canada, whose economies rank first and seventh in the world, has unique implications for Mexico's foreign policy. Maintaining duly institutionalised contacts with our two northern neighbours is of crucial importance, given the wide range of issues that constitute the common agenda. Consequently, we ascribe the highest

priority to a relationship that emphasizes cooperation and mutual confidence as the source of shared well-being.

As you are aware, the North American Free Trade Agreement, NAFTA, entered into force in 1994. It has resulted in a 64 percent growth in trade among the three member countries. Trade between Canada and Mexico has grown 70 percent, and it has doubled in the case of Mexico and the United States. The agreement has also brought an increase of 48 percent in the volume of exports of Mexico, Canada, and the United States to the rest of the world. In terms of social benefits, NAFTA has contributed to the creation of more and better paid jobs in the three countries.

### **Relations with Latin America**

Mexico is proud of its Latin American heritage. It is with the countries of this region that we share historical, cultural and ethnic roots. This is why we have endeavoured to strengthen our ties with the nations of Latin America and the Caribbean through a sophisticated network of agreements of a political, economic and commercial nature. We firmly believe that as we foster the economic development of our countries, the strength of our societies and of our political institutions will increase.

It is in this regard that we have advanced firmly towards the liberalization of trade in our continent. In 1992, Mexico and Chile signed a free trade agreement which has been recently widened. We have also signed free trade agreements with Bolivia, Costa Rica and Nicaragua, as well as with Colombia and Venezuela. We are currently negotiating similar agreements with Guatemala, Honduras, El Salvador, Belize, Panama, Trinidad and Tobago, Peru and Ecuador.

Mexico's trade with these countries has substantially increased since the entry into force of the existing agreements. For example, total trade with Chile has increased almost 600 per cent; with Costa Rica about 150 per cent, and with Colombia and Venezuela more than 90 per cent. At the same time, Mexican investment in Chile grew 300 per cent.

In recent years, the Latin American process of integration, which originated four decades ago, has registered important achievements. During the 1990-1997 period, trade among the member States of the Latin American Integration Association increased 262 per cent; among members of Mercosur, 387 per cent; within the Andean Community, 334 per cent, and among Colombia, Mexico and Venezuela, 461 per cent.

I should also mention that as a result of the Second Summit of the Americas, which took place in Santiago, Chile last April, our countries have committed themselves to establish a Free Trade Area of the Americas by the year 2005.

### **Relations with Europe**

The European Union has a special significance for Mexico. It is our country's second largest trading partner and investor, as well as the most developed integration process of the world. Last December, we signed an Agreement for Economic Partnership, Political Coordination, and Cooperation between Mexico and the European Union, which will enable us to

strengthen our political ties, improve understanding, promote trade and establish new initiatives for joint action on issues of common concern.

The negotiations of this Agreement are based on our interest in promoting a global trade system. It should be mentioned that in every bilateral or regional agreement we subscribe, we respect a basic principle: to avoid any rule or practice that could reduce trade and investment with non-members.

### **Relations with Asia-Pacific**

As I mentioned earlier, Mexico has historical links with the nations of the Asia-Pacific region. Since the sixteenth century, both shores of the Pacific have influenced each other and shared not only goods but also values and cultural expressions. Thus, we have a common background which enables us to build closer ties of friendship and cooperation, within a framework of mutual respect and understanding.

Mexico grants a high priority to its bilateral ties with the Asia-Pacific countries. We also accord a high priority to our participation within the regional organizations of this part of the world.

Our interest is not new. In 1988, the Mexican Commission of the Pacific Basin was created. One year later, Mexico became a member of the Pacific Basin Economic Commission, and, in 1991, it was accepted as a member of the Pacific Economic Cooperation Council. Furthermore, Mexico was the first Latin American country to be accepted as a member State of the Asia-Pacific Economic Cooperation (APEC).

Our membership in APEC enables us to actively participate in world economic trends, to wield an influence regarding initiatives that will have a major impact on the levels of well-being of our nations, and lead us towards the construction of a wide economic and free trade area with shared benefits.

Currently, my country chairs ECOTECH, a most significant committee of APEC, responsible for the coordination of more than 350 economic, technical, and scientific cooperation projects.

Later this year, in October, Mexico will also have the privilege to host the Conference of Science Ministers of APEC.

One of the most relevant organisations of the Asia-Pacific region is undoubtedly the Association of Southeast Asian Nations (ASEAN). As you well know, ASEAN aims to work for the political stability and economic prosperity of its members. Mexico shares these goals and has confirmed its intention to become a "Partner for Dialogue" of ASEAN.

Mexico's participation in these efforts of regional cooperation has been fruitful. From 1988 to 1994 our trade with the the countries of Asia-Pacific grew around 20 per cent a year. In 1996, Mexico's exports to this region increased by 25 per cent. By 1997, our trade represented 5.2 per cent of our total trade world-wide. Last year Asia-Pacific investment in Mexico amounted to 17.8 per cent of the total foreign investment we received.

## **Mexico's Economic Situation**

Let me share with you now some experiences of our 1994 financial crisis and some recent economic developments.

Some analyses have compared the financial crisis that afflicted Mexico with the current Southeast Asian economic experience. However I consider it is very difficult to draw parallelisms. Each situation is unique. We can not teach others. Mexico, by taking full responsibilities of its financial crisis was able to learn. Others will have to do the same.

The Mexican experience nevertheless made valuable contributions by prompting international awareness about the role that the global financial organizations should play in the prevention of future crisis. It ignited the urgent reform of the traditional mechanisms of financial assistance, in order to include in their strategy the need to increase resources to face financial emergencies.

At the end of 1994, Mexico experienced a very serious financial downturn. Because of its nature, its magnitude and its possible consequences, many analysts considered it the first truly global economic crisis. From the outset, the Mexican government recognized that it was facing an emergency, and reacted expeditiously to avoid the collapse of the financial and productive structures of the country.

Several important measures were immediately adopted to counter the effects of the problem:

- A very severe program of economic and financial adjustments was implemented, with the purpose of restoring economic stability and regaining the basis for sustained growth.
- An unprecedented package of external financial support was negotiated with the Government of the United States, as well as international financial institutions such as the IMF, the World Bank, and the IDB.

Through a significant sacrifice and discipline of the Mexican people, we were able to turn the corner and restore economic growth. Gross Domestic Product, which had fallen 6.2 per cent in 1995, increased 5.1 per cent the next year, and in 1997 registered a growth of 7 per cent, the highest of the last 16 years.

The inflation rate, which had reached 52 per cent in 1995, fell to 16 per cent in 1997, and this positive trend continues. The unemployment rate, which peaked at 7.6 per cent in August 1995, decreased to 2.8 per cent last December.

From 1994 to 1997, Mexican exports almost doubled. Last year, our total trade reached 220 billion (US) dollars. International reserves, which practically vanished in 1995, are now around 30 billion dollars. Domestic savings increased from 15 per cent of the GDP in 1994 to 21 per cent in 1997.

Foreign direct investment reached about 12 billion dollars in 1997. Between 1994 and 1997, Mexico ranked second among the emergent economies of the world in receiving foreign investments and equipment (40 billion dollars), surpassed only by China. These numbers

speak of the growing level of confidence investors have in Mexico and in its future.

The economic recovery, and the record time in which it was achieved, can be attributed to the following measures: a rigorous fiscal and monetary policy; the pursuit of structural reforms, such as the privatisation of State owned enterprises; the gradual and firm deregulation of foreign investment; the new pension system which accords a major role to the creation of domestic resources; continued trade liberalisation; improvement of the soundness of the banking system; and the encouragement of domestic savings.

In 1998, the main challenges faced by the Mexican economic growth program are to consolidate the basis for sustainable growth and to translate it into a better standard of living for our society.

Undoubtedly we have to take into account new developments on the international scenario. On the one hand, the Asian financial crisis has had a negative effect in the trade and capital flows of Mexico. The financial impact is also related to the lower level of liquidity in the global financial markets.

On the other, the decreasing trend in the international oil prices has forced the Mexican government to make budgetary adjustments in order to guarantee that we reach our public deficit target.

However, in spite of these circumstances, for the third consecutive year, in 1998 GDP growth will probably be close to 5 per cent in real terms. Economic expansion could foster the creation of more than 600 thousand new jobs and an increase in real wages. Domestic savings will finance 90 per cent of productive investment, while foreign direct investment will continue to finance a large proportion of the current account deficit.

This year, within the structural reform framework, we will begin the privatisation of the airport system; conclude the bidding process of the third largest railroad and of the natural gas distribution network in Mexico City and Monterrey; and continue the divestiture in the administration of sea ports.

I want to emphasise that the ultimate purpose of the measures taken by the Mexican government is to improve the well being of our people and to enhance our standards of living.

### **Relations with Singapore**

Mexico considers Singapore a regional powerhouse and an important financial and economic capital. Singapore is a privileged partner which can help us to enhance our presence in South Asia and to promote the principles of open regionalism.

Singapore is Mexico's main partner amongst the ASEAN nations and Mexico is the first Latin American partner of Singapore. Over the last years, trade between our two nations has experienced continued growth, having reached a total over a billion dollars in 1997. We are, in this sense, a gateway to our respective regions and we should continue to take advantage of it.

Singapore's investments rank third among the Asia-Pacific nations which invest in my country. Singapore's accumulated direct investment in Mexico during the 1994-1997 period was approximately 100 million dollars and such amount keeps increasing. This fact reflects the confidence of Singapore in the Mexican economy and its policies.

It is also important to underscore the interest shown by Singapore's enterprises in some specific areas of our economy, such as electronics, infrastructure, transportation and telecommunications. Businessmen of both countries are increasing their contacts in order to develop strategic alliances of mutual benefit. They are contributing to create many opportunities for economic cooperation, and they should be encouraged to proceed along the same road.

Our two governments have a common challenge ahead which is to provide the necessary framework for the relationship to grow and prosper. The underpinnings of a solid economic partnership already exist and we should work to enhance them. At the same time, we must continue to improve the dialogue and communication between our two nations and deepen our mutual understanding. We must commit ourselves today and here to meet these challenges for the benefit of our peoples.

As his Excellency, Prime Minister Goh Chok Tong said to me during our first encounter, today, Mexico and Singapore have to look at the bilateral relation in a wider context, that is, in a regional context. Mexico agrees with the Prime Minister, both of our countries can play the role of catalysts for our respective regions. Let us work in that direction.

Consider us your friends but, likewise let us together look and build a common future. A future of opportunities, progress and justice for both: Singaporeans and Mexicans alike in this globalized world. Let's allow the similarities and determination converge in partnership in our regions. Let's allow our differences to complement each other. Let's allow our convictions, respect and determination to flourish in a partnership for growth and international cooperation.