

24th International Meeting of the Pacific Rim Economic Council

SENIOR CIVIL SERVANTS from 22 countries and more than 500 businessmen and delegates from the most representative economic organizations in the Pacific Rim attended the 24th International Meeting of the Pacific Rim Economic Council, which was held in Guadalajara, Jalisco, from the 6th to the 8th of May.

High-ranking officials from Peru and Costa Rica and delegations from other Latin American countries such as Ecuador, Colombia, Chile, Argentina and Brazil were present. The meeting was officially opened by the President of Mexico, Carlos Salinas de Gortari.

In his speech, the Mexican President stressed the importance of the economic blocs that are forming in Europe, the Pacific and North America as means of fostering world growth. However, he pointed out that this goal will only be reached if we are able to do away with protectionism, either the open or the concealed variety, and prevent the economic blocs from becoming closed fortresses.

He also underlined the Mexican government's decision to diversify its economic and commercial

relations with other regions and countries. He mentioned the signing of the Free Trade Agreement with the United States and Canada, the negotiating of arrangements with the European Economic Community and the freeing of trade with Chile, Venezuela, Colombia, Central America and the Rio Group.

More than 150 investment projects and joint ventures in the agro-industrial, tourism, foodstuffs and automobile sectors were discussed and analyzed during the meeting. In addition, the opportunities offered by Mexico for the installation of industries and the marketing of products were explained to the participants.

Mexico considers investment from the Asian Pacific countries as an important factor for the recovery of its market, with benefits for micro, small and medium-scale industry. Likewise, because of its 82 million inhabitants, it constitutes, of itself, a large market.

The representative of the Mexican Commission pointed out that Mexico's active participation in the Pacific Economic Cooperation Conference, signed in May 1991, does not mean that Mexico is turning its back on Latin America, since it may serve as an export platform for launching both Mexican and Latin American products into the Asian markets.

The Pacific Rim Member Countries

The concept of the Pacific Rim refers to trade, investment and other forms of economic interaction between, the United States and Canada, Japan, Australia, New Zealand, Hong Kong, Taiwan, South Korea, Singapore, China, Indonesia, Malaysia, the Philippines, Thailand, New Guinea, Fiji, Brunei and, shortly, Mexico. The 18 countries account for 23% of GDP and 22% of world trade; they are also the biggest source of investment.

Mexico in the Pacific Rim¹

A distinctive feature of the countries that make up the Pacific Rim is the vigorous pace of growth in their economies throughout the eighties. Excluding Mexico, the 17 member countries are grouped, according to their characteristics, into 6 sub-regions:

1. The United States and Canada
2. Japan
3. South Korea, Hong Kong, Taiwan and Singapore, known as the four Asian Tigers or NICs (Newly Industrialized Countries)

¹ Data taken from: COMERMEX. "Estudio Especial," Consejo, Mexico, February 1991, pp. 8-11.

4. Indonesia, Malaysia, the Philippines, Thailand, New Guinea, Fiji and Brunei, known as the ASEAN group
5. China
6. Australia and New Zealand

At the present time, the Pacific Rim countries account for 23% of the GDP and 22% of world trade; they are also the biggest source of capital investment. Thus, while world output achieved a rate of growth of 3% per annum during the eighties, the Pacific Rim countries reached an average of 8%. During that same decade, their trade grew by 9%, as against 6% for the European Community.

Mexico's interest in taking part in this bloc is congruent with the drive for opening up the country to foreign trade which began in the mid-eighties with the elimination of prior import licenses, a large drop in foreign trade tariffs, Mexico's entry into the GATT and, in the nineties, the signing of a Free Trade Agreement with Canada and the United States.

Mexico's aims in taking part in the economic dynamics of the Pacific Rim are:

- To diversify its market, since at present 70% of its trade is with the United States
- To increase output and jobs
- To attract more investment from the Asian countries which have surplus capital
- To bring down its trade deficit with Japan and the four Asian Tigers
- To take advantage of the technological options being developed in the region
- To use its proximity to the United States to attract "maquiladoras" (in-bond plants) and joint production processes with other Pacific Rim countries
- To incorporate cost-effective techniques that have been applied in Asian and North American production processes
- To act as a bridge between the Asian Pacific Rim countries and the United States, through the Free Trade Agreement 

