

Brief Embassy Report on Bilateral Relations – ITJ Division, DGCI&S, Kolkata.

India-Mexico Bilateral Relations

A. Introduction

1. Indian Trade Journal (ITJ) division of the Director General of Commercial Intelligence and Statistics (DGCIS) brings out weekly publication on Embassy Profile Report providing information on recent policy changes and happenings in other countries that may be of interest to the Indian trading community. This is the Profile Report depicting the Embassy of Mexico.

2. Mexico was the first country in Latin America to establish diplomatic relations with Independent India in 1950. In the year 2020, India and Mexico commemorated 70th anniversary of the establishment of bilateral diplomatic relations. The bilateral relationship has been characterized by warmth, friendship, and commonality of views on a wide range of issues. During the cold war years, Mexico and India worked together closely as members of the UN, G-77, G-15, and G-6 (nuclear disarmament), both actively championing the interests of developing countries such as in the Uruguay Round of Trade Negotiations. Till the mid-eighties, the two countries exchanged as many as eight visits at the level of Head of State and Government which epitomized the ties.

3. India and Mexico (officially called the United Mexican States) have striking similarities in geo-climatic conditions, biodiversity, cultural and family values. Both are heirs to a great civilizational heritage and contacts between them go back to centuries. Among Mexicans, there is widespread general awareness, high interest and regard for the Indian culture, social values, and pluralistic democracy. India's achievements in economic, educational, scientific & technological fields are greatly admired in Mexico. Gandhiji's statues and busts adorn major Mexican cities namely Mexico City, Guadalajara, Acapulco, Guanajuato, Cancun, and San Luis Potosi.

B. Commercial Relations (Trade and Foreign Investment) – Recent facts & figures

4. Mexico is India's 10th largest trade partner. Bilateral trade reached US\$ 9.07 billion in 2022-23. India's exports stood at US\$ 5.20 billion while imports stood at US\$ 3.87 billion during the same period. In the trade basket from Indian side, the most important items of export are automobiles and auto parts and pharmaceuticals products. From Mexican side, most important item is crude oil. Crude oil also occupies 75% of export basket from Mexico. India is Mexico's third largest market globally.

An account of Bilateral commodities trade in goods from 2019-20 to 2023-24 are as under:

The Export-Import statistics as per India's Ministry of Commerce data bank from 2019-20 to 2023-24 are as follows:

The Export-Import statistics from 2019-20 to 2023-24

(US Dollar Billion)

S. No		2019-20	2020-21	2021-22	2022-23	2023-24
1.	Export	3.62	3.09	4.43	5.20	5.32
2.	Import	4.30	2.85	4.25	3.87	3.10
3.	Total Trade	7.92	5.94	8.68	9.07	8.42

(Source: Doc, Ministry of Commerce & Industry)

5. A new Trade & Commerce Council of India and Mexico (INDMEX) was launched by Hon'ble Foreign Minister of Mexico Mr. Marcelo Ebrard in December 2022 at the premises of the Ministry of Foreign Affairs of Mexico.

6. **Investments:** Indian companies see Mexico as a major investment destination with access to NAFTA (now USMCA) and Latin America. Several Indian companies have already invested in Mexico in recent years. The three strongest performing areas for Indian investments in Mexico are information technology, pharmaceutical and automotive sectors. Almost all major Indian IT and ICT companies (TCS, HCL, Infosys, Tech Mahindra, NIIT, Aptech, Hexaware, Wipro, BirlaSoft, etc.) have operations in Mexico. Several Indian pharmaceutical firms (Lupin, Dr. Reddy's Laboratories, Zydus, Claris, Life Sciences, Hetero Drugs, Sun Pharma, CIPLA, and Solara) have investments and operations in Mexico. In food processing sector, Parle-G is successfully running its only manufacturing plant in all of Americas in Mexico. Sakthi group is investing in the auto parts sector in Durango. Motherson Technical Precision Mexico has 15 plants in Mexico and announced an investment of 640 million pesos in January 2021. Overall, Indian investments in Mexico are far greater than the other way around. India's investments in Mexico are around US \$ 3 billion.

7. Presently, over 200 Indian companies have presence in Mexico. Hero Motocorp, the largest two-wheeler maker of India also announced its plan to begin operations in Mexico after entering into a distribution agreement with Grupo Salinas in January 2021. Flex Americas, a subsidiary of UFLEX Ltd. announced expansion of their operations with an investment of 100 million USD in the north of Mexico. Indian company UPL Ltd also announced an investment of USD 11 million in a new Research & Development Centre and manufacturing plant in Saltillo, Mexico. Automotive component manufacturing Indian company Vimercarti Viney announced an investment of US\$ 200 million in the state of Nueva Leon over a period of ten years in August 2023.

8. From the Mexican side, 17 major companies have presence in India. Leading Mexican companies like Nematik, Metalsa, Mexichem, Great Foods & Beverages, RuhrPumpen, Cinopolis and Kidzania have invested in India in recent times. Mexican IT company Softtek became the first Latin American company to have a presence in India as service provider. Bimbo Group has made an investment acquiring a major stake in Harvest Gold and Ready Roti brand. Cinopolis has opened over 350 screens all over India penetrating tier 2 cities as well. The total investment of Mexican companies in India is approximately USD 810 Million.

C. Other Major Areas of Cooperation:

- Several Agreements/ Memorandum of Understanding (MOU) have been signed between India and Mauritius for cooperation in the fields of defence, economic and commercial links, technical cooperation and culture.
- An umbrella bilateral agreement for S&T cooperation was signed in 1975 and cooperation activities are carried out through three-yearly programmes of cooperation under its framework. There is an active bilateral S&T cooperation, with projects in several areas of mutual interest like seismology, material science, agricultural waste management, atmospheric sciences, and advanced applied physics.
- During the visit of FM Ebrard to India in February-March 2023, an MoU was signed between India's Council of Scientific and Industrial Research (CSIR) and Mexican Agency for International Development Cooperation (AMEXCID) during the visit of FM Ebrard in March 2023. The MoU also focusses on expanding the programs of cooperation and exchange, particularly in areas of research, technological development and innovation in priority areas of hydraulics, electromobility and low cost vaccines. A Joint Accelerator Fund for a sum of US \$ 1 million supporting Joint Science, Technology and Innovation Projects was established as part of the MoU. An India-Mexico Research Consortium (IMRC) was launched by the Embassy of India in Mexico in January 2023 with participation of researchers and academicians from all over Mexico.
- Bilateral cooperation was initiated in traditional medicine with the signing of a letter of intent for cooperation on 15 October 2012 between GOI's Department of AYUSH and Mexico's Ministry of Health. During the meeting of Foreign Minister of Mexico, Mr. Marcelo Ebrard with the Minister of AYUSH on 1 April 2022, it was agreed to establish chairs of traditional medicines in different Universities/ Institutions of Mexico. An MoU establishing one such chair in Ayurveda in the Autonomous University of Nuevo Leon was signed between the Ministry of AYUSH and the University of Nuevo Leon on 22 April during the Global Ayush Investment and Innovation Summit 2022 held in Gujarat in the presence of PM Narendra Modi.
- ITEC program was extended to Mexico in 1991 and currently 35 training slots are available to Mexican participants annually. Under the bilateral academic exchange program, 4 scholarships are offered to Mexican students every year while Mexico makes available up to 6 scholarships to Indian students at any given point of time. The scholarships are for pursuing various undergraduate, postgraduate, and doctoral programmes. A slot is also offered to Mexican diplomats for training at the Sushma Swaraj Institute of Foreign Service Institute (SSIFS) of the Ministry of External Affairs once in two years. SSIFS conducted a fully funded special training course for 30 young Mexican diplomats from 5-16 September, 2022. An MoU on academic cooperation was signed between National Autonomous University of Mexico (UNAM) and Doon University, Dehradun in March 2023.
- An agreement on cultural cooperation has been in existence since 1975 and cooperation activities are carried out through four-yearly 'Programmes of Cultural Cooperation' under the framework of this agreement. ICCR offers four scholarships to Mexicans every year. Leading Mexican university 'Colegio de Mexico' and the 'National Autonomous University of Mexico'

have important centers of Indian studies. Regular classes for Yoga, Indian Classical and Bollywood dances, Sitar, Tabla, Hindi, Sanskrit, and Indian Cooking Classes are held at the Centre.

➤ The Indian community (PIOs/NRIs) in Mexico is small, numbering about 8000 with about one third of them in Mexico City, and the rest spread in Guadalajara, Monterrey, Cuernavaca, Queretaro, Cancun etc. The bulk is formed by IT professionals working for IT companies. Others comprise executives of Indian and international companies, academicians, and businesspersons mostly in pharmaceuticals, textile and garment business. In 2016, an 'Indian Association of Mexico (IAM)' was registered locally which commands good membership and support of the community. Indian cuisine is quite popular and a few Indian restaurants have been running successfully in Mexico. Mexico City has a Sikh Gurudwara, a mosque as well as an ISKCON temple.

Source: www.mea.gov.in