

# Mexico – Alberta Relations

Government of Alberta ■  
International and Intergovernmental Relations



## PROFILE

**Capital:** Mexico City

**Population:** 109,955,400 (July 2008 est.)

**Language:** Spanish

**Government:** Federal Republic

**Head of State & Government:**  
President Felipe Calderón

**Currency:** Mexican New Peso  
CDN\$1 = 12.04 pesos (July 2009)

**GDP:** US\$1.143 trillion (2008 est.)

**GDP (PPP):** US\$1.578 trillion (2008 est.)

**GDP Per Capita (PPP):** US\$14,400 (2008 est.)

**GDP growth rate:** 2.0% (2008 est.)

**Unemployment:** 5.31% (May 2009)

**Inflation:** 6.2% (2008 est.)

**Key Industry Sectors:** Food & beverages, tobacco, chemicals, petroleum, tourism.

## DID YOU KNOW?

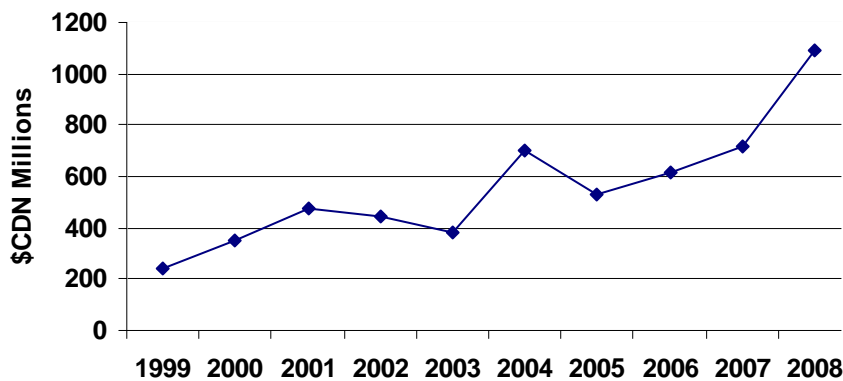
- Close to 50% of Mexico's population is under the age of 25.
- Mexico City, with a population of approximately 23 million, is one of the world's largest cities.
- Mexico is the world's 6<sup>th</sup> largest producer of oil, with daily production of 3.5 million barrels, and in 2007 was the second largest exporter to the U.S.

## RELATIONSHIP OVERVIEW

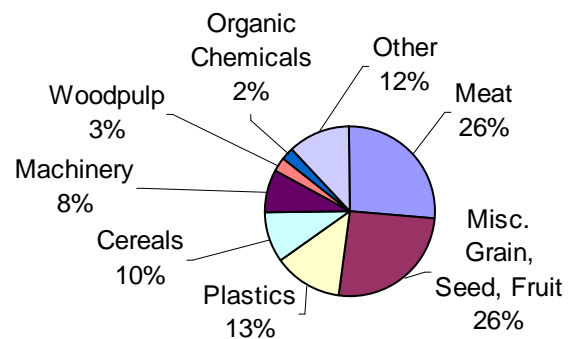
- Alberta and Mexico share common interests in such areas as energy, agriculture, NAFTA, and the challenges of living next door to the U.S.
- Under NAFTA, Mexico has been one of Alberta's fastest growing export markets and has risen to become the province's 4<sup>th</sup> largest overall trade partner.
- The Canada-Mexico Partnership (CMP) was launched in October 2004 to enhance and expand the strategic relationship between the two countries.

- Alberta has an interest in five of the six CMP working groups: Agribusiness, Energy, Forestry, Human Capital, and Labour Mobility.
- Canadian provinces, Mexican and U.S. states participate in the annual Tri-National Agricultural Accord meeting and its various working groups throughout the year. Alberta participates in this forum and believes it serves to provide excellent opportunities to enhance trade and discuss trade irritants before they become major disputes.
- In September 2002, Alberta opened an Alberta trade office in Mexico City, co-located in the Canadian Embassy.
- Alberta entered into a "Twinning Relationship" with the Mexican state of Jalisco in 1999, with a view to cooperating in areas such as agriculture, education, health and economic development.
- In response to the growing economic, political and social relationships between Alberta and Mexico, Mexicana airlines began a non-stop service from Mexico City to both Calgary and Edmonton in June 2008.

## Alberta's Exports to Mexico (1999-2008)



## Alberta's Exports to Mexico (2004-2008 Average)



### TRADE AND INVESTMENT

- Alberta accounts for 17% of Canada's exports to Mexico. Alberta-Mexico two-way trade was more than \$1.7 billion in 2008.
- Over the past five years, Alberta exports to Mexico have averaged \$730 million annually.
- In 2008, Alberta exports to Mexico exceeded \$1 billion. Main export products include beef, canola seeds, machinery, and wheat.
- Mexican imports to Alberta totaled \$850 million in 2008 sending television receivers, communication equipment, motor vehicle parts, steel pipe, and tobacco to Alberta.

**Note:** Two-way trade between Mexico and Canada is significantly understated by official statistics due to transshipment of goods through the U.S. (Mexican statistics show Canadian exports to Mexico as 2-3 times larger than Canadian statistics).

### ENERGY

- As of January 1, 2009, Mexico had 10.5 billion barrels (bbl) of proven oil reserves and 11.8 trillion cubic feet (Tcf) of proven natural gas reserves. By comparison, Alberta has 174.2 bbl of oil and 40.5 Tcf of natural gas.
- In 2008, Mexico was the world's seventh-largest oil producer and the third-largest in the Western Hemisphere. Mexico produces an average of 3.19 million bbl/d, down from 3.50 million bbl/d in 2007 with many analysts predicting that oil production will continue to decline.
- Along with Canada and Saudi Arabia, Mexico is the third largest exporter of oil to the US. In 2008, Mexico exported 1.4 million bbl/d of crude oil to the US via tanker to the Gulf Coast.
- Mexico is a net importer of natural gas. In 2007, Mexico produced 1.63 Tcf of natural gas and consumed 1.91 Tcf. 47.5 Bcf of liquefied natural gas (LNG) was imported that year.

- Petróleos Mexicanos (Pemex) was established by the Mexican Congress in 1938; the company has exclusive rights to oil exploration and production in Mexico. Pemex is also the sole producer of natural gas and refined products in Mexico, and is the eleventh largest integrated oil company in the world. Throughout 2008, Pemex's averaged crude oil production was approximately 3.2 million bbl/d.
- New legislation introduced in 2008 reformed Mexico's oil sector by allowing Pemex a number of measures to limit the further reduction in oil production experienced in the past few years. The measures include: adding industry experts to the Pemex administrative board, creating a new advisory board to develop a long-term energy strategy and establishing a new hydrocarbons agency.
- One of the main priorities in reforming Mexico's energy sector has been to increase domestic gas production and reduce the country's dependence on natural gas imports.
- While not a member of OPEC, Mexico has at times worked in concert with the cartel to adjust global crude oil supplies.
- Mexico has two operating Liquefied Natural Gas (LNG) terminals, one on each coast and a third currently under construction. The Energia Costa Azul terminal was opened in May 2008 at an estimated cost of \$1 billion in Baja, California. It is expected to supply Mexico, California, Arizona, and other US western states. Mexico plans to build more terminals in the future to serve both the Mexican and US markets.
- Mexico has a single nuclear plant located in Veracruz. Currently there are plans to expand nuclear power capacities in the country.
- Mexico's efforts to expand domestic production may create opportunities for the full range of Alberta's energy and energy service companies to become involved in an estimated US\$130 billion expansion and modernization of the Mexican energy industry over the next decade.

Furthermore, depending upon pending legislation, Coal Bed Methane is another area of potential opportunity.

- Mexico considers Alberta a model for encouraging private sector investment while maintaining government ownership of resources, as it actively seeks investment by Alberta energy companies in the electricity and gas sectors.
- About 30 Alberta companies are reported to be active in Mexico's energy sector.

### AGRICULTURE

- In 2008, Alberta was the largest provincial exporter of agri-food products to Mexico, accounting for 39% of Canada's total of \$1.5 billion.
- Alberta's 2008 agri-food exports to Mexico totaled \$618 million. Top agri-food exports are canola seed, beef, wheat, malt and pork.
- The Alberta Mexico Office, in partnership with Agriculture and Rural Development, has engaged a Commercial Officer dedicated to supporting agri-food trade between Alberta and Mexico.
- Ministries responsible for agricultural matters in the Province of Alberta and the Mexican State of Jalisco signed a Memorandum of Cooperation (MOC) in July 2009. This MOC will enhance opportunities for two-way trade and investment, and facilitate cooperation in food processing research and development with the Value-Added Food Processing Centre in Lagos de Moreno, Jalisco, modeled after Alberta's own Food Processing Development Centre in Leduc.
- Meat-containing, value-added products now require U.S. veterinary services certification for in-transit shipments through the U.S. bound for Mexico. While not a Mexican policy, it does impact Alberta processors' abilities to export products to the Mexican market.

## EMERGING OPPORTUNITIES

- Energy - drilling and exploration equipment, pipeline construction, enhanced recovery, coal bed methane extraction gas exploration and development, electricity generation and transmission, environmental protection.
- Agriculture – animal genetics, pork, and processed food and beverages.
- High technology – nanotechnology, telecommunications, software.
- Education and Training – English as a second language (ESL) training, technical training/apprenticeship, post secondary.
- Construction – building products, prefabricated components.
- Infrastructure – transportation, solid waste management, waste water.
- Environmental & Biotechnology – environmental consulting, water & waste treatment technologies, alternative energy technologies.

## EDUCATION

- Alberta's Education Centre in Guadalajara opened in November 2004.
- Several Alberta post-secondary educational institutions are active in Mexico, with agreements that facilitate exchanges, seminars, and cooperation in training.
- The University of Alberta (U of A) is a particularly active institution, having cooperation agreements with major institutions in Jalisco and actively participating in forums and exchanges with Mexican institutions.
- In December 2007, Alberta renewed a cooperation agreement with the Jalisco Department of Education for the two-way exchange of students. The agreement stemmed from a Memorandum of Understanding (MOU) which was signed in 1999 in the areas of Spanish Language Development Exchange Program and the Educator Exchange Program
- The U of A's *Internationalization in Second Language Teacher Education* project aims to identify opportunities to build a collaborative exchange relationship between Alberta and Jalisco for the support of second-language learning and teacher professional development.
- Mount Royal has also been active in Mexico since 1994, having partnerships with 12 universities in Mexico, including the Universidad Veracruzana.

As part of the partnership with ITESM (since 1994) more than 3 ,500 students attend Mount Royal for a semester exchange or for summer programs, including a fair number of students from Veracruz.

- Athabasca University has partnered with Tecnológico de Monterrey (ITESM) and the University of Maryland University College (UMUC) to form "The North American Alliance of Innovative Universities". Through this alliance, an international conference on trade occurred in March 2009, with a second being planned for April 2010, and the third in 2011. Other initiatives are underway as well which will strengthen the partnership.

## COMMUNITY

- There are 6,440 Albertans of Mexican descent (2006 Census).
- In 2007 Alberta received approximately 27, 000 temporary workers. A large portion of these workers came from Mexico.
- Since 1996, the Alberta government's Wild Rose Foundation has contributed almost \$100,000 in matched funds to projects in Mexico.
- Alberta, through the Wild Rose Foundation, donated \$10,000 to the Mexican Red Cross in November 2007 for use in flood relief in Tabasco and Chiapas.

## AGREEMENTS

- March 2007: Alberta signed a Declaration on Energy cooperation with Mexico's Secretariat of Energy (SENER).
- February 2007: Sustainable Resource Development and Jalisco's Rural Development Secretariat signed an agreement regarding forest fire fighting training.
- September 2005: a trilateral Rural Development cooperation agreement was signed between Alberta, three Mexican states, and New Mexico, US.
- June 1999: Alberta and Jalisco entered a twinning relationship.
- Edmonton & Calgary jointly have an economic cooperation partnership with Jalisco's cities of Guadalajara (Mexico's 2<sup>nd</sup> largest) and Zapopan.
- North American States-Provinces Agricultural Accord – Alberta is a member of this tri-national body that includes Mexican states.
- CANAMEX trade and transportation corridor will consist of a multi-lane highway from northern Alberta, through the Rocky Mountain U.S. states, down to Mexico City.

## RECENT VISITS

- July 2009: Jalisco's Rural Development Secretary, Alvaro Chavez Garcia visits Edmonton, accompanied by several industry representatives in the agricultural sector, media and other government secretaries to sign a Memorandum of Cooperation and commemorate the tenth anniversary of the twinning relationship between Alberta and Jalisco.
- April 2009: Dr. Victor Manuel Gonzalez, the Secretary of Planning for Jalisco visited Edmonton.
- March 2009: Luis E. Alva, Rural Planning Director of the Secretariat from Rural Development of the State of Jalisco visited Edmonton.
- March 2009: Deputy Minister and IIR Minister Ron Stevens visited Mexico to promote Alberta energy and attend several energy sector events.
- January 2009: Advanced Education and Technology Minister Doug Horner visited Mexico.
- March 2008: Jalisco's Rural Development Secretary, Alvaro Chavez Garcia pays a follow up visit to Edmonton, and is accompanied by several industry representatives in the agricultural sector.
- August 2007: Jalisco's Rural Development Secretary, Alvaro Chavez Garcia visited Edmonton.
- September 2007: The Alberta Mexico Office marks its 5-year anniversary.
- June 2007: Representatives from Mexico's Congressional Energy Committee visited Alberta.

## DIPLOMATIC REPRESENTATION

- Francisco Javier Barrio Terrazas is Mexico's Ambassador to Canada.
- Guillermo Rishchynski is Canada's Ambassador to Mexico.
- Angel Villalobos is the Mexican Consul General in Vancouver.
- Francisco López Mena is the Mexican Consul in Calgary.
- Bertrand Desjardins is Canada's Consul General in Monterrey.
- Kathryn Aleong is Canada's Consul in Guadalajara.
- David Nygaard is Managing Director of the Alberta Mexico Office, at the Canadian Embassy in Mexico City. [www.alberta-canada.com/mexico](http://www.alberta-canada.com/mexico)

