

California, Mexico Sign New Trade Investment, Pacts

(State will establish 15 Mexican trade centers) (560)

WASHINGTON -- California will establish 15 Mexican Trade Centers at community colleges around the state as part of a number of new trade and investment agreements between that state and Mexico.

The trade centers will offer an intensive five-day training program in Mexican business practices, culture and the Spanish language to California business people who seek to expand their opportunities in Mexico, California Governor Gray Davis announced.

A press release from Davis's office said the trade centers will also provide current trade information and Mexican business contacts. The University of California, the release said, will work in conjunction with the centers to help business communities in both countries overcome trade barriers that stem from a lack of understanding of government operations, rules and regulations, or language difficulties and differing cultural norms.

Mexico, which in the first part of 1999 was California's biggest trading partner, is also expected to gain 2,500 jobs over the next two years with the opening of a new production factory by the toy manufacturer Mattel, Inc., which is headquartered in El Segundo, California. The new factory will replace Mattel's current production facilities in Asia. This will be Mattel's third plant in Mexico.

In addition, Davis said that the U.S. Department of Transportation has approved \$160,000 in funding for a first-phase study of infrastructure needs at the California-Mexico border. The governor also announced a new agreement between Sempra Energy International and Mexico's Federal Electricity Commission. Over the next 10 years, Sempra will provide a complete energy support package for Rosarito, Baja California, including construction of Sempra's 37-kilometer pipeline between the California-Mexico border and Rosarito, which is expected to be completed by the end of 1999.

Davis said the agreements show the "deepening relationship" between his state and Mexico.

Such a relationship, he said, "is not merely the product of diplomatic niceties. At the dawn of the 21st century, it is an economic necessity. I am proud to recognize (these) agreements that I believe will help lead to a new shared economic prosperity."

Davis made the announcements May 19 during Mexican President Ernesto Zedillo's recent three-day visit to the state. During that visit, Zedillo and Davis attended an inauguration ceremony for the opening of new California headquarters for Telemex, Mexico's telephone company.

During his visit, Zedillo was quoted in a Los Angeles speech as saying that the relationship between his country and California will help create a "North American dream."

At a town meeting, Zedillo praised Davis for making human relations a priority and declaring that Mexico is the most important country for California.

"And California is important to Mexico," Zedillo said. "What happens in California affects Mexico." Two other agreements were also signed by Mexico and California companies during the Zedillo visit. One company, Novazone, is partnering with Mexican investors to provide new technology to make water safe to drink in Mexican hotels, resorts, and hospitals, while California's Leap Wireless International and Mexico's Pegaso PCS companies are working together to provide digital wireless cellular services to major Mexican cities.

Davis also unveiled a new program called Internet 2, in which California and Mexico will form a "digital neighborhood" for the next century by creating an Internet link between Californian and Mexican universities.