

**No. 20405**

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**MEXICO  
and  
CANADA**

**Agreement on industrial and energy co-operation. Signed at  
Ottawa on 27 May 1980**

*Authentic texts: Spanish, English and French.  
Registered by Mexico on 25 September 1981.*

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**Accord de coopération industrielle et énergétique. Signé  
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*Textes authentiques : espagnol, anglais et français.  
Enregistré par le Mexique le 25 septembre 1981.*

## AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED MEXICAN STATES AND THE GOVERNMENT OF CANADA ON INDUSTRIAL AND ENERGY COOPERATION

The Government of the United Mexican States and the Government of Canada,

Desiring to strengthen the friendly ties which exist between both countries;

Conscious of the interest which the increase of cooperation in the fields of industry and energy represents for the development of their mutual relations within the context of each country's contribution to the global scheme of bilateral cooperation;

Desiring to achieve a balanced and mutually beneficial relationship in these fields;

Convinced of the need to favour insofar as possible the development of this cooperation;

Considering that the industrial and energy sectors are closely linked as they constitute two aspects of general exchange and that the progress that may be achieved in these sectors should be harmonious, parallel and mutually beneficial;

Expressing the point of view of both Governments with respect to the unitary character of the combined exchanges, as well as their common desire to develop and broaden their industrial and energy cooperation to strengthen joint venture programs between both countries and to contribute to the strengthening and prosperity of their respective economies, the creation of new jobs and the improvement of living conditions;

Considering that both Governments signed a Trade Agreement in Mexico on the 8th of February 1946<sup>2</sup> and established in November 1968 the Mexico-Canada Ministerial Committee to promote beneficial relations between both countries;

Recognizing that closer, broader and diversified links between their respective industries are of mutual benefit to the two countries;

Confirming the interest of both Parties in encouraging and facilitating the development of joint enterprises with a view to stimulating and expanding the bilateral exchange of industrial goods; and

Considering the preparatory work, including the initialled texts, leading to the conclusion of this Agreement;

Have agreed as follows:

1. The Parties shall promote industrial and economic cooperation at the highest possible level in accordance with their respective economic and social development policies and priorities. To this end, they shall encourage greater participation by their respective companies, Government agencies and other

<sup>1</sup> Came into force provisionally on 27 May 1980, the date of signature, and definitively on 30 April 1981, the date on which both Parties had notified each other of the completion of the required legal procedures, in accordance with article 17.

<sup>2</sup> United Nations, *Treaty Series*, vol. 230, p. 183.

entities in the industrial development of each Party on mutually advantageous terms, especially by means of joint ventures, as well as other forms of cooperation including transfers of technology through such means as technical cooperation, licensing arrangements and related transactions.

2. Both Parties recognize that the contribution of each country to the common purpose of strengthening industrial and economic cooperation should be mutual, balanced and progressive, taking into account the relative levels of development of their respective economies, within the spirit of the Preamble of this Agreement, on the understanding that the contribution of each one of the two countries should be regarded as complementary to the contribution of the other.

3. The Parties shall intensify industrial cooperation by facilitating the use of technological, industrial and financial resources and they shall identify potential partners from the public and private sectors in both countries and encourage their participation in joint ventures.

4. The Parties shall facilitate investment opportunities, including technological transfers, for companies, Government agencies and other entities of the other country by establishing procedures for the exchange of information on the laws and regulations governing foreign investment and technological transfers and to permit the assessment of industrial development needs and priorities of each country. Such information will include indications of specific industrial projects and sectors of interest, which may favour the prospects for cooperation and the identification of potential joint venture partners. In this regard each Government shall keep its business community advised of investment and business opportunities in the other country.

5. The Parties shall establish the principal areas of cooperation, including joint ventures where industrial developments can be related to technological, manufacturing or engineering capabilities to the mutual benefit of the two countries as follows:

- Mining and processing
- Wood products and by-products
- Transportation equipment
- Agro-industry and food processing
- Equipment and services related to petroleum and gas development
- Petrochemicals
- Telecommunications equipment
- Electrical power generation and transmission equipment
- Consulting services

and other sectors which may be identified by the two Governments.

6. Subject to their respective laws and regulations governing foreign investment, the Parties shall accord fair and equitable treatment to the individuals, companies, Government agencies and other entities of the other country.

7. The Parties, having regard to their respective immigration and customs laws and regulations, shall make every effort to facilitate the two-way movement of experts, technicians, specialists, investors and businessmen, as well as

material and equipment related to activities falling within the scope of this Agreement.

8. The Parties shall sponsor and grant each other the widest facilities for the mounting of industrial fairs, exhibits, missions and other promotional activities in the two countries.

9. The Parties undertake to cooperate in the different fields of energy; in order to achieve this undertaking, they shall jointly identify and implement specific projects and programs.

10. The Government of Mexico agrees to the supply by Pemex and the Government of Canada agrees to the purchase by Petro Canada of crude petroleum under the terms and during the time of validity of this instrument. The exports of Mexican petroleum to Canada are a central element of the Mexican contribution to the global scheme of cooperation between the two countries. The achievement of projects and participation in areas of industrial and economic cooperation are central elements of the Canadian contribution to the global scheme of cooperation. Mexican oil exports will be subject to the conclusion of contractual arrangements under the usual commercial conditions between Pemex and Petro Canada.

11. The Government of Mexico shall study the possibilities of application of the CANDU system to meet the needs of nuclear power generation in Mexico. For this purpose, Atomic Energy of Canada Limited is participating as a consultant to the Federal Electric Commission in a joint feasibility study leading to the definition of a nuclear power program for Mexico. Nuclear cooperation between Mexico and Canada resulting from these studies shall be implemented under negotiated contractual terms and will be in accordance with the respective nuclear and non-proliferation policies of the two Governments.

12. The Parties undertake to facilitate the supply of additional Canadian metallurgical coal in accordance with the needs of the Mexican steel industry and to that end shall study details related to the price, quality and grades of required coals with a view to promoting the early conclusion of commercial contracts between Canadian and Mexican corporations.

13. (a) The Parties shall instruct their respective agencies to study possibilities for using Canadian technology in the development of a Mexican uranium industry including, inter alia, exploration, mining, milling, refining and fuel fabrication, with a view to establishing a basis for possible cooperation in this field.

(b) The Parties shall instruct their respective agencies to study possibilities for joint action in energy conservation, the development of renewable energy resources, and such other areas in the energy sector as may commend themselves to the Parties from time to time.

14. In the fulfillment of the objectives of this Agreement the Parties may, in accordance with their respective laws, conclude related agreements and arrangements. The representatives of their Government agencies may conclude arrangements to further the purposes of this Agreement.

15. The Parties shall establish a Committee on Industrial Cooperation and a Committee on Energy Cooperation. The Committee on Industrial Cooperation shall be chaired for Canada by the Minister or Deputy Minister of Industry, Trade

and Commerce and for Mexico by the Secretary or Under-Secretary of Patrimony and Industrial Development. The Committee on Energy Cooperation shall be chaired for Canada by the Minister or Deputy Minister of Energy, Mines and Resources and for Mexico by the Secretary or Under-Secretary of Patrimony and Industrial Development. The two Committees shall meet as one as required to review the progress of cooperation and activities undertaken within the scope of this Agreement and shall report to the Mexico-Canada Ministerial Committee.

These Committees shall normally convene on the occasion of meetings of the Mexico-Canada Ministerial Committee or at the request of either Party. Members of these Committees will include officials of both Governments involved in implementation of the Agreement. In order to discharge their work these Committees shall also meet as necessary at the level of Deputy Minister of Industry, Trade and Commerce or Energy, Mines and Resources, or both, and the Under-Secretary of Patrimony and Industrial Development or their designated officials.

16. In order to ensure the effective implementation of this Agreement, to stimulate and coordinate action contemplated within its terms and those of any subsidiary agreements or arrangements, to keep under review the various cooperative activities envisaged between the two Governments and to further the objectives of this Agreement, the Committees as appropriate, shall:

- (a) Monitor the execution of this Agreement and propose through the Chairmen to the Ministerial Committee, adoption of programs and policies to facilitate implementation of the Agreement and its objectives;
- (b) Examine difficulties that might prevent the increase and diversification of industrial, energy and economic exchanges between both countries, and to study and recommend solutions to obstacles to industrial, energy and economic exchanges within the framework of existing commitments by both Parties to international agreements and organizations;
- (c) Investigate ways and means of stimulating closer and more diversified industrial, energy and economic cooperation and to recommend implementation of suitable programs and policies to this end. The Committees shall also study and recommend means to facilitate industrial, energy and economic cooperation between Canadian and Mexican companies with a view to adapting existing relationships and structures towards the realization of the economic objectives of both Parties;
- (d) Identify infrastructure and other projects of mutual interest to both countries and work out specific ways and means of joint participation in them;
- (e) Establish sub-committees or working groups where appropriate in order to assist the Committees in the performance of their tasks;
- (f) Establish working groups, where appropriate, of government and private sector representatives from both countries to define and implement projects of mutual interest identified pursuant to (d) above;
- (g) Stimulate joint ventures to the extent permitted by applicable legislation in both countries;
- (h) Study and recommend ways and means to foster transfer of technology and formulate recommendations on procedures and organization to facilitate scientific and technological cooperation;

- (i) Exchange views on industrial, energy and economic matters that may be included by mutual consent on the agenda of the Committees;
- (j) Exchange information on investment and industrial projects which have been approved by their respective Government authorities; and
- (k) Identify infrastructure and other projects of mutual interest to the two countries and seek specific means for achieving cooperation.

17. The present Agreement shall have effect from the date of signature and shall enter into force on the date on which both Parties notify the other of the completion of any legal procedures required for this purpose.

18. This Agreement shall be of indefinite duration and may be terminated by either Party upon 12 months' written notice provided through diplomatic channels. In this case, the provisions of this Agreement shall continue to be applied until completion of all those operations and contracts which have been entered into during its period of validity.