

**No. 25242**

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**MEXICO  
and  
VENEZUELA**

**Agreement on economic complementarity (with annex).  
Signed at Mexico City on 30 July 1987**

*Authentic text: Spanish.*

*Registered by Mexico on 27 August 1987.*

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**MEXIQUE  
et  
VENEZUELA**

**Accord de coordination économique (avec annexe). Signé à  
Mexico le 30 juillet 1987**

*Texte authentique : espagnol.*

*Enregistré par le Mexique le 27 août 1987.*

[TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> ON ECONOMIC COMPLEMENTARITY BETWEEN  
THE GOVERNMENT OF THE UNITED MEXICAN STATES AND  
THE GOVERNMENT OF THE REPUBLIC OF VENEZUELA

The Government of the United Mexican States and the Government of the Republic of Venezuela,

Prompted by a desire to strengthen regional economic integration as a means of achieving optimum utilization of the resources of every single country in the region, of strengthening their economies and securing the well-being of their societies,

Persuaded of the advisability of promoting, within a comprehensive scheme of integration, the individual and collective growth of the economies of both countries, through actions designed to increase and diversify reciprocal trade and economic complementarity in different sectors of their economies, as well as effective co-operation in areas of mutual interest,

Aware that that requires a stable framework that will promote trade between the two countries, as well as the adoption of new trade mechanisms for encouraging, above all, trade in non-traditional products,

Motivated by a common interest both in orienting their respective purchasing capabilities towards the acquisition of goods originating in and proceeding from their territories and in promoting the greatest possible utilization of the regional markets on the part of producers in the region, as well as in making use of third markets through the export of products from the Latin American countries,

Persuaded of the need to encourage economic co-operation and to co-ordinate and orient it in order that it may be used effectively in actions of mutual interest for the growth of their economies,

Agree to sign an Agreement on Economic Complementarity, in accordance with the provisions of the Montevideo Treaty of 1980<sup>2</sup> and Resolution 2 of the Council of Ministers of the Latin American Integration Association. This Agreement shall be governed by the aforementioned provisions and by the following provisions:

*Article 1.* The purpose of this Agreement is to:

- (a) Intensify economic relations between the signatory countries in the context of the integration process established by the Montevideo Treaty of 1980;
- (b) Increase to the greatest extent possible and diversify reciprocal trade between the signatory countries, based on a reasonable equilibrium, taking into account both quantitative and qualitative factors;
- (c) Promote economic complementarity, especially in the area of industry, through the signing of agreements that are applicable to individual industrial sectors and that encourage technological co-operation with a view to improving production systems and scales of operation;

<sup>1</sup> Came into force on 30 July 1987 by signature, in accordance with article 8.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1329, p. 225.

- (d) Promote co-operation and economic complementarity in the area of services, especially with the participation of public and/or private enterprises of both countries;
- (e) Adopt and co-ordinate economic co-operation activities that will facilitate co-investment, lines of financing, better use of technology, utilization of resources and adoption of measures for an adequate transport system, especially maritime transport;
- (f) Stimulate investment aimed at making the most of the signatory countries' markets and their capacity to compete in international trade flows;
- (g) Facilitate the establishment of special programmes, such as countertrade programmes and programmes involving other non-traditional forms of trade;
- (h) Facilitate the establishment and operation of binational and multinational enterprises of a regional character; and
- (i) Establish favourable conditions for solving infrastructure problems in the fields of transport and communications.

*Article 2.* For the implementation of the above objectives, the signatory countries shall sign Additional Protocols to this Agreement. These Protocols may refer to sectors of production, especially in the area of industry, or to other areas in which the signatory countries agree, by mutual consent, to carry out actions.

*Article 3.* The Additional Protocols shall be governed, *inter alia*, by the following principles:

- (a) They shall indicate, as precisely as possible, the area or sector concerned and the sphere of application;
- (b) They shall provide for implementation by stages, if this is so agreed;
- (c) They shall provide measures aimed at promoting intrasectoral integration;
- (d) They shall provide for participation of the economic agents involved in the activity concerned.

*Article 4.* The Additional Protocols shall also include, *inter alia*, the following general provisions:

- (a) A liberalization programme and guidelines for its operation;
- (b) New types of trade, should this be agreed;
- (c) The applicable rules concerning origin and guidelines for establishing specific requirements concerning origin;
- (d) Such safeguard clauses as may be necessary;
- (e) Guidelines for implementation of provisions concerning differential treatment;
- (f) Guidelines for granting reciprocity, when required;
- (g) Guidelines for policy co-ordination in such areas as may be necessary, provided there is agreement between the Parties concerned;
- (h) Periodic reviews for the purpose of observing their operation and implementation and the possibility of introducing, by mutual agreement, such adjustments as may be necessary in order to update and improve them;
- (i) Withdrawal of concessions, when necessary;
- (j) Formalities to be carried out in connection with denunciation, as appropriate.

*Article 5.* In the area of economic complementarity and co-operation, the countries shall also give high priority to the signing of Protocols on Services, if possible with the participation of enterprises from both Parties or of binational enterprises.

The service agreements may be long-term agreements, in which case they shall be governed by mutually agreed general rules and principles, which shall be set out formally in Additional Protocols.

They may also sign short-term service agreements which shall be governed by such general rules and principles as may be appropriate, and they shall establish *ad hoc* rules relating to the area covered by the aforesaid Protocols.

*Article 6.* Administration of this Agreement shall be entrusted to a Commission presided over, in the case of Mexico, by representatives of the Secretariat of Trade and Industrial Development and, in the case of Venezuela, by representatives of the Institute of Foreign Trade.

*Article 7.* The Administrative Commission referred to in the preceding article shall have, *inter alia*, the following functions:

- (a) To adopt its own rules of procedure;
- (b) To ensure implementation of the provisions of this Agreement;
- (c) To assess the real possibilities for economic complementarity of the production sectors and of other areas of interest to the signatory countries, and to propose actions that will make it possible to fulfil the objectives of this Agreement;
- (d) To assess periodically the results achieved in the fields covered by Additional Protocols in which the signatory countries have undertaken commitments;
- (e) To propose measures for increasing and diversifying trade, with a view to improving reciprocal trade;
- (f) To propose such amendments to this Agreement as may be necessary in order to improve its effectiveness, update it and adjust it to the actual circumstances of the signatory Parties and of the region.

*Article 8.* This Agreement shall enter into force on the date of its signature, and shall have a duration of five years from the date of its entry into force. It may be extended for further five-year periods, unless it is denounced by one of the Parties, following the procedures established in Article 11.

*Article 9.* The signatory countries may revise the provisions of this Agreement at any time at the request of either Party, for the primary purpose of improving trade, economic complementarity, co-operation and other mechanisms that they may have adopted and, in general, to enhance the operation of the Agreement.

Any amendments or adjustments made to this Agreement by virtue of this article shall be formally recorded in revised Protocols signed by duly accredited plenipotentiaries of the Governments of the signatory countries.

*Article 10.* This Agreement is open to accession by all the other member countries of the Latin American Integration Association following negotiation.

Once the terms of accession have been negotiated between the signatory countries and the acceding country, accession shall be formalized by the signing of an Additional Protocol to this Agreement; this Protocol shall enter into force 30 days following its deposit with the General Secretariat of the Latin American Integration Association.

*Article 11.* Any signatory country deciding to denounce this Agreement must inform the other signatory country of its decision 180 days prior to depositing the relevant denunciation instrument with the General Secretariat of LAIA.

The Parties concerned shall, within the period of 180 days referred to in the preceding paragraph, negotiate the conditions for formalization of the denunciation, in such a way as to ensure that the withdrawal of the denouncing country does not affect the other participating countries.

#### TRANSITIONAL PROVISIONS

A. The signatory countries shall in due course carry out the procedures necessary for registering this Agreement on Economic Complementarity with the Latin American Integration Association (LAIA), in accordance with the provisions of the Montevideo Treaty of 1980 and the Resolutions of the Council of Ministers.

B. In order to initiate implementation of this Agreement as soon as possible, the Parties concerned agree to carry out the steps set forth in the attached Timetable, Annex I.

Likewise, in the area of trade, they decide to revise Limited Scope Agreement No. 30, by taking the steps also set forth in the attached Timetable, Annex I.

DONE at Mexico City on 30 July 1987, in three originals, in the Spanish language, all three texts being equally authentic.

For the Government  
of the United Mexican States:

[Signed]

BERNARDO SEPÚLVEDA AMOR  
Secretary for Foreign Affairs

For the Government  
of the Republic of Venezuela:

[Signed]

Dr. SIMÓN ALBERTO CONSALVI  
Minister for Foreign Affairs

## ANNEX I

## TIMETABLE OF ACTIVITIES RELATING TO TRADE AND ECONOMIC COMPLEMENTARITY TO BE CARRIED OUT BY MEXICO AND VENEZUELA UNDER THE AGREEMENT ON COMPLEMENTARITY SIGNED BY BOTH COUNTRIES WITHIN THE LEGAL FRAMEWORK OF THE MONTEVIDEO TREATY OF 1980

Date	Activities	Place	Remarks
<i>I. Economic Complementarity</i>			
30 July 87	Both Parties expressed interest in initiating studies with a view to achieving economic complementarity in such sectors as steel, petrochemicals, food, automobiles, aluminium, etc.		
31 October 87	<p>By this date at the latest, the competent authorities of Mexico and Venezuela will exchange integration proposals for each sector selected. These proposals will, <i>inter alia</i>, cover the following aspects:</p> <ul style="list-style-type: none"> <li>- Main products;</li> <li>- Parts and pieces, as appropriate;</li> <li>- Technological complementarity and co-operation;</li> <li>- Utilization of installed production capacity;</li> <li>- Utilization of national resources;</li> <li>- Utilization of domestic and foreign markets;</li> <li>- Rules concerning origin;</li> <li>- Tariff exemptions and other fiscal advantages;</li> <li>- Co-investments; and</li> <li>- Financing.</li> </ul>		The goal is to agree on reciprocal solutions in order to eliminate all obstacles that might hinder a comprehensive scheme of sectoral economic complementarity between the two countries, and to implement measures to encourage and promote such complementarity.
<i>II. Trade</i>			
31 August 87	<p>By 31 August at the latest, the countries will exchange lists of products with regard to which they wish to receive concessions that will make it possible to increase and diversify reciprocal trade. Likewise, they will request that the preferences which the two Parties currently grant one another be expanded.</p> <p>They will propose schemes for complementarity in trade, in order to make it possible to utilize not only their respective domestic markets, but also their foreign markets.</p>		

They will inform each other of progress made towards implementing the proposals set forth in the preceding paragraph and the possibilities of complying with the aforesaid requests.

3 November 87

Negotiations shall be initiated for the purposes set forth in the preceding paragraphs.

Montevideo, Uruguay

30 November 87

Meeting to negotiate any complementarity schemes agreed on between the parties.

Caracas

In this regard, if there is need for clarification regarding the requests from either Party, there shall be a free flow of communication between Mexico and Caracas.

The basis for these negotiations shall be Limited Scope Agreement Number 30, currently in force between Mexico and Venezuela.

In order to promote these actions aimed at integration and to ensure that, should any unforeseen situation arise, immediate decisions may be taken, the Chairman of each delegation shall be an official of the highest level possible.