

**"La Nao de China" Set to Sail again:
the Historical Link and Future Economic Cooperation
between China and Mexico**

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- *The Historical Commercial Link*

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- *The Current Economic Relations*

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- *The Challenges and Opportunities*

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I The Historical Commercial Link

- “.....China and Mexico have a long history of interactions. On my way to Mexico, when I looked down at the vast Pacific Ocean through the window of the plane, *I felt as if I saw the fleet of La Nao de China, giant ships fully loaded with silk and porcelain, braving the surging waves and moving towards Acapulco centuries ago.....*”

“Seek Common Development to Create a Better Future”——Speech by Chinese President Xi Jinping at the Senate of Mexico, June 5, 2013.

I The Historical Commercial Link : “*La Nao de China*”

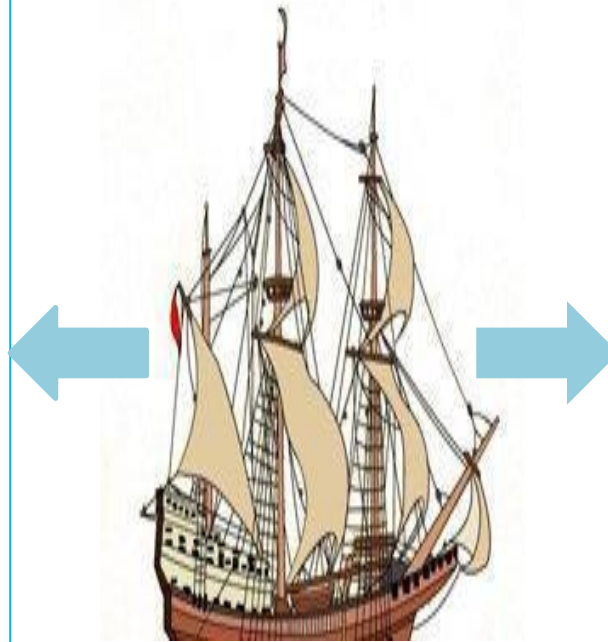


- 1815-1865: Through "*La Nao de China*", the Trade Relations among China and Mexico and Other Latin American Countries have been Connected ;
- The Year of 2015 Marked the 450th Anniversary of the Inauguration of the "*La Nao de China*" (Manila Galleon trade route);
- It's the First Global Trade Route in the Pacific;

“La Nao de China”

Mexico

- Raw Silk;
- Silk;
- Porcelain;
- And Other Chinese Products;



China

- Silver Dollars;
- Cacao;
- Wool;
- And Corn, Peanut, Tobacco and Tomato among Others were Introduced to China from the Americas.

“La Nao Nueva de China” Set to Sail

- Why do we call it *“La Nao Nueva de China”*?
- Is it the time for it to sail ?
- What will it bring to Mexico and take back to China?
- How to keep it sailing smoothly between China and Mexico from now on?



II The Current Economic Relations

- China keeps as the second largest trading partner of Mexico's while Mexico is China's second largest trading partner in LAC.
- Mexico is the important destination of China's outbound FDI.
- Different from the down-turn trade volume between China and Latin America region in 2015, China-Mexico trade volume has keep growing.

II The Current Economic Relations

Bilateral Trade Relations

Figure1 Sino-LAC Bilateral Trade Volume (US\$ 100M)

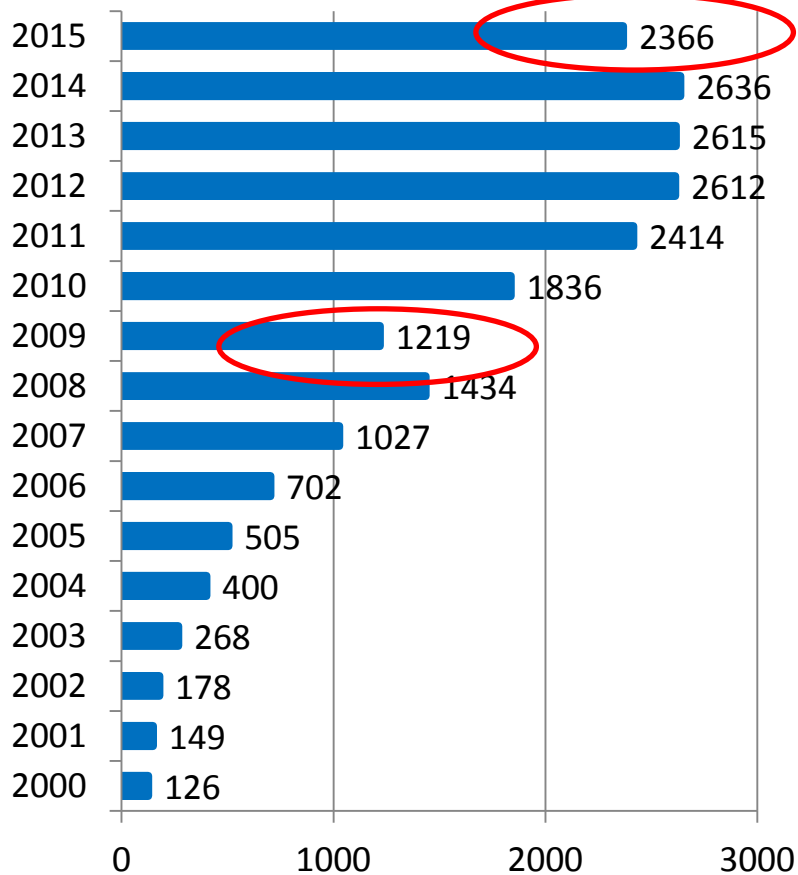
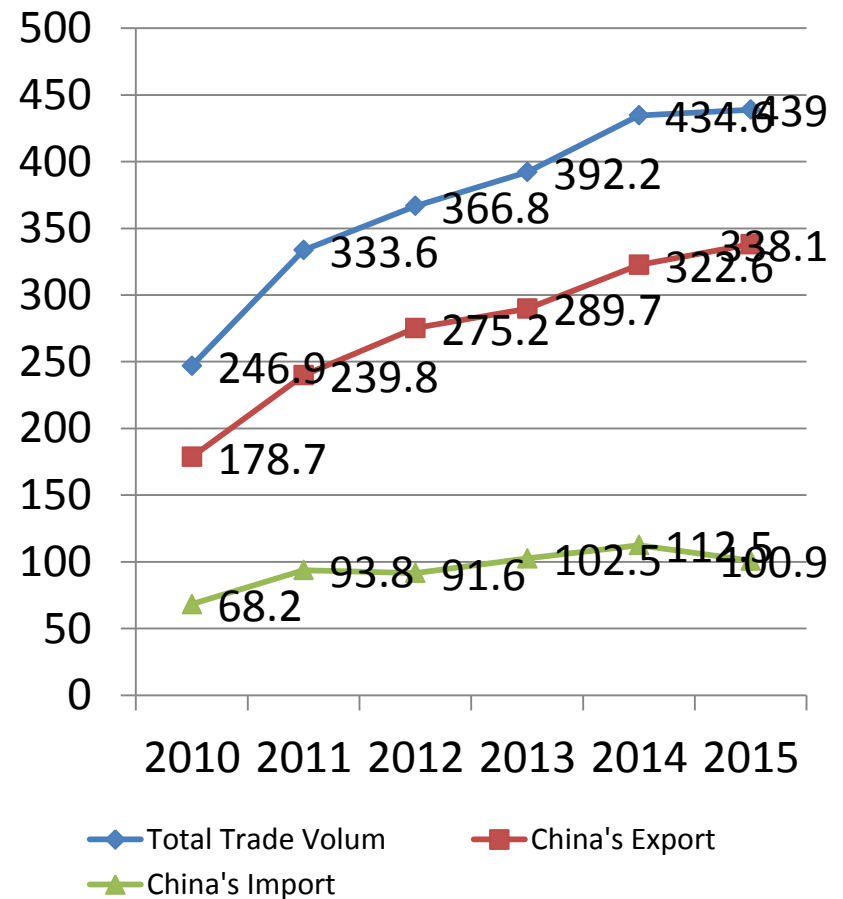


Figure2 Bilateral Trade Volume between China and Mexico (US\$ 100M)



Source: CEIC Data Base.

II The Current Economic Relations

China's Outbound FDI in Mexico

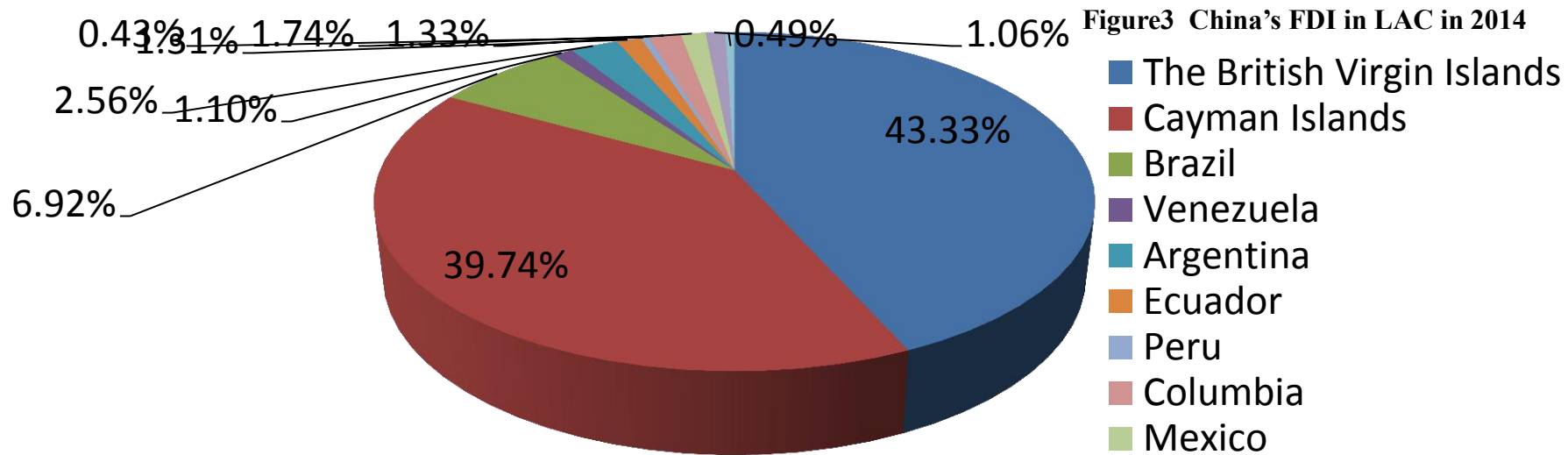
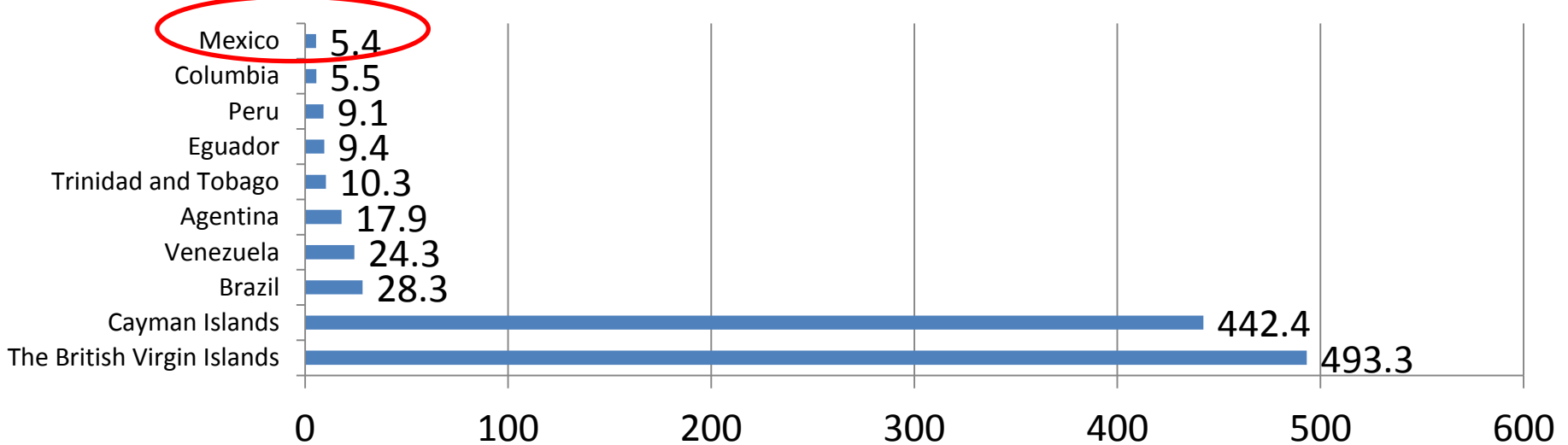


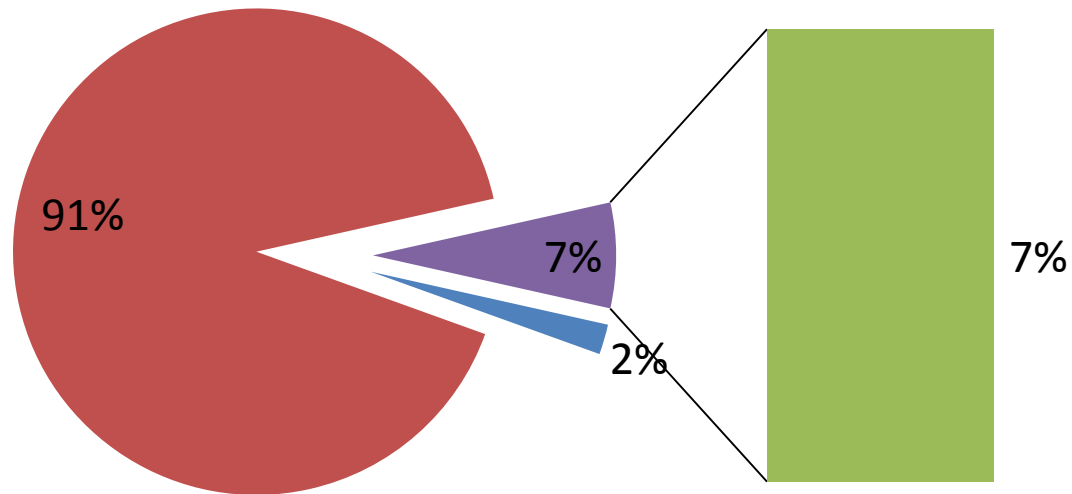
Figure 4 Top Ten Recipients in LAC of China's Stock FDI by the End of 2014 (US \$ 100 Million)



II The Current Economic Relations

Chinese Loan to Mexico

Figure5 Chinese Loan to Mexico



■ Mexico ■ Argentina, Brazil, Venezuela and Ecuador ■ Other Parts in LAC

Source: OECD, The Outlook of Latin American Economy 2016

III The Challenges and Opportunities

The Decelerating Chinese Economy

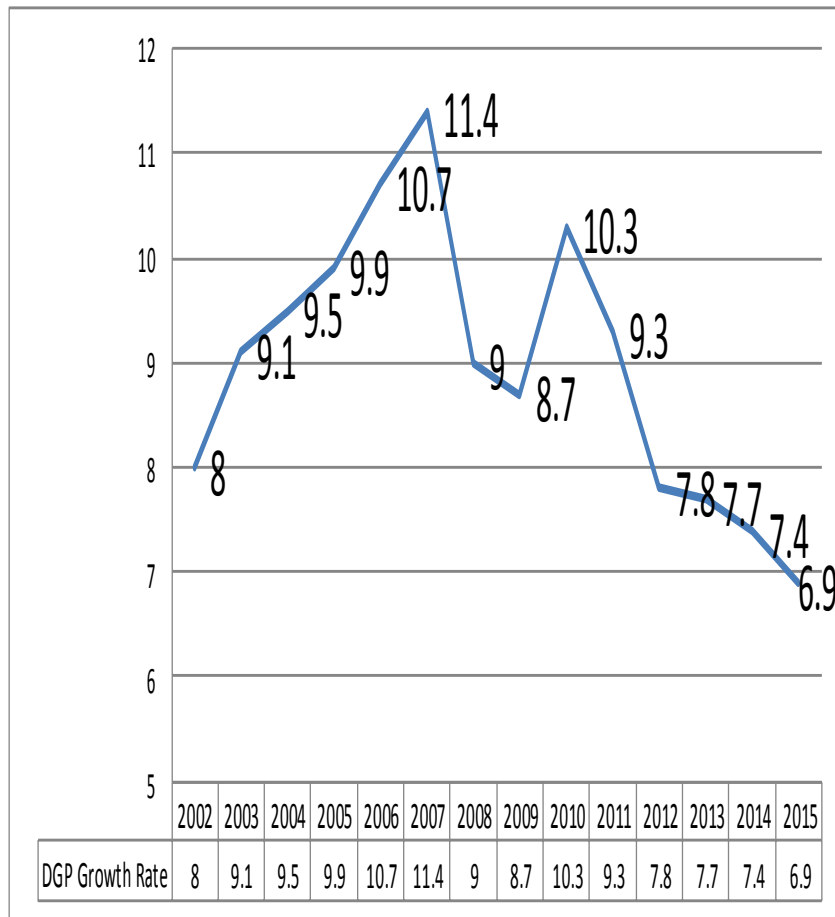


Figure6 2002-2015 Chinese GDP Growth Rate (%)

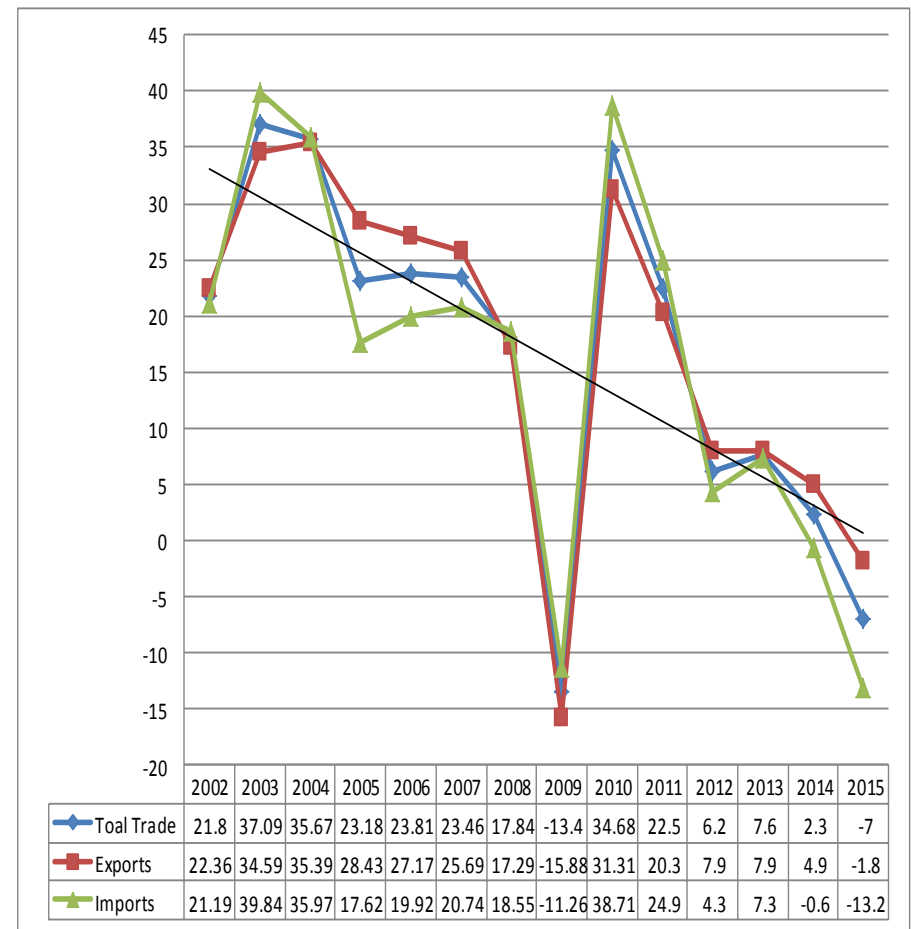


Figure 7 2002-2013 China's Foreign Trade Growth Rate (%)

III The Challenges and Opportunities

Slowing Down Economy in LAC

Figure 8 The Average Annual GDP Growth Rate in LAC 2003-2014 (%)

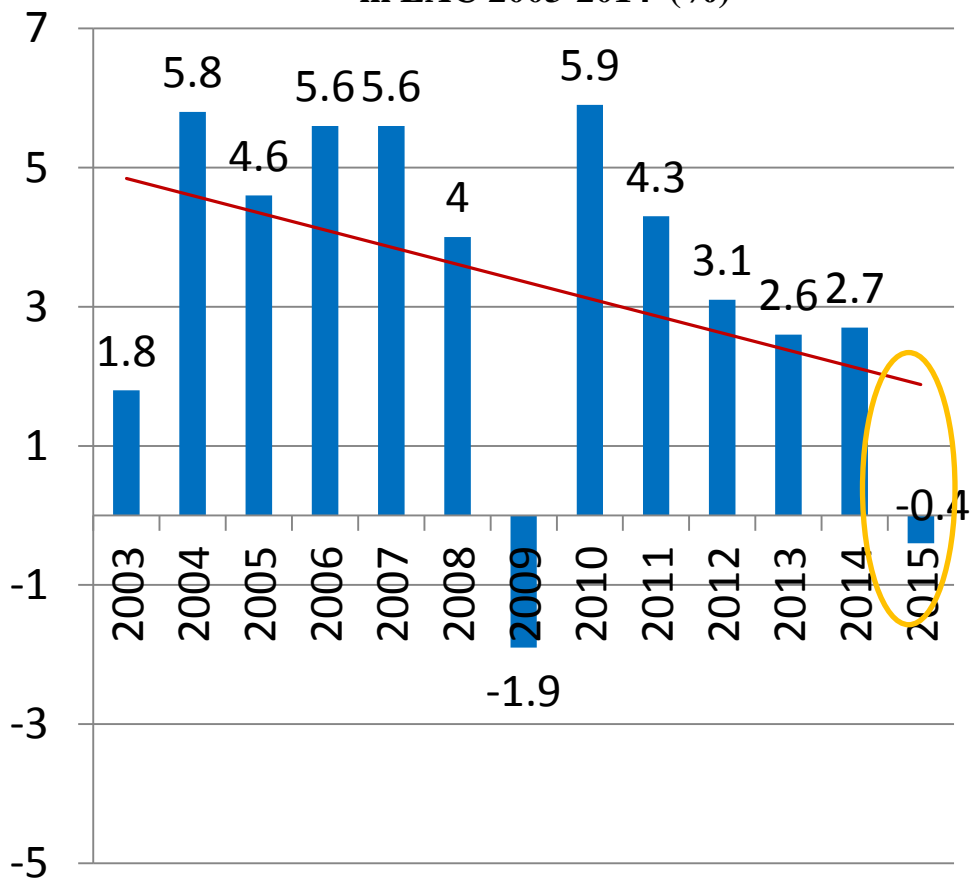
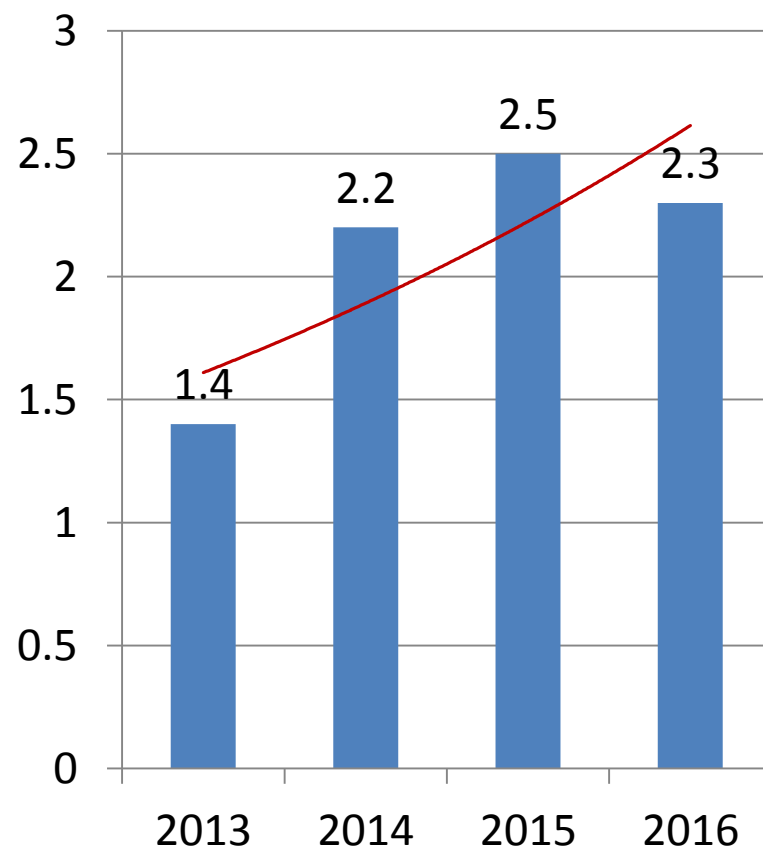


Figure9 Annual Economic Growth Rate of Mexico 2013-2016 (%)



Source: ECLAC.

III The Challenges and Opportunities

- *Similar Heavy Tasks* Facing: The Structural Reform Undertaking both in China and Mexico;
- *Development Strategies* Can be Integrated: The “New Normal” of Chinese Economy and “One Belt and One Road” Initiative; Investment Plan on the Infrastructure of Transportation and Telecommunication Sectors of Mexico 2013-2018”, and National Development Plan of Mexico 2013-2018.
- *Common Consensus* on the Development of bilateral Economic Relations: China-Mexico “123” Cooperation Framework, and The China-CELAC “1+3+6” overall Cooperation Framework.

IV The Future Economic Cooperation

Roadmap of Cooperation

Sino-Mexico "123"

- Financial Sector;
- Trade and Investment;
- Infrastructure;
- High-Technology ;

China-LAC "3×3"

- Logistics;
- Electricity;
- Information;

Cooperation Sectors

- Transportations and Logistics;
- Electricity and Energy;
- Information Technology;
- Manufacturing Sector;

IV The Future Economic Cooperation

- **Make full Use of Bilateral Cooperative Mechanisms:**

China-Mexico Investment Fund (1.2 US\$ Billion in the First Phase and 2.4 US\$ Billion in Total);

Sino-Mex Energy Fund (The total scale of capital contribution to this Fund was USD 5 billion with the fundraising amount of USD 1 billion for the first stage);

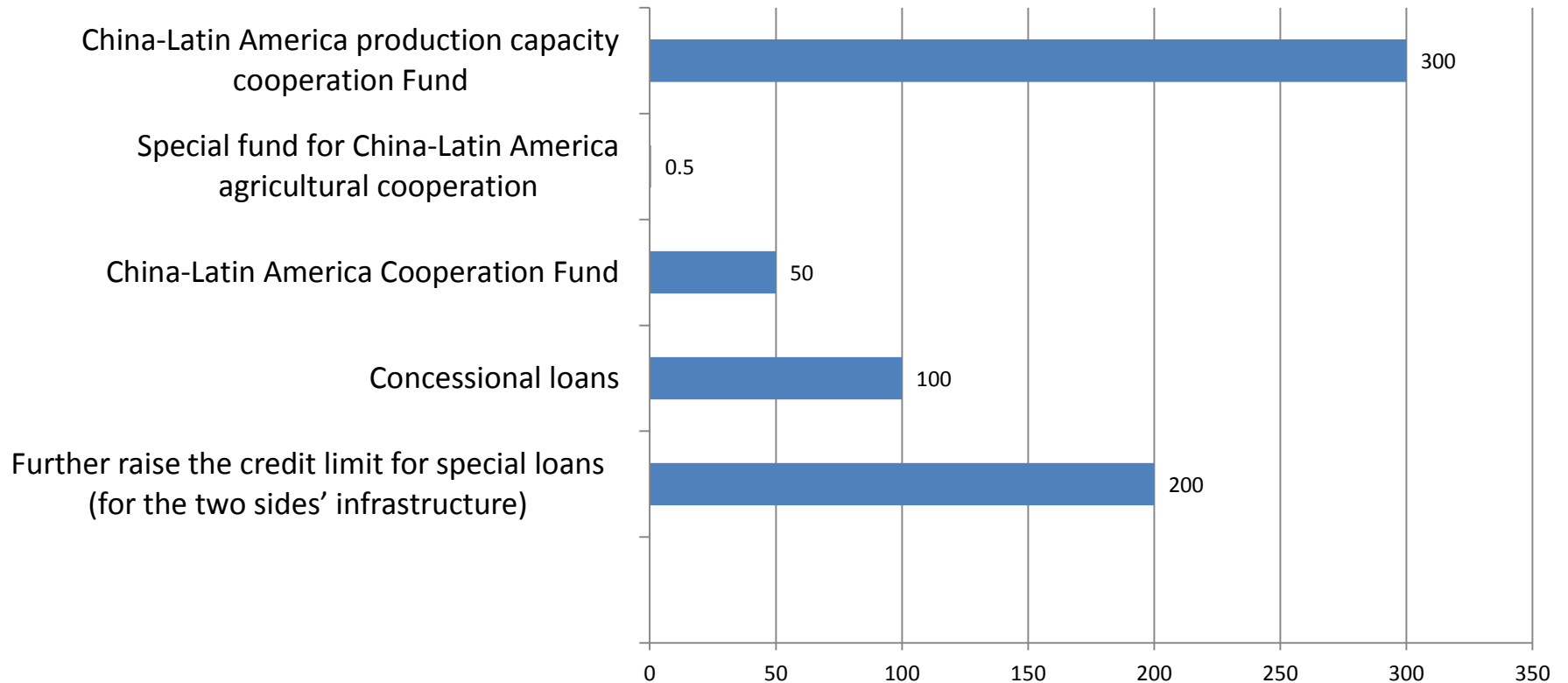
- **Positively Participate in Multilateral Cooperation:**

China-CELAC Overall Cooperation Platform;

China-LAC “3 × 3” Capacity Cooperation New Framework;

IV The Future Economic Cooperation

**Figure10 Loans and Funds Officially Implemented by China
(USD 100 million)**



“La Nao Nueva de China”

The New Complementary and Win-win Relations

Mexico

- Investment
- Technology
- Experience
- Global Competiveness

China

- Going-abroad Opportunities
- Enterprise’s Profits
- Economic Structure Up-Grading



The End

Thank you !