Relations between Mexico and Brazil became the subject for discussion since the so called “rise of Brazil”. Historically, bilateral relations have been characterised as distant, difficult some times and good on few occasions.\(^1\) In the words of historian Guillermo Palacios, relations between the two countries have been a “chain of conflicts and reconciliation”.\(^2\) Over the last few years, as the 21st Century began, media and academic articles have suggested rivalry and competition between the two countries both in terms of economic development models and, more importantly, of foreign policy and international projection. Brazil and Mexico appeared as two democratic countries, economically stable and willing to actively participate in international politics, but they understood differently how to develop economically, and how to act in the world. A quick look at the titles of some writings on Brazil and Mexico over the period may illustrate the tone of the discussion: “Mexico v. Brazil”,\(^3\) “Mexico-Brazil rivalry”,\(^4\) “Mexico and Brazil: opposite paths”,\(^5\) “Mexico v. Brazil

\(^{*}\) I wish to thank all the diplomats and high governmental officials who accepted to discuss with me the subject of this chapter, either in interviews or by answering questionnaires. My deepest gratitude to all of them for their generosity. I assume however all responsibility for mistakes and misinterpretations in this work. I also want to thank Erika Uribe and José Luis Rodríguez Aquino for their invaluable help in finding press and academic articles, and official documents, and in translating some sources.


\(^{2}\) Palacios, “Brasil y México”, op. cit., p. 108.


contest not decided yet”, “Mexico and Brazil: Good Enemies or Mortal Friends?”, “The distant brother: Mexican perceptions of Lula’s foreign policy”, “Two ways to go global”, “Brazil and Mexico: Latin America in-between”, “Shifting Fortunes: Brazil and Mexico in a Transformed Region”.

There is no doubt that the rise of Brazil influenced Mexican perceptions of the country, bilateral relations, and Mexican foreign policy. There is a general sense that there was competition and rivalry between Mexico and Brazil, or that Mexico resented Brazil’s domestic and international performance. This chapter will demonstrate that relations remained difficult over the period, more so during the government of President Vicente Fox (2000-2006), mostly because of a problematic relationship between the two Foreign Ministers, and due to both countries’ opposite positions concerning the UN Security Council reform. President Felipe Calderón (2006-2012), in turn, tried to improve relations, but Brazil’s decision not to comply with the Economic Complementation Agreement (ECA) complicated once again the bilateral relationship.

Classical balance of power theory maintains that countries will ally to confront — balance— a potential growing power who seeks dominance in the system. Whether Brazil sought dominance in the system is the subject for discussion, but its emergence as a regional

---

and global player may be analysed in terms of power changes especially in South America. Mexico reacted to Brazil’s rising fundamentally in one paradoxical way: by approaching it.  

The Mexican government tried to engage Brazil in dialogue and negotiations but always in terms of its own objectives; it did not implement a balance of power policy by promoting alliances, it did not take a bandwagoning position, nor did it consistently confront Brazil, or aligned with it. Only in the case of the Security Council reform did Mexico pursue a soft balancing policy by joining other countries to defend its initiatives. 

The chapter will consider roughly the two PAN governments in Mexico and Lula’s two presidential terms. It is divided into two main sections: the first will examine Mexico and Brazil in the international and regional arena. Global and regional initiatives will illustrate divergent interests between Mexico and Brazil, and their capacity to reach agreement, or not. The second part will analyse Mexico’s and Brazil’s attempts at rapprochement, and difficulties arising from trade agreements. Distance between the two countries diminished somewhat but the persistence of conflict led to friction again.

A note of caution on methodology: this work has tried to reconstruct Brazilian-Mexican relations relying mostly on Mexican sources. There are few academic writings that examine the last 15 years of the bilateral relationship so this chapter uses press reports and official documents, and includes information from interviews to Mexican diplomats (some

---

12 A Mexican diplomat who wishes to remain anonymous maintains that Mexico’s position was to look for convergence, complementarities and alliances. Questionnaire elaborated by the author to be answered by Mexican diplomat C through e-mail. Date received: April 15, 2014.

13 Most interviewees denied that Mexico searched for allies in the region, or that regional countries approached Mexico. They recognised that Uruguay and Chile see Mexico as a counterweight to Brazil; Colombia and Paraguay, even Argentina, might be interested to include Mexico in regional affairs as a way of managing their relations with Brazil. All recognised, however, that Mexico had no clear strategy towards these countries, or indeed towards Brazil.

of which asked to remain anonymous), and high governmental officials. Thus, Brazil’s positions, and the bilateral relationship itself are interpreted through Mexican lenses.

**THE MULTILATERAL ARENA: DISAGREEMENT AND ACCOMMODATION**

As the 21st Century began, the PAN government in Mexico and the first Lula government in Brazil intended to implement a foreign policy that would place them as influential actors in international and regional affairs. The UN reform was an opportunity for Brazil and Mexico to work towards such influence. Their positions, however, did not always coincide; one of their main differences concerned the enlargement of the Security Council, and it became one of the most visible disagreements in the bilateral relationship. Mexico’s and Brazil’s positions must be understood in a wider context of very complex relations influenced, to a great extent, by personal antagonism between Mexican Foreign Secretary Luis Ernesto Derbez and Brazil Foreign Minister Celso Amorim. According to Derbez, animosity between himself and Amorim developed during the WTO 5th Ministerial Conference in Cancún in 2003, when his position prevailed over Amorim’s. The result was the beginning of a personal rivalry that would affect the subsequent development of bilateral relations.\(^\text{15}\)

In the region, Brazil was particularly active in launching diverse initiatives, in addition to Mercosur (Common Southern Market), Unasur (South American Nations Union) and CALC (Community of Latin American and Caribbean Countries) stand out. Mexico, in

\(^{15}\) In Derbez’s words, he “ran over” Amorim who opposed Mexico’s position which was closer to that of the United States and Europe. At the time, Amorim was Brazil’s representative to the UN and International Organisations in Geneva, not Foreign Minister. Thus, by the time he became Foreign Minister, personal relations were very complicated. Luis Ernesto Derbez. Interview, Estado de México, May 7, 2014. Mexico and Brazil have traditionally had different interests in various areas dealt with at the WTO. See Antonio Ortiz Mena L.N. and Ricardo Sennes, “Brasil y México en la economía política internacional”, in Ortiz Mena L.N., Amorim Neto and Fernández de Castro (eds.), *Brasil y México*, op. cit., pp. 244-245.
turn, had difficult relations with some Latin American countries during Fox’s government, so that his successor, Felipe Calderón implemented a policy to “restore and normalise” relations with the region. Both Fox’s and Calderón’s governments reacted to Brazil’s initiatives: Fox by applying to become an associate member of Mercosur, and Calderón by promoting CELAC.

The UN Security Council reform: irreconcilable differences

The enlargement of the Security Council was one of the most controversial issues in the debate about the UN reform. Mexico and Brazil held opposite views: Mexico, as a member of the Uniting for Consensus Group, refused to accept new permanent seats on the Council, while Brazil actually promoted the initiative, together with Germany, Japan and India, —the Group of Four (G4). Publicly, the Mexican and Brazilian presidents tried to minimise their divergent positions: during Lula’s visit to Mexico in September 2003, both presidents


17 An initiative not examined in this section is the Free Trade Agreement of the Americas (FTAA) for it is not clear how important it was in Brazilian-Mexican relations. Ambassador Andrés Valencia considers that Mexico’s promotion of the FTAA was definitely an element of controversy between the two countries whereas former Secretary Luis Ernesto Derbez considers that it was not an issue. To Derbez, Brazil did not support nor attack the FTAA. Lula and Fox did not care about it; it was Néstor Kirchner who finally buried the initiative in Mar del Plata, in 2005. Interviews. Mexico City, May 8, 2014, and Estado de México, May 7, 2014. Ortiz Mena and Senner agree that neither Mexico nor Brazil were interested in the FTAA although for different reasons: Mexico had privileged access to the U.S. market and did not want to erode its tariff preferences while Brazil had doubts about the kind of openness proposed by the United States, and implemented a very defensive role in the negotiations. Nevertheless, Brazil and Mexico did not formulate a common position, Mexico being more moderate than Brazil. Ortiz Mena L.N. and Senner, “Brasil y México en la economía política internacional”, *op. cit.*, pp. 240-241. Mexico had trouble with some Latin American countries regarding the FTAA. —Venezuela and Argentina, but not Brazil. See Guajardo, “Viejos puentes y nuevos acervos”, *op. cit.*, and Covarrubias, *Cambio de siglo, op. cit.*, pp. 157-158. In the press review made for this chapter, the FTAA is seldom a topic in bilateral relations.

18 A group created in the 1990s to oppose the G4’s intention to enlarge the Security Council
decided to “iron their differences”. Lula declared that he would not listen to “media intrigues” about an alleged fight [between Brazil and Mexico] for a seat on the Security Council. “Calm down, [the Security Council discussion] will not affect relations with president Fox and the Mexican people”. Interestingly, in an interview given to the Folha de São Paulo before his visit to Brazil in 2004, Fox not only avoided recognising the discrepancies between Mexico and Brazil, but also declared that Mexico did not rule out supporting Brazil for a permanent seat on the Security Council. Fox added that the idea was to have wide representation, regional and democratic, to strengthen the Security Council, and the participation of one country did not exclude the other.

Mexican diplomats tell a different story. A former member of the Mexican delegation at the United Nations, Mexican diplomat A, mentions that 2004 and 2005 were the most difficult years regarding the Security Council reform, and that it certainly was a divisive topic in Mexican-Brazilian relations. Conflicting views, however, have to be understood from a historical perspective: Mexico has historically opposed the veto system in the Security Council, and Brazil has historically searched for a permanent seat on it. In her view, two historical trajectories openly clashed. Former Mexican representative to the United Nations, Enrique Berruga, explains Mexico’s proposal: consecutive re-election of non-permanent members in the Council. Brazil, he adds, advocated regional representation, and this was unacceptable to Mexico. Berruga recognises that Brazil was a regional power at the time, but

---

20 Idem.
22 Interview. Mexico City, April 7, 2014.
there was no certainty that it would continue to be so in the future, so there was no reason to make it a permanent member.\textsuperscript{23}

An inevitable question is whether the Mexican government was reacting specifically to Brazil, or was defending a general position. According to Berruga, Mexico was interested in a systemic reform, and was not only addressing Brazil.\textsuperscript{24} Mexican diplomat A agrees that the idea of regional representation was the problem, and the Mexican government could not accept that anyone would unilaterally take on the status of Latin American representative. If representation was to be the criterion, a regional process should take place before deciding who would play such role. Mexico would not be happy that Brazil—or any other country—became a permanent member.\textsuperscript{25} These two sources affirm that Mexico’s representative to the UN, Berruga, tried to approach the Brazilian representative to invite him to talk their positions over but Brazil did not respond and avoided any dialogue.\textsuperscript{26}

Former Secretary Derbez has his own version that actually explains Fox’s declaration concerning potential support for Brazil for a permanent seat on the Council. According to Derbez, he proposed Amorim the creation of a Latin American seat: Brazil would be the “spokesperson” but all decisions would be taken by the group (i.e. the Latin American countries). In other words, Brazil would always be the region’s representative but would not take any decision unilaterally. This was the only way in which Mexico could accept that Brazil had a seat on the Security Council; otherwise Mexico would not allow it. Derbez was very clear in his mind that Mexico must oppose, and that it should do anything to avoid

\textsuperscript{23} Interview. Mexico City, April 25, 2014.
\textsuperscript{24} Interview. Mexico City, April 25, 2014.
\textsuperscript{25} Interview. Mexico City, April 7, 2014.
\textsuperscript{26} Interviews. Mexico City, April 7 and 25, 2014.
Brazil’s from gaining a permanent seat. Derbez justifies his position in terms of Mexico-U.S. relations: the Security Council was essential for the United States, and it was a place where Mexico could negotiate with it multilateral issues that could be linked to bilateral affairs. If Brazil were the only Latin American member in the Council with influence on multilateral affairs, Mexico would lose capacity to negotiate with the United States.

Despite the fact that the Mexican government was defending a general position, discrepancies concerning the Security Council reform contaminated the bilateral relationship. There clearly was antagonism between the two countries, thus complicating the possibility of bilateral dialogue. Other diplomats agree that the subject was very problematic: Mexico cannot easily accept Brazil’s desire for global leadership, especially when Mexican interests or principles are affected. Cassio Luiselli, in turn, has a more qualified view and maintains that it is a “background noise” in the bilateral relationship. Moreover, to Ambassador Jorge Eduardo Navarrete, Mexico and Brazil can very well live with their differences concerning the Security Council reform. Mexico’s opposition to more permanent members in the Council does not increase or decrease Brazil’s possibilities to become one of them; it is the five permanent members who may decide to accept more permanent seats, not Brazil or Mexico. It is very unlikely that the reform as proposed by Brazil—and the G4—will materialise. Disagreement between Mexico and Brazil is superficial and it does not affect the

---

27 Interview. Estado de México, May 7, 2014. “This is how the fight (pleito) developed”, according to Derbez.
29 Interviews. Mexico City, April 7 and 25, 2014.
31 Interview. Mexico City, April 3, 2014.
bilateral relationship; the big differences refer to trade, finance and economics, and the Security Council reform is not to blame for them.\textsuperscript{32}

The Security Council’s reform therefore illustrates Brazil’s intention to become a global power in a juncture where BRICS became extremely visible in international politics, and Mexico’s reaction to it. Mexico adopted a clear policy of opposing such ambition partially supported by the Uniting for Consensus group.

\textit{Regional initiatives: contested accommodation}

Perhaps the most visible divide between Mexico and Brazil in regional terms was Mexico’s decision to negotiate the North American Free Trade Agreement (Nafta) in the early 1990s.\textsuperscript{33} Although Mercosur was already in force since 1991, Brazil and other Latin American countries reacted to Nafta by declaring that Mexico was opting for the North at the expense of the South. This perception grew stronger when Mexico became full member of the OECD and abandoned the G-77 in 1994. Even an American academic, Abraham Lowenthal, agreed that Mexico had made a choice and, if it continued along that path, it would become increasingly different in structure, approach and international perspective from the South American countries.\textsuperscript{34} Palacios, however, argues that Mercosur and Nafta notwithstanding

\textsuperscript{32} Interview. Mexico City, April 11, 2014.
\textsuperscript{33} This is Ambassador Navarrete’s view: Nafta certainly was the turning point for it gave the impression that Mexico was turning its back on Latin America. Brazil reacted with a very strong argument: by signing Nafta, Mexico was violating the Treaty of Montevideo (i.e. the rules of the Latin American Integration Association, ALADI). Interview. Mexico City, April 11, 2014. According to Sergio de Abreu e Lima Florêncio by joining Nafta, Mexico reduced the efficacy of trade preferences that ALADI members have in the Mexican market. The preferences that Mexico granted the United States, resulted in a reduction of the advantages to its Latin American partners. Quoted by Palacios, “Brasil y México”, \textit{op. cit.}, p. 103. The Mexican government did not accept Brazil’s interpretation of articles 5, 44 y 48 of ALADI and offered to negotiate free trade agreements with whoever was interested. Brazil did not accept that position, but Uruguay did. Ortiz Mena L.N. and Sennes, “Brasil y México en la economía política internacional”, \textit{op. cit.}, p. 230.
Mexico and Brazil’s official language adjusted to the circumstances and relations between them began one of its best periods.  

Nafta and Mercosur, however, did reflect a new regional order, and possibly indicated that the two big Latin American countries had opted for distinct strategies in different geographical regions.

Significantly, the Mexican government decided to apply to become an associate member in Mercosur in 2004, during Fox’s visit to Brazil and Argentina. According to Fox, Mexico’s presence would give Mercosur vitality and energy. No one could speak like Mexico about the advantages of free trade —continued the Mexican President— and the first step regarding Mercosur was to become an associate member to subsequently explore the possibility of a trade agreement Mexico-Mercosur. The reason behind Mexico’s strategy was to integrate more Latin America, “to be closer to our trade partners in the south”, and to form a great Latin American bloc.  

Foreign Secretary, Luis Ernesto Derbez, in turn, argued that Mexico’s presence in Mercosur would offer its members a “bridge” to the United States and Canada, as well as access to the Mexican market.

Ambassador Navarrete maintains that Mexico’s desire to become an associate member was a symbolic political gesture to demonstrate that Mexico was not turning its back on Latin America, and underlines that Mercosur’s founding treaty did not foresee what Mexico was asking for. Derbez agrees that Mexico could not join Mercosur because it was a customs union, and it would have implied to match tariffs, something that the Nafta did not allow. Nevertheless, Mexico wanted to send the message that it was interested in Mercosur,

---

36 Maisonnave, “Fox cree que México le dará aliento al Mercosur”, loc. cit.
38 Interview. Mexico City, April 11, 2014.
and wanted the same treatment given to Chile and —then— Venezuela. The message was that Mexico “was not angry”, and that approaching Mercosur was part of Mexico’s Latin American strategy. Mexico’s participation in Mercosur would also prevent any attacks on its foreign policy.\(^{39}\)

It is evident that the rationale behind the Mexican government’s decision to apply for the status of observer in Mercosur was political, not economic. Therefore, the official explanation seems to be accurate: it was a strategy to demonstrate its willingness to approach Latin America, and to underline its presence in the region. In so doing, the government would be responding to domestic and foreign criticism that Mexico neglected Latin America. It is also significant that Mexico decided to “be in Brazil’s space” knowing that Brazil would not enter “Mexico’s space”: the Nafta.

In its inaugural speech as Brazilian Foreign Minister, Celso Amorim declared that South America would be Lula’s government priority: [A] politically stable, socially just and economically prosperous South America is a goal that must be pursued not just from a natural sense of solidarity, but also for the benefit of our progress and well-being.\(^{40}\) Although authors such as Andrés Malamud question the success of Brazil as a regional leader,\(^{41}\) the fact is that Brazil launched a series of regional initiatives that gave the impression of a determined Brazil

---

\(^{39}\) Interview. Estado de México, May 7, 2014.


\(^{41}\) Malamud, “A Leader Without Followers?”, *op. cit.*, pp. 1-24. For a cautious view of Brazil’s rising see Andrew Hurrell, “Brasil y la tormenta que se avecina”, *Foreign Affairs Latinoamérica*, vol. 9, no. 2, 2009, pp. 43-54.
willing to consolidate South America as its sphere of influence. Two such initiatives were the South American Community (2004), later Unasur (2008), and CALC (2008).

There seems to be consensus that the Mexican government resented the creation of Unasur. According to Luiselli, Unasur was a blow to Mexico; Arriaga and Valencia agree that it was a mechanism that formally excluded Mexico from South America’s dynamics. Valencia considers that Unasur was the only case that led the Mexican government to perceive Brazil’s rise as a threat. There is no consensus, however, as to whether CELAC was a reaction to Unasur. Luiselli considers that CELAC was a “band aid” for Mexico, after the establishment of Unasur. Arriaga disagrees and affirms that it was a kind of compromise between Brazil and Mexico (Brazil and Mexico “playing” not to concede to any one’s terms, but to include the interests of the two countries). Mexican diplomat B traces the origins of CELAC to the XX Rio Group Meeting in Santo Domingo in March 2008, when presidents Calderón and Leonel Fernández (Lula did not attend) brought about reconciliation between Ecuador and Colombia. Calderón realised that Latin Americans could resolve their own disputes, and proposed a Latin American organisation. The Mexican Ministry of Foreign Affairs worked on the project and presented a proposal for a Latin American organisation (including Caribbean countries) for political coordination and dialogue to Brazil, Argentina, Chile, Colombia, Peru, Jamaica, and the Dominican Republic. In May 2009, however, Brazil

42 Interview. Mexico City, April 3, 2014. To Luiselli Fernández and Rodríguez Minor the South American Community clearly excluded Mexico. Brazil seemed to have formulated a “tropical Monroe Doctrine”: “South America for the Brazilians”. Luiselli and Rodríguez agree that the main problem in Mexico-Brazilian relations was Brazil’s projection in South America and in some multilateral fora. Cassio Luiselli Fernández and Rebeca Rodríguez Minor, “México y América Latina: al encuentro de la comunidad perdida”, in Jorge Eduardo Navarrete (coord.), La reconstrucción de la política exterior de México: principios, ámbitos, acciones, Mexico, UNAM-Centro de Investigaciones Interdisciplinarias en Ciencias y Humanidades, 2006, pp. 286-290.
43 Interviews. Mexico City, April 5 and May 8, 2014. A good example of Mexico’s absence in regional politics was the autonomist threats in Bolivia in 2008, when the Mexican government had no participation at all. It was Unasur who supported Evo Morales. Arriaga. Interview. Mexico City, April 5, 2014.
organised a Summit including 33 countries to create an organisation for development and integration: CALC. Brazil, therefore, took away the Mexican initiative. The Mexican government insisted that the new organisation should merge CALC and the Rio Group, but Brazil resisted, defending CALC and marginalising the Rio Group.\footnote{Mexican diplomat B. Telephone conversation, June 3, 2014.} Mexico offered to host the second CALC in December 2009, but decided to delay the meeting until February, when Mexico’s period as Pro Témpore Secretary of the Rio Group ended. The result was the Unity Summit that took place in Cancún, Mexico, in February 2010, when the creation of CELAC was announced. The Unity Summit revealed Mexico’s capacity to convene the region’s heads of state, and it reinforced its presence in the region. Moreover, CELAC was a victory for Mexican diplomacy since CALC did not survive. Did the creation of CELAC evidence shared interests between Mexico and Brazil? Was Mexico reacting to Brazil? According to Arriaga, the two countries seem to have found a space for agreement; to Mexican diplomat C, CELAC was the logical consequence of the convergence of two instances where Mexico was an important protagonist: CALC and the Rio Group.\footnote{Víctor Arriaga. Interview. Mexico City, April 5, 2014; questionnaire Mexican diplomat C.} The conclusion seems to be that once the idea of a Latin American organisation was in the air, Brazil and Mexico fought for their own projects; the organisation was a common interest but each country envisioned it differently. Whether Mexico was originally reacting to Brazil, or Unasur, is difficult to say, it is perhaps safer to argue that, as the region was concerned, Mexico had its own initiative and defended it. In the end, however, agreement was possible, and Mexico performed a protagonist role.

**THE BILATERAL RELATIONSHIP**
One of President Calderón’s foreign policy objectives was to improve relations with Latin American countries. Brazil and Mexico put behind the question of the Security Council reform, and established a Bilateral Commission to facilitate communication and negotiation of the various issues involved in the bilateral relationship. The official discourse was that of good disposition and understanding, and both countries finally supported CELAC, but relations were strained again when the Brazilian government announced its intention to renounce the ECA 55. Although both countries were able to settle their differences, their divergent views on trade and economic development became evident.

*Change in the Mexican government: a new beginning?*

Change in the Mexican government appeared as a good opportunity to improve relations with Brazil. Ambassador Andrés Valencia emphasises the importance of Calderón’s visit, as president-elect, to Brazil in October 2006 as a gesture to ameliorate relations, and Brazil expressed its interest in closer relations with Mexico.⁴⁷ On occasion of his visit to Mexico in 2007, President Lula wrote an article for the Mexican newspaper *El Universal*, and underlined the need to “reinforce an association that acquires economic density and deepens the dialogue between our societies”.⁴⁸ This was, apparently, the purpose of the two presidents, who claimed to be willing to start afresh a new bilateral relationship:⁴⁹ “I return to Mexico with the hope that we are entering a new moment in our relations, to give them better quality [sic]”.⁵⁰

---

A clear example of Mexico’s willingness to improve relations with Brazil was the Binational Commission proposed by Valencia.\textsuperscript{51} The first Binational Commission took place in Brasilia in March 2007. It was a high level meeting headed by the Ministers of Foreign Relations, Patricia Espinosa and Celso Amorim, and it covered a wide range of issues in the bilateral relationship. To Minister Amorim it was a promising occasion to deepen the bilateral relationship, and that it was perfectly normal that friends like Brazil and Mexico should not fully coincide in all topics of the (international) agenda. Nevertheless, he added, it was important to consider that the two countries coincided in the evaluation of the values and principles that should govern international politics: the primacy of international law, multilateralism, the promotion of solidarity, social justice and the democratisation of international instances. Brazil and Mexico had a specific weight in the region: “[T]here is no reason to talk about competition for leadership”, and the margins for cooperation in regional matters were wide.\textsuperscript{52}

The Joint Declaration underlined both governments’ determination to “give a new impulse to the political dialogue and cooperation between Mexico and Brazil”.\textsuperscript{53} The Commission would encourage the bilateral relationship in all areas, and would promote

\begin{flushright}
\footnotesize
\textsuperscript{51} Valencia considered that it was essential to start again the political dialogue between Mexico and Brazil, to encourage visits by heads of State and Ministers, and “given the regional and global importance of Brazil, it would be desirable to create a Binational Commission”. “Segundo Receso Comisión Permanente, LIX Legislatura, Miércoles 21 de junio de 2006, Diario 8. Ratificación de nombramientos diplomáticos”, http://www.senado.gob.mx/index.php?ver=sp&mn=3&sm=2&lg=59&ano=3&id=18061, accessed May 8, 2014.


\end{flushright}
dialogue on various topics of common interest in the regional and international agenda. The Declaration underlined the “mutual recognition of the important role played by Mexico and Brazil” in regional and world affairs, as well as convergences in international politics matters. The document stressed the importance of trade and investment, and the possibilities of cooperation in the energy sector by scientific and technological exchanges between Pemex and Petrobras to explore and exploit hydrocarbons in deep waters.\textsuperscript{54} Concerning regional politics, Mexico and Brazil reaffirmed their commitment to Latin American and Caribbean integration, “without detriment of the priority of regional processes in which each country participate, given the shared conviction that such processes should converge in the final and wider purpose of integration”.\textsuperscript{55} With reference to the UN, Mexico and Brazil expressed their willingness to work in a close and coordinated way in matters such as the reform of the Secretariat, the coherence of the system, and the reform of the Security Council.\textsuperscript{56}

The Joint Communiqué also referred to a very delicate issue in the bilateral relationship: the visa requirement. In 2005, the Mexican government revoked a bilateral agreement for visa exemption and started requesting visas to Brazilian nationals as a consequence of the increasing number of Brazilians travelling to Mexico to cross the northern border into the United States illegally. The Brazilian government acted in reciprocity and requested visas to Mexican nationals. The visa requirement thus became a very problematic question in relations between Mexico and Brazil. The Communiqué indicated that the Mexican government had the disposition to facilitate visas as long as the requirement was

\textsuperscript{54} Idem.  
\textsuperscript{55} Idem.  
\textsuperscript{56} Idem.
not eliminated, and recognised the Mexican government’s efforts in shortening the period to grant visas, although there still was “a long way to go” on the subject.  

President Lula visited Mexico two months after the Binational Commission, and his main interest was to give an economic content to the new relationship. The Brazilian goal was to sign a trade agreement, and to collaborate closely in the energy sector: that Petrobras could explore and exploit hydrocarbons in Mexico. Lula underlined the economic importance of Brazil and Mexico in the region, and to each other, and emphasised the need to strengthen the bilateral economic relationship. In the energy sector, he added, there were “wide possibilities of cooperation for the technological development in the area of exploration and production of oil and natural gas in deep waters. In the area of biofuels, Brazil expects to count on Mexico in a campaign to establish a world market for cleaner cheaper and renewable fuels”. Lula favoured the competitive insertion of the region in a globalised economy: “That is why I have defended the construction in South America of an economically integrated space, based on social solidarity and politically democratic… I know that Mexico is also developing an integration project with its neighbours to the south…” Lula urged Mexico and Brazil to occupy a place as dynamic poles since “[T]he international community increasingly sees our countries as fundamental interlocutors in a global scenario of complexity and uncertainty. We are called to take responsibilities to create new consensus


60 Idem.
on essential topics of the international agenda”. Lula recognised that Mexico and Brazil had a different approach to the UN reform, but underlined Mexico and Brazil’s coincidence in the G20 to eliminate subsides in trade, and acknowledged Mexico’s participation in reconstructing Haiti, where Brazil was heading the stabilisation mission.

The second meeting of the Binational Commission took place in July 2009. The Joint Communiqué once again underlined the mutual recognition of the important role that Mexico and Brazil played in the region and the world, and in their coincidences in topics of international politics. In a very similar tone to that of the first Binational Commission, and dealing with practically the same issues, the document reviewed the bilateral relationship in its different aspects: economic, commercial and financial; consular issues; education and cultural cooperation; technical, scientific and technological cooperation; regional and multilateral affairs, and health issues. Secretary Espinosa thanked the various demonstrations of solidarity of the Brazilian government and people during the A/H1N1 influenza epidemic in Mexico. Lula, in turn, thanked Mexico’s support for Brazil’s candidacy for a non-permanent seat on the Security Council.

In August 2009 President Calderón visited Brazil. Publicly, his main purpose was to promote a free trade agreement (FTA) between the two countries: “We want to be partners with Brazil because we know that in Latin America the strongest, largest and most powerful

---

61 Idem.
62 Idem.
63 According to Ambassador Valencia, it was not a high-level meeting like the first one. It was really a consulting meeting. Interview. Mexico City, May 8, 2014.
64 Brazil did not suspended air communication with Mexico during the epidemic, unlike Argentina, Ecuador, Perú and Cuba.
economies are ours…imagine what we can do together”.

Calderón recognised that the subject of a trade agreement was difficult and complex but he offered to take the message of Brazilian businessmen interested in the agreement to the diverse economic sectors and political and social groups in Mexico. Lula and Calderón called on the private sectors of Mexico and Brazil to join the initiative. Calderón repeated that Mexican-Brazilian relations were in a “new era”, and even suggested that Mexico and Brazil should go beyond the G20 and create a “great Latin American G2…that allows this promising relationship to flourish”. He expressed his conviction that Mexico and Brazil should establish a powerful and efficient alliance that contributed to Mexico’s, Brazil’s and Latin America’s welfare.

The energy sector was once again an important matter for discussion, the Brazilian side being more interested in an association in the field. According to the BBC, Lula proposed that Pemex and Petrobras acted together in third countries; Calderón, in turn, reiterated his hope that Pemex would benefit from the successful experience of Petrobras. Brazilian sources also indicated that cooperation might extend to renewable fuels, an area where Brazil could assist Mexico.

Good intentions, the Binational Commission, CELAC, and an optimistic official language, however, did not solve the visa requirement problem, and the strongest opportunity

---

67 Idem.
70 Idem.
71 Idem.
to improve relations, trade and economics, would soon fade away, as the next section will prove.

**ECA 55 and the Economic Integration Strategic Agreement (EISA): the end of the new relationship**

Historically, trade between Mexico and Brazil has not been significant to each other. Geographical distance, Mexico’s traditional concentration on the U.S. market, and Brazil’s preference to trade with Europe, Latin American countries in Mercosur, —and more recently China and India—, plus little complementarity between the two economies explain why trade has not been an important component of bilateral relations.\(^{72}\) In the period under study, however, trade became an issue, especially since the conclusion of the ECA 53 and 55, and the discussions of a possible economic integration strategic agreement, or free trade agreement. Trade figures between Mexico and Brazil changed since the coming into force of the ECAs in 2003, although in relative terms commercial and financial transactions remained relatively small compared to other partners.\(^{73}\)

---

\(^{72}\) Ma. Esther Morales, Pablo Mejía, Raúl de Jesús Gutiérrez, Miguel Ángel Díaz, and Reyna Vergara, “Interacciones económico-financieras Brasil-México: ¿cuál es su grado de integración?”, *Perfiles Latinoamericanos* 39, January-June 2012, pp. 119-120. Historically, European countries were also some of Brazil’s most significant trade partners.

\(^{73}\) *Ibid.*, p. 117. ECA 53 was signed only with Brazil whereas ECA 55 was signed with Mercosur. ECA 53 establishes the norms for economic and commercial relations, and to stimulate investment. Lack of space does not allow for a full analysis of Mexican-Brazilian trade relations. During the period (figures from 1993 to January-December 2014 as presented by the Economics Ministry), however, trade expanded significantly although Mexico experienced a deficit in its trade balance until 2011. In 2000 total trade was 2.320 million USD, and in 2012 it was 10 152 million USD. As a percentage of total trade, however, the figure remains low: Brazil’s trade with Mexico is only 1.4% of Mexico’s total trade, while Mexico’s is 2.2% of Brazil’s total trade. Brazil is Mexico’s 8\(^{th}\) trade partner in the world, and the first in Latin America and the Caribbean; Mexico is Brazil’s 10\(^{th}\) trade partner in the world, and the second in the region, after Argentina. Trade includes products such as automobiles, auto-parts, telephones, chemical products, and machinery, among others. http://www.economia.gob.mx/comunidad-negocios/comercio-exterior/informacion-estadistica-y-arancelaria, accessed May 2, 2014. According to the new Mexican Ambassador to Brazil, Beatriz Paredes, Mexican investment in Brazil is today more than 3 000 million USD, although Brazilian investment in Mexico is barely 8 000 million USD. Considering the size of both economies, bilateral trade is also low: 9 000 million USD. Alberto Armendáriz, “Pueden México y Brasil ser equipo”, *Reforma.com*, March 5, 2013, http://www.reforma.com/nacional/articulo/691/1381515/default.asp?Param=4&PlazaCon, accessed March 5, 2013. Brazil is the first destiny for Mexican investment in the region, and it is the 18\(^{th}\) investor in Mexico. The most important Mexican firms investing in Brazil are América Móvil, Telmex, Coca Cola-Femsa, Nemak
Derbez explains that the automobile industry approached him when he was Economics Secretary to express their interest in sectorial integration with Latin America. Derbez is very emphatic in underlining that the automobile industry (including U.S. firms) pressed for the ECA 55; it was not originally a governmental initiative. Negotiations took place within the framework of ALADI, by sector, and not pretending economic integration in general (which was not possible because of the Nafta). Although the Mexican government foresaw that Mexico would initially lose economically by signing ECA 55, authorities thought that it was convenient to go ahead anyway.

ECA 55 was signed to promote free trade in the automobile sector, integration and productive complementation of the automobile sectors. The export of Mexican vehicles to Brazil increased from 31.5% in 2006 to 38.5% in 2009. In five years, the value of exports to Brazil multiplied by 26, from 35 million USD in 2004 to 938 in 2009; its maximum value was reached in 2008, with 1518 million USD. The vehicles that Mexico exports to Brazil are medium and large size, with more aggregated value; those exported by Brazil to Mexico are compact, fabricated mostly by European subsidiary companies.

The idea of a free trade agreement, as mentioned in the previous section, was formally proposed during Calderón’s visit to Brazil in 2009. In February 2010, Presidents Lula and Calderón informed the beginning of discussions to evaluate the viability of an Economic

---


74 Interview. Estado de México, May 7, 2014.

75 Interview. Estado de México, May 7, 2014.


77 Ibid., p. 126. According to a CEPAL report, quoted by the Morales et. al., Brazil and Mexico concentrate 90% of Latin American production of vehicles.

78 Ibid., p. 127.
Integration Strategic Agreement (EISA) that might turn into a free trade agreement.\textsuperscript{79} In May, the Economics Secretary made public the terms of reference of the agreement, and in November, in a joint communiqué the Brazilian and Mexican governments announced the beginning of negotiations.\textsuperscript{80} By February 2011, when the first round of negotiations should have begun, different economic sectors in Mexico expressed their positions on the agreement: the chemical, electronic, perfume, cosmetics, automobile, auto-parts and services sectors were interested in the agreement whereas sectors such as agriculture and the shoe industry openly rejected it. The Confederation of Industrial Chambers (CONCAMIN) claimed that the agreement would place its members in a disadvantageous position regarding tariffs.\textsuperscript{81} Consequently, the first round of negotiations was cancelled.\textsuperscript{82} In December, Secretary Espinosa and Minister Antonio Patriota announced that the round of negotiations would start, but it was cancelled again, on this occasion because of Brazil’s announcement, in early 2012, of its intention to unilaterally renounce ECA 55, claiming a growing deficit in its trade balance of vehicles and auto-parts with Mexico. Both governments initiated a series of meetings to find an acceptable solution, and in March 2012 they signed an Additional Protocol to the Bilateral Appendix. The Protocol establishes annual importation quotas for light vehicles, as a temporary measure, and an increase of regional content of light vehicles


from 30 to 35% the first year, and 40% from the fifth year on. Consultations regarding heavy vehicles would continue to guarantee reciprocal access and parity of environmental norms and techniques.\(^83\)

The Economics Secretary declared that talks about a free trade agreement would take place only when trust returned to markets and businessmen in both countries.\(^84\) Secretary Espinosa, in turn, reiterated Mexico’s strong position against protectionism, and assured that restrictive commercial measures undermined competitiveness and hindered investment.\(^85\) President Calderón, in turn, expressed that it was vital for Mexico to reach a free trade agreement with Brazil, but there was an opposing tendency in that country”.\(^86\)

In brief, as Luiselli clearly states, “ECA 55 killed the FTA”.\(^87\) According to Arriaga, the Mexican government had the political will to conclude it despite resistance by certain economic sectors. Mexican diplomat C, in turn, questions Brazil’s deficit argument: the first eight years since 2003 the deficit was on the Mexican side.\(^88\) She argues that Brazil did not approach Mexico to negotiate or consult beforehand, and communicated its decision almost


\(^87\) Interview. Mexico City, April 3, 2014.

\(^88\) Mexican diplomat C. Questionnaire. \textit{The Economist} also reported that the agreement had favoured Brazil for the first decade but that in 2011 Mexico’s exports grew by 40% to 2 billion USD, while Brazil’s exports reached only 372 million USD. Brazil, then, questioned the agreement. “Brazil, Mexico and trade. Two ways to make a car”, March 10th, 2012.
casually. Mexico immediately tried to build bridges and the Protocol was signed.\textsuperscript{89} One of the results of Brazil’s actions was to generate distrust in Mexican businessmen towards Brazil as a trade partner or investment destiny.\textsuperscript{90} Mexico and Brazil’s most important common goal that justified rapprochement did not materialise; instead, essential differences in perspectives—irreconcilable positions?—became evident, and despite their disposition to negotiate, distance and distrust returned to characterise their bilateral relationship.

It is significant that Brazil and Mexico so clearly expressed their intention to improve bilateral relations during Calderón’s presidential term. The official discourse was careful to place both countries at the same level in terms of regional and global importance. What is more interesting, perhaps, is the identification of precise areas for cooperation and exchange. This indicates the potential for closer and substantive relations: Mexico was interested mostly in trade and investment, Brazil in the energy sector. Despite good intentions, however, difficulties arose again, but so did the two governments’ capacity to negotiate. There is no doubt that Brazil’s decision to renounce ECA 55 was very damaging to the bilateral relationship, and although both countries reached a solution, it probably put an end to rapprochement, initiating a new period of distance.

**BRAZIL AND MEXICO: A FORCED RELATIONSHIP?**

For the last ten years, Mexican-Brazilian relations seem to have followed the same historical pattern identified by Palacios: a combination of distance, rapprochement, conflicts, negotiation and—strained—reconciliation. Conflict was particularly evident on the subject of the Security Council reform and ECA 55. In the former case, reconciliation of interests

\textsuperscript{89} Mexican diplomat C. Questionnaire.
\textsuperscript{90} Mexican diplomat C. Questionnaire.
was not possible, despite Mexico’s attempts at approaching Brazil; in the latter, both parties were willing to find a mutually acceptable solution. Rapprochement was clear at the beginning of Calderón’s presidential term, and tense accommodation of interests led to the creation of CELAC. Does this mean that Brazil’s rise made no difference to a historically determined relationship? No: there is no doubt that Mexico resented Brazil’s emergence as a regional and potential global power that produced new conflicts and complicated situations. The Security Council reform and the creation of Unasur and CALC are the most obvious examples. Mexico was not happy witnessing Brazil’s increasing international importance and influence, but it did not confront it directly; on the contrary, Mexican governments tried to approach Brazil not to “let it go alone”, and contain its international projection. They also sought to engage it in negotiations and mechanisms to make the bilateral relationship work better. Mexico was searching for recognition as an equal and influential actor. Foreign policy was therefore the area where Mexico felt most deeply Brazil’s rise.

The case of Mexican-Brazilian relations reminds us of a familiar question in international relations: does geography matter? Yes and no: it is true, as Palacios demonstrates, that geographical distance has influenced Mexican-Brazilian relations historically; they are not only far from each other, but they relate to the world according to their contrasting geopolitical positions. Relations, therefore, have been generally distant, shaped by a lack of knowledge of each other. Can the weight of geography be overcome?

---

91 Palacios, “Brasil y México”, op. cit.
92 Cecilia Soto, “México y Brasil: ¿podemos cooperar?”, in Rafael Fernández de Castro (coord.), En la frontera del imperio, Mexico, Ariel, 2003, pp. 227-237. Soto emphasises that policy-makers in both countries do not know each other, they misunderstand each other, or they act on the basis of stereotypes, and idea shared by some interviewees like Mexican diplomats A and C. Palacios also underlines the lack of knowledge of each other. Mexican diplomat C. Questionnaire; Mexican diplomat A. Interview. Mexico City, April 7, 2014, and Palacios, “Brasil y México”, op. cit. See also, Cassio Luiselli Fernández, “Brasil y México: el acercamiento necesario”, Revista Mexicana de Política Exterior, no. 90, October, 2010, pp. 9-50.
Yes, and a good example is precisely Brazil’s rise, and Mexico’s reaction to it. Brazil’s rise produced conflicts in the bilateral relationship, but also Mexico’s willingness to approach Brazil. Divergences notwithstanding, Mexico and Brazil found common interests in the period under study, besides the ECAs: there was good technical cooperation in areas such as water, health, education and social development, trade continued to grow despite many difficulties, and cooperation in energy expanded. At the WTO, Brazil and Mexico supported the idea that the United States and the European Union should reduce excessive subsidies in agriculture; in Doha, Mexico backed Brazil’s proposal on medication patents in cases of sanitary emergencies such as HIV/AIDS. At the OAS, Brazil proposed that Mexico and Chile joined the Group of Friends for Venezuela.

Most sources agree that Mexico and Brazil should join forces to act in the region and the world. If Mexico and Brazil could cooperate and find common positions both countries and Latin America will greatly benefit. So far, Mexico has not welcomed Brazil’s aspirations to become a global power, and it is unlikely that Brazil will renounce this traditional objective. If this divergence is overcome, or managed effectively, then Mexico and Brazil may find shared interests for joint action knowing full well that they support two different development models, and relate differently to the world. Is this viable?

BIBLIOGRAPHY


---

93 Mexican diplomat C. Questionnaire.


“Brazil, Mexico and trade. Two ways to make a car”, The Economist, March 10th, 2012.


Covarrubias Velasco, Ana, Cambio de siglo: la política exterior de la apertura económica y política. México y el mundo. Historia de sus relaciones exteriores (coord. by Blanca Torres), Mexico, El Colegio de México, 2010.


**Interviews**


Mexican diplomat A. Interview, Mexico City, April 7, 2014.

Mexican diplomat B. Telephone conversation, June 3, 2014.

Mexican diplomat C. Questionnaire received April 15, 2014.


Web pages

http://www.economia.gob.mx/comunidad-negocios/comercio-exterior/informacion-estadistica-y-arancelaria

http://sre.gob.mx