

Mexico, California stand together on ‘green’ growth

Carlos González Gutiérrez

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Behind the unfortunate images of violence that tend to dominate media coverage of Mexico, there is a solid, reliable and thriving nation that has been going surprisingly unnoticed in recent times: a democratic, open and pluralistic Mexico, with a flourishing middle class and a young population eager to participate and to find solutions to our major challenges. More than ever before there is a huge gap between Mexico's image and Mexico's reality. As the representative of Mexico in Sacramento I feel compelled to share with you this other side of the story.

A Pew Hispanic Center report released April 23 has shown that improving economic conditions in Mexico, coupled with the long-term decline in the country's birth rates, have had a significant impact on migration, so much so that migration flows from Mexico to the United States have come to a standstill. The study even suggests that in the past two years such flows might have reversed their historical direction.

For many decades Mexico experienced severe economic crises periodically. The last one to decimate its citizens' wallets occurred in 1995. Since then, my country has enjoyed economic stability and, despite the 2008-09 worldwide recession, its economic and social indicators have maintained a positive trend. As a result, Mexico has become the 14th largest economy in the world, a middle-income country with a per-capita GDP of \$14,610.

In the past 15 years Mexico restructured its banking system and put in place tough but sound monetary and fiscal measures, reducing inflation to 3.7 percent, bringing its public deficit down to 2.5 percent of GDP – lower than most developed countries – raising its international reserves to an all-time high of \$151 billion, and producing a steady exchange rate with the U.S. dollar, a long-sought feat that brings stability to our exchanges with our main trading partner.

Good economic performance has had a positive effect on society. The country's population has experienced a great transformation in living standards. Ours is a modern urban society meeting not only its basic needs but consuming cars, homes and sophisticated services, and most importantly, investing in its future: 17.8 million Mexicans have an academic degree, and Mexican universities graduate almost 100,000 engineers every year.

In Mexico, the big story is, quite simply, that we have become a middle-class country. This is the result of macroeconomic stability, innovative social programs and open borders to trade. The steady growth of an empowered and demanding middle class constitutes the best grounds for optimism in my country's future.

And our future is inextricably linked to that of the United States. Mexico is the second largest buyer of U.S. exports in the world. It purchases more U.S. products than all of Latin America and the Caribbean put together. Indeed, your neighbor to the south buys more American products than Brazil, Russia, India and China – the so-called BRIC countries – combined.

These encouraging figures are also true for California. The Golden State's exports to Mexico in 2011 reached \$26 billion, which represented 16.3 percent of all California exports. This number translates into California exporting to Mexico \$71 million in products every single day. California's sales to Mexico increased by 24.3 percent from 2010 to 2011. Since NAFTA entered into force in 1994, they have grown by 299 percent, while those to the rest of the world rose 126 percent. Today, nearly 700,000 California jobs depend on trade with Mexico.

A new civic organization, "Cien Amigos," has taken upon itself to raise awareness about the fact that Mexico is California's No. 1 trading partner. With the support of key members of the Legislature as well as the Mexican Consulate in Sacramento, they have organized the "California-Mexico Advocacy Day," which for the third year in a row will take place Wednesday. This year's theme is Mexico's efforts to reduce greenhouse gas emissions and opportunities for cooperation against global warming within California's greenhouse gas cap-and-trade program.

The fight against climate change is a paramount issue of our time that requires vision, strategy and joint efforts. In 2006 California decided to take unilateral action on economy-wide absolute emission reductions with 2020 targets. The use of Mexican carbon offsets could be an instrument to encourage green trade. If goods imported into California are better than the domestic benchmark of carbon intensity, these net emission reductions could be converted into offsets that are fungible in California.

As Mexico's economic growth maintains a positive pace and its middle class continues to expand, California will undoubtedly reap the benefits. We are determined to continue nurturing a partnership that has ceased being transactional and has become strategic. Just as a rich common history has linked California and Mexico for centuries, our common future must be linked by a bold commitment to a green and sustainable planet.

Carlos Gonzalez Gutierrez is the consul general for Mexico in Sacramento.