

Gulf Research Center
Knowledge for All

Mexico-GCC Relations



January 2023



1. Key Domestic Developments

Mexico is a federal republic comprised of 31 self-governing states and one Federal District, which is the capital, Mexico City. Each state comprises its own municipalities. The federal government of Mexico is divided into three branches: the executive, legislative, and judicial. The executive branch is led by the nation's President who is elected by popular vote. There are four dominant political parties in Mexico which are: Institutional Revolutionary Party (PR), National Action Party (PAN), Democratic Revolution Party (PRD), and National Regeneration Movement (MORENA). The presidency is a six-year term, after which presidents are not eligible for re-election. The president is responsible for selecting the members of the cabinet, attorney general, diplomats, high-ranking military officials, and supreme court justices. The president serves as both the Chief of State and the Head of Government and has the authority to pass Executive Decrees.

Although Mexico is a Constitutional Federation, the president has historically dominated the three branches of government, until recently when the legislature has begun to take a more prominent role in governance. The legislative branch

of Mexico is a bicameral National Congress, divided into a Senate and a Chamber of Deputies. Deputies serving in the legislature are elected by a combination of popular and electoral votes.

The third branch of government is the judicial branch. The judiciary is comprised of federal and state courts, the highest being the Supreme Court of Justice, made up of 11 members, each appointed by the president and serving life-long terms. Then there is the Electoral Tribunal, which is responsible for overseeing elections, and finally, the Federal Judicial Council, which oversees the administration and discipline of the federal judiciary. The constitution of Mexico relegates powers to the states of Mexico. The states each mimic the federal government in structure, each having its respective executive, legislative, and judiciary branches. Additionally, the states are broken down into municipalities. The current president of Mexico is Andres Manuel Lopez Obrador (MORENA), who was elected on December 1, 2018.

Mexico is the largest Spanish-speaking country in the world with the 15th largest economy and the 2nd largest economy in Latin America. It was one of the hardest hit countries in Latin America during the COVID-19 pandemic, experiencing a





decline in its GDP of 8.5%, after which it was able to bounce back with a 4.3% increase as of 2022. Since then, Mexico has been able to diversify and stabilize its economy through prudent fiscal policy and debt management operations. Consequently, its economy is on an upward trajectory despite higher consumer prices and a poverty rate of 38.3% as of Q2 2022.

Socially speaking, Mexico has a long history of violence, crime, and corruption within its political and justice systems. Although it is a top tourist destination in the world, its cities are rife with violent crime, ranking it among the least peaceful countries in Latin America. Drug trafficking as well as homicide and violence against women are crimes that rank among the highest in Mexico. Issues such as crime and poverty drive many Mexicans to immigrate to its northern neighbor, the United States. Consequently, border control and security are concentrated along the southern US border with illegal immigration one of the top agenda items for American legislators. Managing high levels of illegal immigration on its borders, as well as drafting appropriate solutions for illegal immigrants already in the US, has been a point of contention between American political parties, as well as between the American and Mexican governments. The current Mexican administration has prioritized bringing income equality and domestic security to the forefront, to address this recurring issue within its borders but has had little success at mitigating the problem. In addition to its own emigration issues, Mexico is a pathway to the U.S. for many desperate migrants from Central and South America, passing through it to reach the United States in hopes of a better future. This poses a problem since as migrants illegally cross into Mexico, they are often denied at the U.S. border, leaving them stranded along Mexico's northern border. This results in the accumulation of migrants, seeking refuge but with no money and nowhere to go. This phenomenon leads to increases in poverty, corruption, and crime that Mexico is left to mitigate.

Key Economic and Social Data

GDP: USD 1.4 trillion (2021)

GDP Per Capita: USD 10,166 (2022)

Annual Growth Rate: 4.2%

Inflation: 8.7%

Population: 132, 287, 845 (December 1, 2022)

Unemployment Rate: 3.22 % (October 2022)

Credit Rating: S&P-BBB with a stable outlook; Moody- Baa2 with a stable outlook; Fitch-BBB with a stable outlook.

2. Foreign Policy

Key Foreign Policy Initiatives

Mexico has maintained a non-interventionist stance since the inception of its constitution. Its foreign policy is established on the principles of human rights, sovereignty, and effective diplomacy. As such it is rarely involved in foreign affairs, following the guidelines of respect for international law, legal equality of states, and non-intervention in the domestic affairs of other countries. In keeping with their neutral perspective on the sovereign affairs of other nations, Mexico initially did not take a firm stance against Russia with regard to the crisis in Ukraine. It declined to impose or support the imposition of sanctions against Russia, including in a U.N. vote on suspending Russia from the U.N.'s human rights body. However, as the war in Ukraine progressed, Mexican President Lopez Obrador eventually condemned the Russian invasion, stating "we are in favor of a peaceful solution to the conflict."

In terms of Mexico's relationships, its most significant partnership is with its northern neighbor, the United States. The two countries



celebrated 200 years of bilateral diplomatic relations on December 12, 2022. It's no surprise that there are many mutual interests between Mexico and the U.S. when there are over 37 million Americans of Mexican descent residing in the U.S. and that there are 47 points of land entry along their borders. Close cultural and economic ties are maintained through vast amounts of trade cooperation and foreign direct investment on the part of the U.S. to Mexico. The United States is Mexico's number one source of foreign direct investment, responsible for 39.1% of all FDI between January and September of 2022 alone. Mexico relies heavily on the United States economically speaking, but they also maintain strong trade relations with Canada. In mid-2020 the North American Free Trade Agreement was replaced by the U.S.-Mexico-Canada Agreement (USMCA) which still preserves many of the same protections against trade tariffs but does more to protect workers from substandard working

conditions and secure jobs in Canadian and American manufacturing facilities. At the same time, USMCA addresses environmental concerns as well as incorporates protections for e-commerce that were lacking under NAFTA.

Mexico sits between the U.S. and Canada to the north, and its Latin American partners to the south, with whom it shares many cultural, lingual, and political similarities, placing it in a unique geopolitical position. Mexico is an attractive passageway for South Americans hoping to seek refuge in the U.S., although many of them end up stranded at Mexico's border. Mexico is a key player in developing the Latin American region and contributing to its prosperity, through its political dialogue and influence among 32 Latin American and Caribbean countries.

Part of what differentiates Mexico from its southern neighbors, and what gives it the advantage





economically speaking, is that the nature of its geography, being bi-coastal, gives it easy trade access to both eastern and western markets. None of the other Latin American countries have the same advantage. Mexico sits in a good central position, and although its main partners are still the U.S. and Canada, Mexico is looking forward to expanding its relations with other parts of the world, including in the GCC, a move that will surely reap benefits for Mexico and the rest of Latin America as well.

Mexico is a party to 13 free trade organizations and agreements, covering 50 countries including: World Trade Organization (WTO), Asia-Pacific Economic Cooperation (APEC), G-20, Organization for Economic Cooperation and Development (OECD), and the United States-Mexico-Canada Agreement (USMCA) which replaced the North American Free Trade Agreement (NAFTA) in July 2020. Given its border proximity, Mexico is the 2nd largest trading partner with the US and enjoys strong investment and trade ties with them.

Establishment of Diplomatic Relations:

Bahrain: 1975

Kuwait: July 23, 1975

Oman: July 31, 1975

Qatar: June 30, 1975

Saudi Arabia: September 12, 1952

United Arab Emirates: September 12, 1975

Current Diplomatic Representation:

Bahrain: Non-resident Mexican Ambassador to Bahrain – Anibal Toledo
Currently, Bahrain does not have representation in Mexico

Kuwait: Mexican Ambassador to Kuwait – Miguel Angel Isidro
Ambassador of Kuwait to Mexico – Muteb Saleh F. Almutoteh

Oman: Non-resident Mexican Ambassador to Oman – Anibal Toledo
Honorary Consul of Oman in Mexico– Omar Alberto Soliman El Gohary De Valle

Qatar: Mexican Ambassador to Qatar – Graciela Gomez Garcia
Ambassador of Qatar to Mexico – Mohamed Jassem Al-Kuwari

Saudi Arabia: Ambassador of Mexico to the Kingdom of Saudi Arabia – Anibal Toledo
Ambassador of Saudi Arabia to Mexico – Hammad Alrowaily

Mexico’s Trade in Goods with GCC Countries in 2021 (USD thousands)

Source: Worldbank

Country	Exports	Imports	Balance
Bahrain	11,738,016	134,172,707	-122,434,691
Kuwait	81,699,401	28,019	81,671,382
Oman	13,086,333	90,073,019	-76,986,686
Qatar	46,803,263	94,955,397	-94,955,397
Saudi Arabia	236,521,657	119,517,383	117,004,274
United Arab Emirates	336,599,476	537,961,952	-201,362,476
GCC Total Amount	726,448,146	976,708,477	-250,260,331

United Arab Emirates: Ambassador of Mexico to the United Arab Emirates – Francisco Alonso Escobar
Ambassador of United Arab Emirates to Mexico – Ahmed Hatem Barghas Almenhali

Key Officials with Responsibility for the Gulf Region

Secretary of Foreign Affairs - Marcelo Ebrard Casaubon (2018)

Undersecretary for Foreign Affairs – Carmen Moreno Toscano

General Directorate for Africa, Central Asia, and the Middle East – Minister Amparo Erendira Anguiano Rodriguez

Director for the Middle East and Central Asia – First Secretary Enrique Alfonso Gomez Montiel
Assistant Director for the Middle East and Central Asia – Prof. Gabriela Sanchez Carmona

Head of Department for the Directorate for the Middle East and Central Asia – Luis Gustavo Neri Gomez and Tania Nunez Suarez

Head of Defense Ministry – General Luis Sandoval (2018)

Secretary of the Navy – Admiral Jose Rafael Duran (2018)

Key Research Centers and Think Tanks

Consejo Mexicano de Asuntos Internacionales (Mexican Council on Foreign Relations) -established November 22, 2001. <https://www.consejomexicano.org/>

Centro de Investigacion y Docencia Economicas (Center of Research and Economics Training -CIDE) <https://www.cide.edu/investigacion/publicaciones/>

Mexico Evalua <https://www.mexicoevalua.org/>

Instituto Mexicano para la Competitividad (IMCO) (Mexican Institution for Competitiveness) <https://imco.org.mx/>

Ethos Innovacion en Politicas Publicas (Ethos Innovation in Public Policy) <https://imco.org.mx/>

Fundacion IDEA (IDEA Foundation) (2005) <https://www.fundacionidea.org.mx/>

C230 Consultores <https://c-230.com/>

Key Regional Experts

- [Dr. Jaime Zabudovsky Kuper \(COMEXI\)](#)
- Dr. Marta Tawil Kuri (Center for International Studies; El Colegio de Mexico)
- Alejandra Galindo Marines (University for Monterrey, Mexico-Arab Center for Research and Policy Studies)
- [Jose Antonio Romero Tellaeche \(CIDE\)](#)
- [Luis Rubio \(CIDAC\)](#)
- [Veronica Baz \(CIDAC\)](#)
- [Dr. Theresa Alfaro-Velcamp \(SSU and UCT\)](#)

Key Recent Literature

- [New Horizons for Trade and Investment: Strategies for the Gulf Countries and Latin America and the Caribbean](#)
- [Cultivating Ties: Deepening trade investment between Latin America and the GCC](#)
- [Latin American Relations with the Middle East: Foreign Policy in Times of Crisis](#)
- [Mexico and Brazil's Approach Towards the GCC Countries: An Assessment of Economic Diplomacy](#)
- [Latin America, Israel, and the Gulf: Trade and Security Amid Global Uncertainty](#)

Key Developments in Mexico-GCC Relations

Given the distance between them, the GCC countries have not had a very complex relationship with Mexico, although they have maintained positive ties. The current Mexican Minister of Foreign Affairs, Marcelo Ebrard Casaubon has repeatedly called for ties between Mexico and GCC countries to be strengthened, noting the potential benefit that could result from enhanced



collaboration with each other. For one, both are oil-producing countries with an aim to diversify away from an oil-dependent economy. While GCC countries are beginning this transformation in more recent years, Mexico has done considerably well at developing an economy independent of oil, expanding into manufacturing and other sectors of industry, over the past few decades. Mexico has grown to be among the top three strongest economies in Latin America after expanding into various sectors of industry. Rather than join

OPEC, Mexico chose to operate independently but has recently begun to strengthen ties with GCC countries, in particular, Saudi Arabia and Qatar in other sectors. The United Arab Emirates and Saudi Arabia are Mexico's largest trading partners in the region but trade with Qatar has increased following the 2019 boycott of Qatar by neighboring Arab countries, which forced Qatar to seek trade partners in other regions. Even after the cessation of the said boycott in late 2020, Mexico and Qatar have continued diversifying their bilateral

trade. Furthermore, scholars have noted the complementarity of Mexico's and GCC countries' imports and exports, with the primary obstacle being logistics. Companies should consider devising solutions to make trade easier and more accessible on both sides, in order to overcome logistical barriers such as geographic distance and elevation obstacles which make air cargo transport more challenging. One such measure was taken when Mexico and GCC member states implemented Air Service agreements and relaxed visa requirements for diplomatic and certain types of travel visas. This will facilitate face-to-face contact between members of leadership on both sides, as well as enhance cultural and social understanding of each other's countries. That said, Mexico has maintained amicable relations with GCC member states since the establishment of relations and is currently pressing on toward enhancing partnerships in a variety of sectors.

Mexico-Saudi Arabia

- Mexican Secretary of Foreign Affairs Marcelo Ebrard Casaubon visited Riyadh in March 2022 to attend the Saudi-Mexico Business Forum convened by the Federation of Saudi Chambers to discuss emerging business opportunities in the region, including megaprojects like Red Sea Global and NEOM. They also discussed investing further mutually, in tourism including the possibility of establishing a direct air route between Saudi Arabia and Mexico.
- Former President of Mexico Felipe Calderon attended the Saudi Green Initiative Forum where he commended Saudi Arabia for its effort in supporting sustainable tourism during the UN Climate Change Conference in 2022 in Egypt.
- Saudi Arabia is Mexico's second top GCC trade partner with \$ 236,521,657 million in exports to Mexico in 2021 and \$119,517,383 million in imports for the same year. Most

imported products were medical instruments, delivery trucks, and car parts.

- In January 2016, Mexican President Pena Nieto awarded Saudi King Salman the Order of Aztec Eagles, which is the highest honor given by the Mexican government to foreign nationals in acknowledgment of outstanding global achievements. This is significant because before this, Mexico had not awarded this to any other GCC official (since then Emir of Kuwait Sabah Al-Ahmad-Al Jaber Al-Sabah was also awarded the Order).
- Saudi Arabia and Mexico are parties to multiple bilateral agreements: Memorandum of Understanding for the Establishment of Political Consultations on Issues of Mutual Interest (2016); Agreement on the Avoidance of Double Taxation (2016); Agreement of Cooperation between both nations' for Development and Exportation (2016); Agreement on Air Services (2016); Agreement on Tourism Cooperation (2016); Memorandum of Understanding between both nations Diplomatic Institutions (2016); Agreement of Cooperation to Combat Organized Crime (2017) Memorandum of Understanding between Pemex and Saudi-Aramco (2009); Memorandum of Cooperation in the Gas and Oil Sector (2016).

Mexico-UAE

- The UAE and Mexico enjoy cordial relations, having established diplomatic ties in 1975 and during which time, many reciprocal high-level visits have taken place as well as important agreements being established between the two countries. In late 2018, the Mexican and UAE governments announced plans to allow citizens to/from both countries visa-free entry. This comes in conjunction with Emirate's airlines making its first inaugural flight to Mexico City (via Barcelona).
- In April 2014, Emirati Prime Minister and Vice




President His Highness Sheikh Mohamed bin Rashid Al Maktoum went to Mexico on the first ever diplomatic visit by an Emirati Prime Minister to the country.

- In January 2016 President Enrique Peña Nieto made the first ever visit to the UAE by a Mexican President, to meet with Crown Prince Sheikh Mohammed bin Zayed at al Mushrif Palace in Abu Dhabi. President Nieto delivered a keynote address during the opening ceremony of Abu Dhabi Sustainability Week where he stated, “Mexico is committed to the environment...our belief is that it is possible to secure a new climate regime without impeding social and economic progress... Abu Dhabi...is an example of [an] innovative environment aimed at sustainable economic and social progress.”
- Mexican Deputy Secretary of Multilateral Affairs and Human Rights met with the Minister of State for Foreign Trade of the UAE, Dr. Thani bin Ahmed Al Zeyoudi in 2021, where they discussed and agreed on new plans to reinforce economic cooperation between Mexico and the UAE as well as forge partnerships between Mexican and Emirati businesses.
- The UAE is Mexico’s largest trading partner of the GCC countries with total trade in 2021 amounting to \$87,456,142.
- In December 2019, Emirates launched flights to Mexico City, making it the first and to date, only, GCC country that operates flights to Mexico. This air service partnership allows for greater connectivity, boosts trade, and supports tourism between the two countries.
- As of 2022, both UAE and Mexico are serving on the United Nations Security Council, where each has promised to work in collaboration with the other toward peace and security.
- United Arab Emirates and Mexico are party to multiple bilateral agreements: Memorandum of Understanding for Visa Exemption between both countries (2012); Agreement

to Avoid Double Taxation and Prevent Tax Evasion (2014); Agreement on Air Services (2015); Agreement for the Promotion and Reciprocal Protection of Investments (2016); Memorandum of Understanding on Tourism Cooperation (2016); Memorandum of Understanding to Enhance Cooperation in Clean Energies and Energy Affairs (2016); Non-binding Memorandum of Understanding and Cooperation between PEMEX and Abu Dhabi National Oil Company (2016); Memorandum of Understanding between the Federation of Chambers of Commerce and Industry of the UAE and the Mexican Business Council of Foreign Trade, Investment and Technology (2019); Memorandum of Understanding between the Dubai Economic Council and the National bank for Foreign Trade, the National Credit and Development Institutions of the United Mexican States (2019); Memorandum of Understanding on Cultural and Artistic Cooperation (2016); Memorandum of Understanding to Promote Cooperation in the Areas of Higher Education and Scientific Research (2016); Cooperation Agreement for the Establishment of a Joint Scholarship Program between the National Council of Science and Technology and the Masdar Institute for Science and Technology; Non-binding Memorandum of Understanding and Cooperation between PEMEX and Mudabala Petroleum LLC (2016).

Mexico-Qatar

- In 2022, Mexican Foreign Secretary Marcelo Ebrard Casaubon attended the opening of Qatar’s new embassy in Mexico City, where officials on both the Qatar and the Mexican side praised each other for their cooperation and stressed the importance of ongoing bilateral relationships.
- In August 2021, Mexico coordinated with Qatar in the evacuation of over 100 Afghan



refugees who were fleeing the Taliban, as Qatar Emiri Air Force planes transported groups of Afghan citizens to Mexico City.

- In March 2022, Foreign Minister Marcelo Ebrard Casaubon visited Qatari Foreign Minister Mohamad bin Abdulrahman bin Jassim Al Thani in Doha to attend the Doha Forum where he called on Qatari businessmen to invest in Mexico. Both leaders applauded their nations' strong ties, especially in economic and commercial areas.
- In November 2022, Mexican Foreign Minister Marcelo Ebrard Casaubon visited Doha again to inaugurate the "Mexico Center" which was a temporary establishment to support the nearly 100,000 Mexicans who traveled to attend the 2022 FIFA World Cup in Qatar. During this inauguration, H.E. Ebrard thanked Qatar for its support and positive relationship with Mexico.
- Mexico and Qatar are party to multiple agreements: Agreement on the Avoidance of Double Taxation and Tax Evasion (2014); Agreement on Air Services (2015); Agreement on Technical Cooperation (2015); Agreement on Artistic and Cultural Cooperation (2016); Agreement of Cooperation and Exchange of News between the Mexican State News Agency and the Qatari News Agency (2016); Cooperation Agreement in the Field of Education between the Government of Mexico and the Government of Qatar (2016); Memorandum of Understanding in the Field of Physical Culture and Sports between the Mexican National Commission of Physical Culture and Sports and the Ministry of Youth and Sports of Qatar (2016); Memorandum of Understanding between ProMexico and the Supreme Committee of Supply and Heritage for the Promotion of Mexican Companies Supplying Products and Services for the 2022 Qatar World Cup (2016); Memorandum of Understanding between National Bank of Foreign Trade of Mexico (Bancomext),

Doha Bank, and Qatar National Bank, and the Commercial Bank of Qatar(2016) Memorandum of Understanding on Cooperation in the Energy Sector between the Mexican Ministry of Energy and the Ministry of Energy and Industry of Qatar.

Mexico-Kuwait

- On February 2, 2022, Mexican Ambassador to Kuwait, Miguel Angel Isidro congratulated the state of Kuwait on its 61st Independence Day and applauded the ongoing bilateral relationship and close collaboration the two countries have held over the years. He also discussed the keenness of both sides to expand economic and commercial relations in the coming years.
- In June 2022, Kuwait's Chamber of Commerce and Industry issued a statement that it plans to explore investment opportunities across Mexico, particularly in their gas and agriculture sectors.
- Kuwait and Mexico are parties to multiple bilateral agreements: Economic Cooperation Agreement; Agreement on the Avoidance of Double Taxation and Tax Evasion; Cooperation Commission Agreement on the Promotion and Reciprocal Protection of Investments; Agreement of Cooperation between Pemex and the Kuwait Petroleum Corporation; Air Service and Tourism Agreement; Agreement on Cultural, Artistic, and Superior Education Cooperation; Agreement on Political and Health Cooperation; Agreement on Cooperation between the Kuwaiti and Mexican News Agencies and an agreement of Cooperation to Combat International Organized Crime and Narcotrafficking.

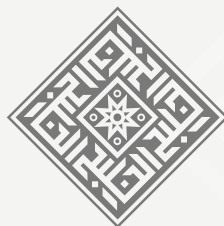


Supporting Documents

GRC publications and workshops

- *GRC Publication 2016*: Latin America and the Gulf: Assessment of Current and Future Trends
- *GRC Publication 2016*: The Gulf and Latin America: Exploring New Avenues of Exchange
- *GRC Publication 2014*: Integration Processes in Latin America
- *GRC Publication 2013*: The Gulf and Latin America: An Assessment of Expectations and Challenges
- *GRM Workshop 2013*: The Relationship between the Gulf Countries and Latin America: The Role of Non-State Actors
- *GRM Workshop 2012*: An Assessment of Opportunities and Possibilities: The Gulf and Latin America





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