

**MEMORANDUM OF UNDERSTANDING FOR STRENGTHENING
TRADE AND INVESTMENT COOPERATION
BETWEEN
THE MINISTRY OF ECONOMY OF THE UNITED MEXICAN STATES
AND THE GOVERNMENT OF THE STATE OF CALIFORNIA OF THE
UNITED STATES OF AMERICA**

The Ministry of Economy of the United Mexican States (Ministry of Economy) and the Government of the State of California of the United States of America, together hereinafter referred to as "the Participants";

In recognizing that **WHEREAS:**

Two-way trade in goods between Mexico and California totaled over \$60.1 billion in 2013 – one of the largest two-way trade relationships between Mexico and a U.S. State;

The North American Free Trade Agreement ("NAFTA"), having now been in effect for twenty years continues to provide the principal foundation for expanding trade and investment between Mexico and California;

Mexico is a key trade and investment partner for the Obama Administration's "Look South Initiative" launched on January 9, 2014;

Mexico and California share a 136-mile border and close historical, cultural, and economic ties; and

The Participants seek to expand the current level of economic and investment cooperation between Mexico and California in, but not limited to, alternative and renewable energy, environmental and related clean technologies, advanced manufacturing, biotech, medical devices, Information technology (IT), agriculture-related technologies, education, tourism and cross-border goods movement infrastructure;

Have agreed as follows:

**ARTICLE I
Objective**

The purpose of this Memorandum of Understanding (hereinafter "MOU") is to establish a formal and flexible framework between the Participants to expand trade and investment cooperation, foster scientific and technological collaboration for business development in emerging key sectors, strengthen communication, enhance trust, boost economic development and create jobs. In doing so, the Participants share the following common objectives:

- a) To engage in mutually beneficial economic, commercial and innovation activities;
- b) To promote the organization of trade and investment missions, and facilitating the identification of economic opportunities;
- c) To encourage innovation, economic and business development in new and technology-related sectors by fostering joint industrial R&D, enhancing business relationships, and facilitating collaboration between Mexican and Californian entrepreneurs through (but not limited to) California's innovation hub (iHub) network, trade delegations, and public-private partnerships;
- d) To build upon the principles of NAFTA in recognizing the importance of strengthening the Participants' capacity to protect the environment and of promoting sustainable development in concert with enhancing their trade and investment relations.

ARTICLE II Areas of Cooperation

The Participants intend to strengthen and facilitate trade and investment cooperation through initiatives focused particularly on, but not limited to, the following sectors:

- a) Advanced Manufacturing.
- b) Alternative and Renewable Energy.
- c) Environmental Protection and Other Related Clean Technologies.
- d) Biotechnology.
- e) Medical Devices.
- f) Information Technologies.
- g) Agriculture and Agricultural Technologies.
- h) Education.
- i) Tourism.
- j) Cross-Border Goods Movement Infrastructure.

ARTICLE III Working Group

The Participants respectively designate the General Direction for North America of the Ministry of Economy and the Governor's Office of Business and Economic Development to establish a bilateral Working Group to oversee the implementation of the objectives of this MOU.

The Working Group shall meet either in person or via video conference on a regular, periodic basis and at least once a year. The time and place of each meeting shall be mutually decided upon by the Participant designees through consultation. Other government agencies, chambers of commerce or business associations may be invited to participate in the Working Group and/or other initiatives undertaken pursuant to this MOU.

ARTICLE IV Specific Activities

The Participants have decided that specific activities to achieve the objectives of this MOU for the key sectors identified in Article II may include:

- a) Exchanging information on trade and investment projects and exhibitions related to the identified sectors on a regular basis;
- b) Encouraging the organization of joint trade-promotion activities and business missions to both Participants;
- c) Providing information to companies, including small and medium-sized enterprises to facilitate trade and investment opportunities, and providing relevant connections to the extent it is reasonable possible to do so;
- d) Fostering collaboration between the Participants' universities, organizations, research centers, California's iHubs, and companies to develop science and technology programs that support business development and create jobs;
- e) Welcoming trade and tourism promotion officials and delegations, and facilitating appropriate introductions.

ARTICLE V Contact Points

The General Direction for North America of the Ministry of Economy and the Governor's Office of Business and Economic Development shall also serve as the respective contact points for communication and information exchange, as well as any notice required to be submitted under this MOU.

ARTICLE VI
Availability of Personnel and Resources

This MOU once in effect upon signature, does not create any legally binding rights or obligations for either Participant. All activities undertaken pursuant to this MOU are subject to the availability of funds, personnel and other resources of each Participant.

The personnel designated by the Participants for the execution of this MOU shall work under the orders and responsibility of the organization or institution to which they belong, at all times maintaining their employment relationship with that organization or institution. Their work will not create an employer-employee relationship with any other organization or institution, so in no case shall that other organization or institution be considered as a substitute or joint employer of the designated personnel.

ARTICLE VII
Compliance with Applicable Laws

All activities undertaken pursuant to this MOU, and all personnel designated by the Participants for the execution of those activities undertaken pursuant to this MOU are subject to the applicable laws of the receiving country. Such personnel, if visiting the other Participant to participate in an activity pursuant to this MOU, shall not engage in any activity unrelated to their duties.

ARTICLE VIII
Interpretation and Application

Any difference that may arise in relation to the interpretation or application of this MOU shall be resolved through consultations.

ARTICLE IX
Final Provisions

This MOU shall become effective upon its signature, and shall remain in effect for an indefinite duration, subject to the provisions below.

This MOU may be modified at any time by mutual consent of the Participants. Any modification shall be made in writing and specify the date on which such modification is to become effective.

Any of the Participants may at any time, withdraw from this MOU by providing a written notice to the other Participant thirty (30) days in advance.

The termination of this MOU shall not affect the conclusion of the cooperation activities that may have been formalized during the time this MOU is in effect, unless the Participants mutually decide otherwise.

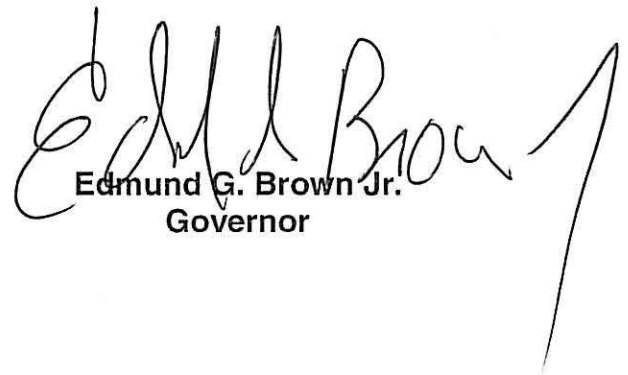
Signed in Mexico City on July 30th, 2014, in two original copies in the English and Spanish languages. Both texts are equally authentic.

**FOR THE MINISTRY OF ECONOMY
OF THE UNITED MEXICAN STATES**



**Ildelfonso Guajardo Villarreal
Minister**

**FOR THE GOVERNMENT OF THE
STATE OF CALIFORNIA
OF UNITED STATES OF AMERICA**



**Edmund G. Brown Jr.
Governor**