Fostering political will for implementing export controls

<table>
<thead>
<tr>
<th>Víctor Manuel Sánchez-Colín</th>
<th>Pedro Francisco Guerra-Morales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign Affairs</td>
<td>Economy</td>
</tr>
</tbody>
</table>

México
Mexico’s commitment to international security

MEXICO

• Has been a strong advocate of disarmament and non-proliferation.

• Promoted the creation of the first nuclear-weapons-free zone (Tlatelolco Treaty), to which is depositary.

• Ratified all relevant international legal instruments that contribute to international peace and security.

• As an elected member of the UN Security Council, chaired the 1540 Committee in the 2009-2010 period.
Mexico’s commitment to international security

- Recognizes the key role that export control regimes play in reinforcing existing controls of weapons of mass destruction (WMD) and their delivery systems.

- Has applied for membership in:
  - the Australia Group (March, 2011), and
  - the Nuclear Suppliers Group (2007, renewed this year).

And has been admitted as 41st member of the Wassenaar Arrangement.
Immediately after the 10-Year extension of Resolution 1540, Mexico launched its domestic Export Control Regime.

However, since 2002, Mexico has had export controls for conventional weapons, nuclear materials and toxic substances that lacked standards and best practices.
1. While national commitment to non-proliferation policies is a quintessential requisite in the adoption of domestic export controls, it is not enough.

1.1 The time in which the exporting industry could export *anything to any country* is long gone... or perhaps, it never existed.

1.2 The exporting of conventional arms, dual-end use goods, technologies and related software is constricted by non-proliferation and disarming commitments. Historical experience, however, proves that these instruments are not enough.

1.3 A foolproof mechanism to avoid proliferation is the implementation of export controls for conventional arms, dual-end use goods, technologies and related software; but the need of these mechanisms does not reap the necessary conviction amongst the exporting industries to endorse their full implementation.
Mexico’s regime for export controls

- Mexico has Federal legislation that provides the basis for export controls:
- Since 2002, the Federal Government has implemented export controls through Directives published by the Ministry of Economy together with:
  - Ministry of Defense (weapons),
  - Ministries of Health, and Environment and Natural Resources (chemical items), and
  - Ministry of Energy (radioactive materials).
Coordination amongst government agencies... is an essential requirement to implement an efficient export controls system.
2. As necessary conditions, additionally domestic authorities must develop:

2.1 Gubernatorial awareness that non-proliferation policies do not represent a major obstacle for commerce.

2.2 Conviction that safer international trade is a higher incentive for intense capital investments.

2.3 The notion that safe trade enhances its quality and volume.

2.4 The certainty that export controls regimes do not stand for burdensome regulatory and administrative loads.

2.5 Insight that admittance to export controls regimes allows the domestic development of high end technology industries, because it safeguards manufacturers, intellectual property and sectorial intellectual property.
One of the key aspects in the construction of the Mexican system of export controls program is the industry’s conviction in the benefits of its adoption.
Outreach is an important tool

With the government’s conviction on the benefits of export controls for trade, the effort should be directed to companies that do not know their advantages.

In Mexico, the most important companies requested the Mexican government’s admission to Wassenaar.
AW is the regime that covers more fully the items that are exported from Mexico.
The countries of the Wassenaar Arrangement are in the segment of the world's most competitive countries, according to the WEF.
### Business opportunities

Mexico is the 6th country on the Global Services Location Index 2011 of A.T. Kearny.

It is the first country in North America because of its human capital availability and financial attractiveness.

<table>
<thead>
<tr>
<th>Country</th>
<th>Attraction of Financial Markets</th>
<th>Human Capital</th>
<th>Business Environment</th>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 India</td>
<td>3.1</td>
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*Source: A.T. Kearny Global Services Location Index™ 2011*
3. Lessons learnt

3.1 Governmental awareness of export control regime’s importance as tool for non-proliferation is a necessary condition, but not sufficient, for the implementation of a domestic export control regime.

3.2. Ministries or departments of Economy or Trade should enforce the conviction amongst exporters—and, above all, amongst their governmental equals—that export controls breed security in trade and, therefore, in its sponsoring. The construction of a domestic export control system must be done from the export basis.

3.3 Precise coordination amongst governmental agencies (Foreign Relations, Defense, Customs, Commerce, Energy and Environment Protection) is a necessary requisite for the successful adoption of an export control regime and the further inclusion of the country to multilateral regimes.
3.4. The construction of a domestic export control system must be done from the export industry basis.

3.5 The conviction in the exporting industry that the need to protect its exports is the necessary element for a successful exports control regime.

3.6 Any enforcement attempt will not suffice if the exporting industries do not assume the conviction of having a strong export controls regime.

3.7 In short, it is indispensable that both the exporting sector and governmental agencies consider export controls regimes as necessary and beneficial for the promotion of exports.
Thanks
Gracias
New Institutions in Mexican Export Controls Regime

1. A single procedure for application and permit issuance.
2. A strong operational coordination with Customs.
3. Export Control Committee. Instance to the application review and coordination between agencies.
4. End-use and end-user statements.
5. Control lists. Sensitive and very sensitive items.
6. Adoption of the Wassenaar categories of the lists.
7. Intangible items. General Software Note.
8. Exceptions.
9. Catch-all controls.
10. Risk analysis, each agency with its respective competence. Very sensitive cases submitted before Committee.