

Japan trade min eyes stalled Mexico FTA talks

TOKYO, Jan 20 (Reuters) - Japanese Trade Minister Shoichi Nakagawa said on Tuesday he still has hope that stalled talks on a trade agreement with Mexico will get back on track, despite Mexico's stance that the talks could cease in March.

Japan and Mexico will hold a two-day meeting in Tokyo from Thursday to try to get the talks going after failing to negotiate a bilateral free trade agreement (FTA) in October.

Mexican Economy Minister Fernando Canales said last Thursday his nation wanted a resolution to free trade talks with Japan in the first quarter, for better or for worse.

Asked about those remarks, Nakagawa told a news conference: "We don't intend to cease talks with Mexico, and I don't think they really want to, either."

Nakagawa said he would like to see an FTA with Mexico signed as soon as possible, but that there were sensitive issues on both sides.

The upcoming vice-ministerial talks are expected to focus on some key agricultural products, including pork and orange juice, which caused the talks to break down in October.

"Sensitive issues remain on both sides...I hope both sides will be able to make concessions to reach a good conclusion" and lead to talks on a ministerial level, Nakagawa said.

But he added that FTA talks with other nations would keep Japan busy and an upcoming Japanese election in July could also make things difficult.

Japan has only one other free trade agreement, with Singapore, and agriculture was not included in that treaty.

Mexico, which has free trade agreements with 32 countries, wants an accord with Japan so it can expand its trade horizons and lessen its dependence on the U.S. market, where it sends about 90 percent of its exports.

Japan had a trade surplus of around \$2 billion to Mexico in 2002. Japan's exports to Mexico totalled \$3.77 billion in 2002, while Japan's imports from Mexico amounted to \$1.79 billion, according to Japanese government data.

Tokyo wants to clinch a number of bilateral trade pacts with ASEAN nations by the beginning of 2005, when it hopes to start talks on a broad pact with ASEAN as a whole.

It has launched FTA talks with Malaysia, Thailand and the Philippines, as well as with South Korea.

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