

**MEMORANDUM OF UNDERSTANDING
ON COOPERATION IN THE FIELD OF MICRO, SMALL AND
MEDIUM ENTERPRISES BETWEEN
THE SECRETARIAT OF ECONOMY OF THE UNITED MEXICAN
STATES AND
THE MINISTRY OF SMALL SCALE INDUSTRIES AND THE
MINISTRY OF AGRO & RURAL INDUSTRIES OF
THE REPUBLIC OF INDIA**

The Secretariat of Economy (SE) of the United Mexican States and the Ministry of Small Scale Industries (SSI) and the Ministry of Agro & Rural Industries (ARI) of the Republic of India, hereinafter referred to jointly as “the Sides”;

DESIRING to cooperate in the development of trade between micro, small and medium sized enterprises (MSMEs) of the Sides, exchange information on the best practices for the promotion and development of MSME’s international trade and devise strategies, practices and procedures to facilitate trade between MSMEs of the United Mexican States and the Republic of India,

BEARING in mind the mutual benefit to both Sides arising from building and maintaining their bonds of friendship and cooperation;

CONSIDERING the importance of the principles of equality, mutual respect for each country’s sovereignty and the protection of mutual interests; and

ACKNOWLEDGING the principles and norms of international law;
Have reached the following understanding:

ARTICLE 1

1. The objective of this Memorandum of Understanding is to establish the basis for cooperation between the Sides to increase and strengthen commercial ties between MSMEs in the United Mexican States (Mexico) and the Republic of India (India) for achieving mutually beneficial economic development and employment generation.

2. Detailed terms and conditions for specific training, joint venture or any other activities will be set out in separate arrangements to be jointly decided upon by the Sides.

ARTICLE 2

1. The Sides will establish a Joint Committee with representatives of both Sides, to be designated hereinafter as the Mexico-India Joint Committee for MSME Development. Meetings of the Joint Committee will be conducted periodically at mutually agreed locations. The Sides will be responsible for funding their own participation in such meetings.

2. The goals of the Joint Committee are to:

(a) formulate an annual action plan relating to the development of the MSMEs of the two Sides;

(b) establish sector-wise (industrial and services) areas of priority attention for promoting trade and cooperation between MSMEs of the two Sides;

(c) cooperate in establishment and operation of business development centres for promoting exports by MSMEs of the two Sides;

(d) encourage joint projects between Mexican and Indian MSMEs to utilize the respective strengths of the enterprises and reinforce the access of the MSMEs to procurement markets of each Side;

(e) plan the exchange of trade missions and/or joint technology shows in which MSMEs from both Sides showcase their technologies. As appropriate, the Ministries of SSI & ARI will follow up with the Indian businesses and the SE will follow up with the Mexican businesses that participate in such trade missions; and

(f) any other areas of cooperation jointly decided upon by the Sides.

ARTICLE 3

The Sides will promote and facilitate the development of cooperative relationships between Mexican and Indian service providers and resource partners and share information on the programmes, products and services that each provides to its MSMEs. Relevant services providers include:

(a) In India:

- (i) Small Industries Development Organisation (SIDO),
- (ii) National Small Industries Corporation (NSIC),
- (iii) National Institute for Entrepreneurship and Small Business Development (NIESBUD),
- (iv) National Institute for Small Industry Extension Training (NISIET),
- (v) Indian Institute of Entrepreneurship (IIE),
- (vi) Khadi & Village Industries Commission (KVIC) and,
- (vii) Coir Board

(b) in Mexico:

- (i) PRIMER CONTACTO (Entrepreneurial Advice and Support Center “First Stop Shop”),
- (ii) SIEM (Mexican Entrepreneurial Informative System),
- (iii) CIPI (Industrial Policy Intersecretary Commission).

ARTICLE 4

The Sides will cooperate to reinforce technology cooperation, building of an inter-enterprises network, cooperation in strategic businesses and marketing and restructuring of MSMEs to enhance competitiveness.

ARTICLE 5

The Sides will exchange information on mutually acceptable standards for MSMEs in the two countries. The SE and Ministries of SSI & ARI may work together on one or more trade promotion events for this purpose.

ARTICLE 6

The Sides will organize managerial meetings, trade promotion events and commercial missions that allow the facilitation of technology transfer, joint ventures and trade between MSMEs of both Sides. They will facilitate participation in trade fairs mutually agreed.

ARTICLE 7

The Sides will cooperate in the area of virtual trade promotion. As appropriate, each Side may provide hypertext links to the other's websites.

ARTICLE 8

The Sides will promote business linkages between MSMEs of the two Sides and will encourage the provision of technical assistance to MSMEs (including women-owned MSMEs).

ARTICLE 9

Each Side may appoint a nodal officer, who will have the responsibility to follow up and coordinate the matters related to this MoU.

ARTICLE 10

The Sides will foster the development of human resources by means of training and specialized technical assistance in workshops and seminars that promote an entrepreneurial culture.

ARTICLE 11

1. The personnel assigned by each Side for the execution of the cooperation activities under this Memorandum shall continue to be under the direction and dependence of the institution to which they belong, which in no case will be considered as a substitute or solitary employer.

2. The Sides shall manage the necessary arrangements before the competent authorities for the entry, stay and exit of the participants who officially take part in the cooperation activities that shall derive from this Memorandum. These participants shall be subject to the immigration, fiscal, customs matters, sanitary and security provisions in force in the receiving country and shall not be able to carry out any activity other than their own without the previous authorization of the competent authorities on the subject. The participants shall leave the receiving country according to the national legislation of such country. The Sides will cooperate in order to exchange general information, entrepreneur databases and specialized documents, to facilitate commercial flows. The Sides will also coordinate the preparation of market studies by sector and product, in order to determine business opportunities and design programs and specific activities for the future on mutually agreed terms.

ARTICLE 12

The Sides will jointly evaluate and share information in order to facilitate joint ventures, licensing, subcontracting and commercial alliances and distributorship opportunities between Mexican and Indian MSMEs. They will also encourage the sharing of experiences, information and methodology used to create and operate business incubators, entrepreneurs' training, angel capital, seed capital and venture capital.

ARTICLE 13

The Sides will cooperate in order to exchange general information, entrepreneur databases and specialized documents, to facilitate commercial flows between the two Sides. The Sides will also coordinate the preparation

of market studies by sector and product, in order to determine business opportunities and design programs and specific activities for the future.

ARTICLE 14

Nothing in this Memorandum will affect the existing or future arrangements between the Sides or their countries or prevent either Side or its MSMEs from participating in similar activities or arrangements with third parties

ARTICLE 15

The Sides acknowledge that each will adhere to the laws of its own country and that all actions undertaken pursuant to this Memorandum are subject to each Side's domestic laws and policies, including the availability of funds. This Memorandum shall not be interpreted to limit either Side from participating in similar activities or arrangements with other entities. Any disputes arising under this Memorandum will be resolved through negotiations between the Sides.

ARTICLE 16

1 This Memorandum will come into effect on the date of signature by both Sides and will continue in effect for a period of two years. It will be automatically renewed thereafter for successive two-year periods, unless either Side notifies the other Side in writing of its desire not to renew this Memorandum.

2. Either Side may terminate this Memorandum at any time by giving thirty (30) days advance written notice to the other Side.

3. This Memorandum may be amended with the mutual written consent of the Sides.

Signed at MEXICO on the 27th of MARCH 2006, in two originals each in the Spanish, Hindi and English languages, all texts being equally valid. In case of any divergence of interpretation the English text will prevail.

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

Name: 

Designation: **MINISTER**

**FOR THE MINISTRY OF SMALL
SCALE INDUSTRIES AND
MINISTRY OF AGRO & RURAL
INDUSTRIES OF INDIA**

Name: 

Designation: **MINISTER**