

FOREIGN TRADE*

February 2004

This Foreign Trade Report is a summary of the main foreign trade reforms in Mexico published in the Federal Official Gazette in January 2004 that will come into effect during January 2004 and also contains general foreign trade news that will have an impact on Mexican foreign trade. For further information on the topics addressed in this paper or for any questions arising from it, please write to Adrián B. Vázquez at adrian@vazqueztercero.com or Verónica Vázquez at veronica@vazqueztercero.com

1. Sixth Resolution of Amendments to the General Foreign Trade Rulings for 2003

The Sixth Resolution of Amendments to the General Foreign Trade Rulings for 2003 and to exhibits 1, 4, 10, 14, 18, 21 and 22 thereto, was published in the Federal Official Gazette on January 8, with the following major changes:

- ✓ **Virtual return of overdue goods**
The term to return overdue goods that were temporarily imported before June 1, 2002, was extended to March 31, 2004.
- ✓ **Customs House Business Hours**
As of January 15, 2004, business hours are shortened (until 14:00, Monday thru Friday) for the importation of the goods listed in specific sectors, namely wines and liquors, cigarettes, textiles, footwear, electronic products and toys. This limitation shall not be applicable to the imports made by certified, *maquiladoras* or PITEX companies; to those destined for bonded warehouses which will be later submitted to vehicle assembly and manufacturing processes by the end automotive industry, and goods transported on railroad.
- ✓ **Importation of new vehicles**
 - *Authorized customs house*
The importation of new vehicles through border and maritime customs, as well as through off-border customs, provided that the vehicles are entered through air or railroad.

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The automotive industry companies are exempted from the obligation to declare the vehicles' mileage in the bill of lading.

- *Determination of duties*

Duties will be determined and paid on the basis of the price contained in the "freight included" column of the Kelly Blue Book for the year-model 2004, provided that the customs value is lower than the price in the column.

- ✓ **Ratification of *maquiladoras* and PITEX companies' addresses**

The term was extended until January 31, 2004 for *maquiladoras* and PITEX companies to ratify before the Local Taxpayers' Assistance Office, the information corresponding to the address of the registered offices and any other addresses that they may have registered in their program, using the "Address Ratification Notice for Export Maquiladoras and PITEX Companies."

2. Resolution dismissing the petition to initiate a safeguard investigation on pork imports

In a Resolution published in the Federal Official Gazette on January 23, the Ministry of the Economy dismissed a safeguard investigation submitted by the Consejo Mexicano de Porcicultura (Mexican Porcine Council) on the imports of pork from the United States and Canada. The Ministry of the Economy explained that the petition did not meet the sufficiency requirements set forth in the Agreement on Agriculture of the World Trade Organization.

3. Amendment to the agreement identifying the tariff classifications applicable to goods subject to compliance with Official Mexican Standards in the point of entry and exit of the country

In a Resolution published in the Federal Official Gazette on January 5, the Ministry of the Economy made certain amendments to the text of tariff classifications, especially rubber tires, and also stated the names and dates of publication of the Official Mexican Standards that must be complied with at the point of entry into or exit from Mexico. It must be remembered that the Customs Law mandates proof of compliance with the Mexican Official Standards in the importation of goods, except for commercial information standards.

4. Fitosanitary Regulations on Wood Pallet Materials

The Executive Committee of the North American Plant Protection Organization (NAPPO) agreed that Member countries (USA, Canada and Mexico) would apply the International Standard for Fitosanitary Measures (IFM) No. 15 as of January 2, 2004; however, Mexico and the United States declared that they were not ready to comply with such standard for exports, so they agreed to implement it in stages.

Therefore, NOM-EM-144-SEMARNAT-2003 that became effective on November 27, 2003, will become gradually applied to the pallet materials used for exports. The Federal Environment Protection Agency (PROFEPA) will be the agency in charge of overseeing and assessing compliance therewith.

For the purposes of imports, PROFEPA is already performing visual inspections of shipments entering Mexican territory and also verifies the Importation Fitosanitary Certificates. Only packaging materials where pests are detected may be detained.

5. Specific Requirements for the Temporary Importation of Goods

A Resolution was published in the Federal Official Gazette on January 30 granting a five-month extension from the effective date thereof for companies under PITEX and maquila programs with authorization for temporary importation of sweeteners, textile and apparel goods, to submit the appropriate questionnaires to prove their installed production capacity.

6. Mexico-Japan FTA

There is no progress in the negotiations for a Free Trade Agreement between Mexico and Japan given the lack of consensus on tariffs on oranges, orange juice, pork, chicken and beef. The work groups will continue their tasks in less controversial chapters, such as investment, services and government procurement.

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