

FOREIGN TRADE *

June 2004

This **Foreign Trade Report** is an executive summary of the main foreign trade reforms in Mexico published in the Federal Official Gazette in June 2004, which also contains general foreign trade news that will impact Mexican foreign trade. For further information on the topics addressed in this paper or for any questions arising from it, please write to Adrián Vázquez Benítez: adrian@vazqueztercero.com or Verónica Vázquez Bravo: veronica@vazqueztercero.com

1. NOM-050-SCFI-2004 Commercial Information – General Labeling of Products

On June 1 the Ministry of the Economy (SE) published in the Federal Official Gazette, Official Mexican Standard NOM-050-SCFI-2004 on Commercial Information – General Labeling of Products, including the following:

- ✓ This NOM is not applicable to album stamps, software phonograms, video recordings, audio tapes, video tapes, repair or spare parts acquired through catalog only destined to service or repair products.
- ✓ The definition of “readily viewed” is added, as follows: view under normal lighting conditions, where the printed information is at least 1,5 mm high. For products with a main display area of 32 sq. cm. or less, printed information shall be of at least 1mm high.
- ✓ The definition of “warning captions” was added to read as follows: text or symbol or graphic representation or combination of the foregoing, informing and, if necessary, preventing the consumer of possible threats to health or safety posed by the presence of a specific ingredient or wrong use or application of the product.
- ✓ Country of origin shall be the place of manufacture, making or assembly of the product.
- ✓ Information area will be any place in the container other than the main display area.

Our Firm played an important role in the review of this Standard by representing several domestic producers.

2. NOM-121-SCFI-2004 Rubber Industry – Pneumatic Tires for Motor Vehicles and Bicycles

On June 4 it was published in the Federal Official Gazette, Official Mexican Standard NOM-121-SCFI-2004, Rubber Industry – Pneumatic Tires for Motor Vehicles and Bicycles – Safety specifications

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and test methods (repeals Official Mexican Standard NOM-121-SCFI-1996, Rubber Industry – Pneumatic Tire for Motor Vehicles and Bicycles – Safety specifications and test methods published on June 11, 1997), including the following:

- ✓ The definition of “model” is added stating that for purposes of conformity evaluation, model shall be tires from the same brand corresponding to the same group according to the following: Group 1 Automobiles, Group 2 Light Trucks, Group 3 Heavy-duty Trucks, Group 4 Bicycles and Group 5 Motorcycles, three-wheeled motorcycles and quadrimotors.
- ✓ The definition of valve was modified as follows: mechanical device retaining or allowing the inflow or outflow of the fluid (air) inside the tube or tire.
- ✓ As regards commercial information, it was changed so the tire, the packaging material or the container includes in Spanish and in a visible fashion, the official approval code pursuant to NOM-106-SCFI-2000, prior to marketing.

3. General Customs Rules for the Mexico-Colombia-Venezuela FTA

On June 8, it was published in the Federal Official Gazette the Amendment to the Determination providing the general rules regarding the application of the customs provisions for the Free Trade Agreement between Mexico, Colombia and Venezuela, including:

- ✓ The concept “valid certificate of origin” is added, reading as follows: certificate of origin completed, signed and validated pursuant to the requirements provided for in the Agreement and in the fill-out instructions of the certificate of origin. The concept of “material” was added to read as follows: good used in the production of another good pursuant to article 6-01 of the Agreement.
- ✓ In order to apply the preferred tariff rate, the provisions of article 3-04 of the Agreement and of the relevant Decree shall apply, establishing the applicable IGI rate for original goods imported under the Agreement.
- ✓ The certificate of origin for a good imported under the preferred tariff treatment shall be submitted in the form included in the “Determination providing the forms of certificate and statement of origin”.
- ✓ In order to claim protection of the preferred tariff treatment for imports of a certain product, anyone with a criterion previously issued by the customs authorities shall include the reference number and date of issuance in the *pedimento* comments field.
- ✓ Proof of origin of a material used in the production of a good shall be provided pursuant to chapter VI of the Treaty.

4. Term extension notice for NOM-EM-010-SCFI-2003, Trailers and semi-trailers

On June 23, the SE published in the Federal Official Gazette the six-month extension of the term of Official Mexican Standard NOM-EM-010-SCFI-2003, Trailers and semi-trailers – Safety specifications, published on December 23, 2003, as amended on March 4, 2004, because today the circumstances giving rise thereto still

prevail. No draft has been published for the new Standard on this matter.. See our May Report, where we refer to the National Standardization Program for 2004.

5. Term extension notice for NOM-EM-009-SCFI-2003, Vehicle identification number

On June 23, the SE published in the Federal Official Gazette the notice on the extension of Emergency Official Mexican Standard NOM-EM-009-SCFI-2003, Determination, allocation and installation of the vehicle identification number. Specifications, for six more months as the circumstances giving rise thereto still prevail. A draft Standard was published on April 1, 2004. See also our May Report referring to the National Standardization Program for 2004.

6. WTO dispute on telecommunications services

- ✓ On June 1, 2004, the WTO Dispute Settlement Body (DSB) adopted the Special Group report in charge of the "Mexico – Measures affecting telecommunications services" issue (case file DS204) where the USA accepted the Special Group analysis, although they did not agree with the conclusion on the obligations derived from paragraph 2 of Article XVI of the General Agreement on Trade in Services (GATS), according to which "a specific provision of the Mexico List attached to the GATS would allow Mexico to ban the supply of transborder services by using leased capacity in Mexico. In the end, both countries agreed not to appeal the Special Group decision.

7. The DSB reviews the request for setting up a Special Group submitted by the USA

- ✓ On June 22, 2004, the DSB reviewed the request for setting up a Special Group submitted by the USA in order to examine the special production and services tax in Mexico on soft drinks and other beverages sweetened with high fructose corn syrup. Mexico intends to delay the establishment of a Special Group. ■