

## FOREIGN TRADE\*

August 2004

This **Foreign Trade Report** is an executive summary of the main foreign trade reforms in Mexico published in the Federal Official Gazette in August 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 Benitez, [adrian@vazqueztercero.com](mailto:adrian@vazqueztercero.com) or to Verónica Vázquez Bravo, [veronica@vazqueztercero.com](mailto:veronica@vazqueztercero.com).

### 1. Preliminary antidumping duties to newsprint paper imports from Canada and U.S.A.

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On August 2, the Ministry of the Economy (SE) published in the Federal Official Gazette the Preliminary Determination on the antidumping investigation on newsprint paper imports originating from the United States of America and Canada, and ordered the continuation of the investigation and imposed antidumping duties as follows:

Antidumping duties for the United States are of up to 5.51%; however, the companies Abitibi and Boise Cascade were not subject to these provisional duties as they proved that they had not incurred in dumping. Nevertheless, provisional duties of 5.20% to 18.18% were imposed on imports from Canada.

Our Firm is participating in this investigation representing the domestic industry.

### 2. Amendments to MFN import duties

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On August 9, the SE published in the Federal Official Gazette the Decree amending several import duties under the Tariff of the General Import and Export Tax Law for goods under sub-items 4011.10 y 4011.20 corresponding to **new and used tires** and **tire tubes**, providing for an overall 35% ad valorem duty. The amendment obeyed because tires were subject to a specific duty that exceeded our country's consolidated duty before the WTO. Our Firm participated in the amendment of these duties.

### 3. Determination amending the Estimated Price Annex

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On August 27 the Ministry of Finance published in the Federal Official Gazette a Determination adding, amending and repealing the Determination containing the Annex providing the mechanism to secure payment of duties on goods subject to estimated prices by the SHCP, published on March 29, 2002 in order to **add** tariff classification 8523.90.99 corresponding to "other blank supports prepared to record sound or analogous recordings".

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Likewise, tariff classification 8419.89.99, added on August 8, 2002, **was replaced** with tariff classification 8419.89.23 corresponding to "Drinking Fountains, including cool water, with or without bin". As a result of this change, the "rest of hot or cool water fountains, with built-in heating or cooling equipment, with or without bin, with or without pipe connection, with or without built-in refrigerating compartment" were **eliminated**. Classification 8518.21.01 corresponding to "megaphones mounted on their box" was also eliminated".

#### **4. EC request to the WTO Dispute Settlement Body on the imposition of temporary countervailing duties on olive oil imports**

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On August 18, the European Communities Delegation submitted to the Mexican Delegation and to the President of the WTO Dispute Settlement Body the request for consultation in connection with the Preliminary Determination of May 18, 2004 published in the Federal Official Gazette. The European Communities consider that the initiation of the investigation and the subsequent imposition of countervailing duties are incompatible with the Subsidies and Countervailing Duties Agreements and the Agriculture Agreement. The European Communities believe that by imposing temporary countervailing duties on olive oil imports, the Ministry of the Economy breaches the ban on the imposition of countervailing duties unless an injury or threat of injury is determined pursuant to Article VI of the GATT of 1994 and Part V of the Subsidies Agreement. ■