

## **FOREIGN TRADE\***

**January 2008**

This **Foreign Trade Report** is an executive summary of the main foreign trade reforms in Mexico published in the Federal Official Gazette during January 2008, and may also contain general foreign trade and taxation 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 contact any of the following: **Adrián Vázquez Benitez**, [adrian@vazqueztercero.com](mailto:adrian@vazqueztercero.com), **Horacio A. López-Portillo Jaso**, [horacio@vazqueztercero.com](mailto:horacio@vazqueztercero.com), or **Verónica Vázquez Bravo**, [veronica@vazqueztercero.com](mailto:veronica@vazqueztercero.com)

### **Customs and Foreign Trade Matters**

#### **1. Exhibits to the Foreign Trade Rules for 2007**

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On January 11, 2008 publication was made of Exhibits 1, 4, 13, 21 and 22 to the Fifth Resolution on Amendments to the Foreign Trade Rules for 2007 published on December 31, 2007.

#### **2. Suspension of the Importers' Registry**

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On January 18, 2008, the SAT (México's Tax Administration Service) and the General Customs Administration published a press release informing the general public that on December 28, 2007, 10,590 taxpayers had been suspended from the Importers' Registry in light of the fact that they had not obtained an Advanced Electronic Signature (*Firma Electrónica Avanzada*). These suspensions were ordered based on item 29 of Rule 2.2.4 of the Foreign Trade Rules. Our firm previously reported on these suspensions in our Foreign Trade Report for the month of December 2007 and, accordingly, we encourage our clients and taxpayers in general who have been negatively affected in their foreign trade operations as a result of this failure to correct their tax status promptly. To this effect, we place our firm at your disposal.

#### **3. Third amendment to the Economy Rules**

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On January 28, 2008, the Ministry of Economy published a Third Amendment to the "Resolution whereby the Ministry of Economy issues generally applicable foreign trade rules and criteria". The salient matters of this amendment are (i) the creation of rules for the importation of used vehicles; (ii) import and export quotas for NAFTA non-originating textiles and garments; and (iii) amendment to the form of application for import and export permits.

#### **4. Decision 49 of the Mexico, Colombia and Venezuela FTA**

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On January 31, 2008, the Resolution that informs on Decision No. 49 of the Administrative Commission of the Free Trade Agreement between the United Mexican States, the Republic of Colombia and the Republic of Venezuela. In essence, the Decisión extends until January 31, 2009

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the temporary exemption for use of non-free trade area materials for the manufacturing of certain textile and garment goods that receive preferential tariff treatment.

## 5. Antidumping Duties

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- ✓ Final determination on the investigation of elusion of payment of definitive antidumping duties imposed on the importation from China of printed blankets, as classified under tariff heading 6301.40.01 of Mexico's HTS, which imposed an AD duty of 379% on the importation of rolls of long-haired printed Raschel type knit cloth, as classified under 6001.10.01 that used for the manufacturing of printed blankets. (January 8, 2008)
- ✓ Resolution in compliance of several court orders that were obtained by Fruit Buyer, S.A. de C.V. against the antidumping duties imposed on apples from the United States. Accordingly, Fruit Buyer is not obligated to pay the 46.58% AD duty provided by the final determination published on August 12, 2002, but it is subject to the AD duties imposed by the determination published in the Federal Official Gazette of November 9, 2006. (January 14, 2008)
- ✓ Pursuant to a Panel Report issued according to WTO/DSB rules, the Mexican Government published a Preliminary Resolution that concludes the sunset review of antidumping duties imposed on the importation from Guatemala of standard tubes, as classified under tariff headings 7306.30.01 and 7306.30.99 of Mexico's HTS, whereby AD duties of 25.87% are eliminated. By the same token, it is provided that there are no grounds for publication of the resolution that determines the sunset review. (January 24, 2008). Our firm participated in the defense of the Guatemalan exporter.
- ✓ From January 29 to 31, 2008, the Third Round of Negotiations between México and China in connection with the future of 15 antidumping measures that Mexico maintains against China regarding over 970 tariff headings, was held in Beijing, China. According to the Government of China, as a result of its accession to the WTO, Mexico should have eliminated as of December 12, 2007 antidumping duties imposed on China prior to its entry into the WTO on December 11, 2001 given that such measures were incompatible with WTO law. However, the Mexican Government interpreted China's accession differently and initiated sunset reviews of such AD measures towards the second half of last year, with a view to making them compatible with WTO provisions. Such reviews are currently under way, as we have reported in previous issues of this report. Simultaneously, Mexico requested from China the holding of negotiations on the extension of the term of the measures beyond December 12, 2007. Sources close to the negotiation indicate that Mexico was able to convince China to not initiate consultations within the WTO framework in exchange for immediate elimination of antidumping duties on a majority of the tariff headings covered by them, while gradually reducing tariffs on those tariff headings that will maintain protection during a specified period that is anticipated as no greater than four years. Our firm was present during the course of these negotiations in the so-called "Next-Door Room" on behalf of the various industries we have represented thus far. ■