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Mexico

Sugar

Modification of HFCS MFN Import Duties

2001

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Report Highlights:

On October 11, 2001, the Secretariat of Economy announced in the *Diario Oficial* (Federal Register) an increase in MFN import duties for HFCS. These new duties do not affect NAFTA countries or other countries with special trade agreements with Mexico.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1], MX

Introduction: This report summarizes an announcement published in Mexico's "*Diario Oficial*" (Federal Register) on October 11, 2001.

Disclaimer: This summary is based on a *cursory* review of the subject announcement and therefore should not, under any circumstances, be viewed as a definitive reading of the regulation in question, or of its implications for U.S. agricultural export trade interests. In the event of a discrepancy or discrepancies between this summary and the complete regulation or announcement as published in Spanish, the latter shall prevail.

FAS/Mexico's Executive Summary: The Secretariat of Economy (SE) published on October 11, 2001 an announcement where the *ad-valorem* duties for imported HFCS products increase for MFN countries. The previous duties were of 15% *ad-valorem*. These new duties do not affect NAFTA countries or other countries with special trade agreements with Mexico.

H.T. SYSTEM	PRODUCT	TARIFF MFN
1702.40.99	Others	156
1702.50.01	Chemically pure fructose	210
1702.60.01	With a fructose content, in dry form, greater than 50% but less or equal to 60%, in weight	210
1702.60.02	With a fructose content, in dry form, greater than 60% but less or equal to 80%, in weight	210
1702.60.99	Others	210

Title: Announcement Modifying Duties for HFCS in the General Tariff Import Law.

Important Dates

- 1. Publication Date:** October 11, 2001
- 2. Effective Date:** October 12, 2001

Agency in Charge: Secretariat of Economy

Additional information: The Mexican Congress published on September 19, 2001, in the *Congressional Gazette* an "initiative" prohibiting imports of fructose and yellow corn for the production of fructose. This initiative was prompted because of the crisis the sugar industry is going through. The initiative is still being discussed in the Lower Chamber by the Agriculture and Commerce Commissions (See report MX1167). The present announcement seems to follow the same line of the Congress in complicating HFCS imports from other parts of the world.

Current duties for U.S. HFCS imports into Mexico must pay compensatory duties of up to

US\$100.60/MT on HFCS-42 and US\$175.50/MT on HFCS-55. These duties are a result of the Mexican sugar industry's antidumping case, dated January 23, 1998. These compensatory duties have to be paid in addition to the 2001 normal 3 percent *ad-valorem* duty. The following chart has the information on duties per company. These duties apply to the following HTS Numbers: 1702.40.99; 1702.50.01; 1702.60.01; 1702.60.02; and 1702.60.99.

HFCS COMPENSATORY DUTIES			
Company	HFCS-42	HFCS-55	HFCS-90/95
Dollars/ MT			
ADM	63.8	55.4	55.4
CARGILL	100.6	175.5	175.5
CPC	93.4	75.9	75.9
STANLEY	100.6	90.3	90.3
OTHERS	100.6	175.5	175.5

SOURCE: SECRETARY OF ECONOMY

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FAS Mexico Web Site: We are available at <http://www.atomexico.gob.mx> or visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagar.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.economia.gob.mx These web sites are mentioned for the readers' convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with the information contained on the mentioned sites.