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FAIRS Product Specific

Mexico Announces Changes to Product Descriptions and Tariff Rates

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Report Highlights:

Mexico's Secretariat of Economy (SE) announced in the Mexican Federal Register changes to product descriptions and tariff rates. The new over quota import tariffs for milk based food preparations is also announced. Tariffs went into effect on October 12, 2001.

On October 12, 2001, the Secretariat of Economy (SE) announced in Mexico's "Diario Oficial" (Federal Register) the modifications to and creation of tariff classifications and the Applicable Rates for 2001 of the General Import Tax Law for goods from countries with whom Mexico has celebrated trade agreements.

Specifically, this publication is announcing the modified and new tariff classifications for selected products including milk based food preparations with a content of over 10 percent of milk solids, but less or equal to 50 percent. The new tariffs are as follows:

TARIFF LINES	DESCRIPTION	<i>ad valorem</i> (%)	Previous <i>ad valorem</i> (%) MFN
0804.30.01	Pineapples (fresh)	35	20
1901.90.03	Milk based food preparations with a content of milk solids over 10 percent but less or equal to 50 percent in weight. Except those comprised in tariff line 1901.90.04	10	10
1901.90.04	Milk based food preparations with a content of milk solids over 10 percent in packages adapted for retail sale and whose label contains indications for the direct use of the product in the preparation of food products or desserts for example.	10	n/a
1901.90.05	Milk based food preparations with a content of milk solids over 50 percent in weight except that which is comprised in tariff line 1901.90.04	109	n/a
2008.20.01	Pineapples (canned)	45	20

TARIFF LINES	DESCRIPTION	<i>ad valorem</i> (%)	Previous <i>ad valorem</i> (%) MFN
4407.29.02	Wood strips of <i>jelutong</i> with a width not exceeding 73mm, and a length that does not exceed 185mm, for the manufacture of pencils	18	n/a
4408.39.01	American mahogonay sheets. Cedar sheets	18	n/a

Note: The highlighted text for 1901.90.03 is a new addition. Tariff classifications for 1901.90.04, 1901.90.05, 4407.29.02 and 4408.39.01 are new inclusions in Mexico's tariff classifications. These new tariffs are in effect from their publication date --Friday, October 12, 2001.

Additionally, the tariff quota rate for tariff line 1901.90.03 which originally stated "milk based food preparations with a content of milk solids over 10 percent in weight" is suppressed.

Secretariat of Economy will provide import permits (cupos) exempt from duties for product imported under tariff classification 1901.90.05. No limit on the quantity of product imported under cupos was given.

TARIFF LINES	DESCRIPTION	<i>ad valorem</i> (%)	Previous <i>ad valorem</i> (%) MFN
1901.90.05	Milk based food preparations with a content of milk solids over 50 percent in weight, except those comprised in tariff line 1901.90.04	Ex.	n/a

Note:Over quota imports of this classification will pay a duty of 109 percent.

These changes and modifications to tariff classifications for milk based food preparations were in addition to the Secretariat of Economy's intention of publishing an obligatory labelling regulation for milk. This regulation will obligate the dairy industry to differentiate milk products from those manufactured with milk whey or other milk based products by labelling them as lactic formulas or food complements. This decision came as a result of pressure on the Mexican government from the Mexican Milk Producers Association which has been demanding for several years that processors of whey into fluid-milk substitutes label their product as a "milk type drink" and not as milk.

The pineapple duties established for tariff numbers 0804.30.01 and 2008.20.01, are in effect until September 30, 2002. As of October 1, 2002, duties for these products will be reduced to 23 percent.