

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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POLICY

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Mexico

Post: Mexico

Mexico Eliminates Compensatory Import Duties for EU Frozen Beef

Report Categories:

Trade Policy Monitoring

Livestock and Products

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Report Highlights:

On December 1, 2010, the Mexican Government announced in the Federal Register (Diario Oficial) the elimination of compensatory import duties that had been in place for sixteen years for frozen beef exports from the European Union (EU). This action will not affect U.S meat exports to Mexico.

General Information:**Introduction:**

This report summarizes a notice from the Secretariat of Economy (SE) published in the *Diario Oficial*, announcing the elimination of compensatory import duties imposed on European frozen beef exports to Mexico as a result of an investigation of unfair trade practices.

Disclaimer:

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

Title: Final resolution for the sunset revision of the compensatory duties imposed on frozen beef imports from the European Community (European Union). This resolution applies to products categorized under tariff codes 0202.10.01, 0202.20.99 and 0202.30.01 of the Mexican General tariff of Import and export.

Type of Ruling: Final Resolution and Elimination of Imposed Compensatory Duties

Important Dates

1. Publication Date: December 1, 2010
2. Enforcement Date: December 2, 2010

Products Affected: European Union frozen beef (carcass, cuts bone-in and boneless cuts) exported under the following tariff classifications, 0202.10.01, 0202.20.99 and 0202.30.01.

Agency in Charge: Secretariat of Economy (SE)

FAS/Mexico Summary: On January 2, 2009, SE published a notice in the *Diario Oficial* stating the compensatory import duties imposed on European frozen beef, classified under HTS codes 0202.10.01, 0202.20.99, and 0202.30.01 would be eliminated, unless a Mexican producer requests a new sunset revision. The sunset revision officially began on June 4, 2009 and ended on December 1, 2010 with the elimination of the duties. SE decided to eliminate the duties and concluded that these duties will not be reinstated at a future time because of the lack of evidences that the imported products will damage the local industry, even though European beef products are currently subsidized.

Mexico applied compensatory duties of 45.47 percent to all frozen beef from the European Union for 16 years (since June 3, 1994). However, as of December 2, 2010, all E.U. frozen beef exports to Mexico

will be subject to a 25 percent duty, which is the tariff applicable to third countries since these products were excluded in the Mexico - European Union Free Trade Agreement.

FAS/Mexico Comment:

Because U.S beef exports to Mexico enter duty free, the elimination of the compensatory import duties applied to European beef will not affect Mexico-U.S beef trade. Furthermore, Mexican beef producer contacts are not concerned over the elimination. In addition, Mexican importers are not looking for European Union products since they feel comfortable with the current product mix entering Mexico from the United States, Canada, Australia, New Zealand, and South America.

For More Information

FAS/Mexico Web Site: We are available at www.mexico-usda.com or visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

FAS/Mexico YouTube Channel: Catch the latest videos of FAS Mexico at work
<http://www.youtube.com/user/ATOMexicoCity>

Other Relevant Reports Submitted by FAS/Mexico:

Report Number	Subject	Date Submitted
MX0053	Import Beef Duties Eliminated	08/10/10
MX0064	Livestock and Products Annual	09/17/10
MX0075	Dairy and Products Annual	10/18/10
MX0090	New SENASICA System for Import Requirement Sheets (HRZ's)	12/03/10

Useful Mexican Web Sites: (SAGARPA) is Mexico's equivalent to the U.S. Department of Agriculture. Their website can be found at www.sagarpa.gob.mx. SE is the Mexican equivalent to the U.S. Department of Commerce and their website can be found at www.economia.gob.mx. SALUD is the Mexican equivalent to the U.S. Food and Drug Administration and their website can be found at www.salud.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.

