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## Mexico

**Post:** Mexico

### Mexico Formally Announces One Hundred Thousand Metric Ton Sugar TRQ

**Report Categories:**

Sugar

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**Report Highlights:**

The Secretariat of Economy (SE) published two announcements in the *Diario Oficial* (Federal Register), on October 7, 2010, for a combined import tariff rate-quota (TRQ) of 100,000 metric tons (MT) of sugar. The first announcement was for 90,000 MT from all sources and the second was for 10,000 MT from Nicaragua. SE estimates that demand for sugar during the months of October, November, and December 2010 will exceed available domestic supplies. The TRQ will be allocated through a public tender.

## General Information:

**Introduction:** This report summarizes two announcements by SE published in Mexico's *Diario Oficial* on October 7, 2010, to allow a total of 100,000 MT of sugar to be imported under a TRQ, of which 10,000 MT is designated for import from Nicaragua.

**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.

**Titles:** Agreement that Announces a Sugar Tariff Rate-Quota and Allotment Mechanism to Import Sugar in MY 2010/11.

Agreement that Announces a Sugar Tariff Rate-Quota and Allotment Mechanism to Import Sugar Originating from the Republic of Nicaragua in MY 2010/11.

**Summary:** SE announced in the *Diario Oficial*, on October 7, 2010, an import TRQ for 100,000 MT of sugar. According to the announcements, 10,000 MT is allocated to Nicaragua on a duty free basis and 90,000 MT of sugar is eligible for importation from all countries. The sugar must be classified under the following tariff lines and is subject to the specified tariff, listed below:

**Table 1. Mexico: Sugar Import Tariff Line Items and Values in Dollars per Kilogram**

| Harmonized Tariff System Line Item | Description  | Tariff for all Countries Dollars/Kg  |
|------------------------------------|--|--|
| 1701.11.01                         | Sugar whose content of sucrose by weight, in the dry state, has a polarization reading equal to or higher than 99.4, but less than 99.5 degrees.   | 0.01448199   |
| 1701.11.02                         | Sugar with a dry sucrose content that has a polarization equal to or higher than 96 but not exceeding 99.4 degrees <ul style="list-style-type: none"> <li>▪ With polarization equal to or higher than 96.0 but not exceeding 96.99 degrees.</li> <li>▪ With polarization equal to or higher than 97.0 but not exceeding 97.99 degrees.</li> <li>▪ With polarization equal to or higher than 98.0 but not exceeding 98.99 degrees.</li> <li>▪ With polarization equal to or higher than 99.0 but not exceeding 99.09 degrees.</li> <li>▪ With polarization equal to or higher than 99.1 but not exceeding 99.19 degrees.</li> <li>▪ With polarization equal to or higher than 99.2 but not exceeding 99.29 degrees.</li> <li>▪ With polarization equal to or higher than 99.3 but not exceeding 99.39 degrees.</li> </ul> | 0.01377928<br>0.01398596<br>0.01419264<br>0.01439932<br>0.01441999<br>0.01444065 |

|            |   |                          |
|------------|---|--------------------------|
|            |   | 0.01446132               |
| 1701.99.01 | Sugar with a dry sucrose content that has polarization equal to or higher than 99.5 but not exceeding 99.7 degrees <ul style="list-style-type: none"> <li>• With polarization equal to or higher than 99.5 and lower than or equal to 99.59 degrees.</li> <li>• With polarization equal to or higher than 99.6 and lower than or equal to 99.69 degrees.</li> </ul> | 0.03650266<br>0.03652333 |
| 1701.99.02 | Sugar, with a dry sucrose content that has polarization of 99.7 but not exceeding 99.9 degrees. <ul style="list-style-type: none"> <li>• With polarization equal to or higher than 99.7 and lower than or equal to 99.79 degrees.</li> <li>• With polarization equal to or higher than 99.8 and lower than or equal to 99.89 degrees.</li> </ul>                    | 0.03654400<br>0.03656466 |
| 1701.99.99 | Sugar, others <ul style="list-style-type: none"> <li>• With polarization equal to or higher than 99.9 and lower than or equal to 99.99 degrees.</li> <li>• With polarization equal to or higher than 100 degrees.</li> </ul>  | 0.03658533<br>0.03660600 |

As previously reported (see GAIN report [MX0069](#)), SE estimates that the domestic sugar supply might not be sufficient to cover demand for the last three months of the calendar year. Due to this situation and the recent increase in sugar prices that affects both the competitiveness of the food processing sector that uses sugar as an input and the purchasing power of consumers, SE considered it necessary to establish an import TRQ to balance the sugar market supply and demand situation.

The TRQ will be allocated through a public tender where:

1. 50,000 MT (5,000 MT for Nicaragua) will be allocated to individuals and companies that use sugar in their production processes (through IMMEX and PROSEC<sup>1</sup> programs) and,
2. 50,000 MT (5,000 MT for Nicaragua) will be allocated to individuals and companies that already imported sugar at the time of this notification and held it under a bonded/fiscal warehouse regime and that own sugar in an authorized General Deposit Warehouse.

The bidding process will be published in the *Diario Oficial* at least 20 days prior to the start of the registration period. The process will establish the date whereby the information under which the tender will be based upon becomes available.

The TRQ certificates will be in force until April 15, 2011, for those individuals and companies that use sugar in their production processes. The TRQ certificates will be in force until December 22, 2010, for those individuals and companies that have sugar in a bonded/fiscal warehouse.

<sup>1</sup> IMMEX - Decree for the Development of the Manufacturing, Maquila and Export Services Industry. Mexican re-export program.  
PROSEC – Decree to Establish different Sector Promotion Programs.

**Important Dates**

- 1. Publication Date:** October 7, 2010.
- 2. Effective Date:** October 8, 2010
- 3. In Force:** until April 15, 2011

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