

GENERAL AGREEMENT ON TARIFFS AND TRADE

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COMMUNICATION FROM MEXICO

The Government of Mexico has advised, by a communication received on 18 July 1975, as follows.

I have the honour to inform you that pursuant to the decision of the Government of Mexico to take part in the Multilateral Trade Negotiations, which was communicated to you on 14 September 1973 in Tokyo, Japan and bearing in mind the possibility of a decision by my Government to request accession to GATT, depending on the outcome of the Negotiations and subject to such agreements as may be reached on the implementation of the final protocols of the Negotiations by countries not members of GATT; and finally, considering such negotiations as the simultaneous and adequate fulfilment of the undertakings in regard to membership laid down in the General Agreement, the Mexican Congress, has approved, by proposal of the Executive, a new General Import Tariff to replace the one in force up to December 1974.

Among other purposes related to the sound development of the economy, the reform in question is designed to promote a more orderly application of the mechanisms for the control of foreign trade, involving basically the elimination of the wide disparities that existed hitherto in the tariff and the structuring of levels of protection according to the degree of processing of particular products.

The new tariff eliminates specific duties, using only ad valorem duties; in addition, duties are now homogeneous, applying without discrimination to articles which compete with those produced in Mexico and to imported articles not produced in the country. The former Tariff applied duties of up to 300 per cent ad valorem, and embodied the impact of the specific duty now eliminated; whereas in the new Tariff, 85 per cent of the items carry a duty of under 35 per cent ad valorem, and with the

exception of motor vehicles assembled abroad, the maximum level of duty under the new Tariff is 75 per cent. Similarly, rates of duty are structured according to the degree of processing of the product, and there has been a levelling out of the rates applied to general headings to bring them into line with those of the corresponding sub-headings. Other salient points are the replacement of the 10 per cent surtax, the proceeds of which were used for financing exports of manufactures, and which affected 2,408 items, by a 1 per cent surcharge payable on all imported goods except 356 items, the financial purpose being the same; the fact that for the first time a basis has been established against unfair practices in international trade, through the adequate management of official prices; and the updating of the Tariff in respect of the general rules and the Explanatory Notes of the Brussels Tariff Nomenclature.

This reform should be regarded as a contribution on the part of Mexico to the objectives of the Multilateral Trade Negotiations, namely greater liberalization of international trade, and at the same time as Mexico's contribution fulfilling the purposes underlying the procedures for consultation and negotiation between the Contracting Parties and Governments wishing to accede to the General Agreement.

As you will realize, this tariff reform could not formally be made public outside the country until the relevant legislative Act had been promulgated and published in Mexico. Since the legislative Act has now been published in the Official Journal of the Federation, I have the pleasure in attaching herewith a copy of the New General Import Tariff of Mexico.¹

I would be grateful if you would bring the foregoing to the notice of the Contracting Parties to the General Agreement on Tariffs and Trade, the signatories of the Protocol relating to Trade Negotiations Among Developing Countries, and the members of the Trade Negotiations Committee.

¹A copy of the new General Import Tariff of Mexico is available in the secretariat for consultation by delegations.