

# GENERAL AGREEMENT ON

RESTRICTED

## TARIFFS AND TRADE

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Committee on Tariff Concessions

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### MEXICO - IMPORT TARIFF LAW

The following communication, dated 29 January 1988, has been received from the Permanent Mission of Mexico.

On 19 December 1987, the Congress of the Union adopted the General Import Tariff Law, which replaces, as from 1 July of this year, the Customs Co-operation Council Nomenclature (CCCN) by the Harmonized Commodity Description and Coding System (Harmonized System). This fulfils Mexico's undertaking to introduce the Harmonized System as the basis for its tariff classification, preserving the concessions granted and the rights acquired by its trading partners. In the conversion process none of the bound duties was modified and initial negotiating rights were maintained. Once this legislation is published in the Official Journal, it will be forwarded by these same channels to you. The Government of Mexico is prepared to hold consultations with contracting parties so desiring in connection with the adoption of this measure.

As regards tariffs, I have the pleasure to inform you, in addition to the foregoing, that on 15 December 1987 a Federal Executive Decree was published in the Official Journal which modifies the tariff rates applicable to imported goods. By virtue of this measure, as of the entry into force of the Decree, only five different rates will be applied to imported goods, ranging from a zero rate, or exemption, to 20 per cent, the highest rate in the Mexican Tariff. The five rates are 0, 5, 10, 15 and 20 per cent, and the Tariff sub-divisions are distributed as follows:

<u>Rate</u>	<u>Number of sub-divisions</u>
0	1,299
5	2,600
10	823
15	2,270
20	1,454

In addition it should be borne in mind that 65 per cent of imports between January and December 1986 were in tariff headings which at the

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moment carry rates of zero or 5 per cent, which gives an idea of the scale of the measure taken by the Mexican Government.

In addition, and as mentioned in paragraph 20 of the Report of the Working Party (document L/6010), during the negotiations for accession to GATT it was mentioned that Mexico applied an additional charge of 2.5 per cent on its imports for the purpose of financing specific domestic economic activities and for export promotion purposes. It was also noted that there were additional duties of 3 per cent and 10 per cent applied by the Government of Mexico and intended to contribute to the financing of the broad range of additional services resulting from the existence of local customs offices in the municipalities of the various federative entities and to cover the cost of services provided by the Mexican Postal Administration, respectively.

As a first step towards their elimination, these charges were amalgamated into a single charge of 5 per cent which came into force on 1 January 1987 following the corresponding modification of the Mexican Customs Law. Finally, on 1 January of this year, the customs legislation was again amended to eliminate the additional 5 per cent duty applied to imports. As a result of this measure, we may say that all Mexican taxes, especially those levied on commercial transactions with the exterior, are in keeping with GATT provisions, and we hope that other contracting parties, especially those that account for the larger volumes of international trade, will take similar measures, so as to enhance the validity and operation of the GATT disciplines.