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Mexico

Sugar

U.S. Fructose under Import Permit Requirements

2005

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Report Highlights:

On November 9 and November 11, 2005, The Secretariat of Economy (SE) announced in the *Diario Oficial* (Federal Register), the criteria to import U.S. fructose, subject to an import permit issued by SE.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
[MX]

Introduction: This report summarizes two announcements from the Secretariat of Economy on the criteria to issue import permits for U.S. fructose published in Mexico's "Diario Oficial" (Federal Register) on November 9 and 11, 2005.

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 established and codifies imported and exported merchandise subject to a previous import permit issued by the Secretariat of Economy. (11/9/05)

Agreement that modifies the notification that establishes the criteria for the Secretariat of Economy to issue previous permits to import fructose originating in the U.S. (11/11/05)
(*This announcement modifies some articles of the 11/9/05 publication*)

FAS/Mexico's Executive Summary: The Secretariat of Economy (SE) announced in the *Diario Oficial* (Federal Register), on November 9 and November 11, 2005, that fructose imported from the U.S. is subject to an import permit requirement. The fructose products tariff numbers added to this system of previous permits are: 1702.40.99, 1702.60.01, 1702.60.02, 1702.60.99, as long as these products originate in the U.S. in agreement with NAFTA regulations. The complete list of products is as follows:

H.T.S.	PRODUCT
1702.40.99	Others
1702.50.01	Chemically pure fructose
1702.60.01	With a fructose content, in dry form, greater than 50% but less or equal to 60 %, in weight
1702.60.02	With a fructose content, in dry form, greater than 60% but less or equal to 80 %, in weight
1702.60.99	Others
1702.90.99	Others

The announcement also indicates that the U.S. government will notify the SE of the list of companies that will be exporting fructose to the Mexican market within the next 5 days after the announcement is effective (Nov.16). Once the list is received, importers must utilize the import permit format (SE-03-018) available at the SE offices or at the COFEMER web page www.cofemer.gob.mx.

The announcement in the *Diario Oficial* (Federal Register) of November 11 further modifies the criteria to allow the issuing of import permits for U.S. fructose. The General Directorate for Foreign Trade of the Secretariat of Economy will be the entity in charge of issuing the permits. To request an import permit, importers should hold a certificate issued by the Corn Refiners Association from the U.S. with the quantity requested for the permit, using commercial basis information instead of dry basis information. To convert dry basis to commercial basis the following conversion factors are provided:

- a) 1702.40.99, dry basis /0.71;

- b) 1702.60.01, dry basis /0.77;
- c) 1702.60.02, dry basis /0.77;
- d) 1702.60.99, dry basis /0.77.

These announcements are to comply with a previous announcement published on September 30, 2005 where Mexico granted access to the U.S. a maximum of 250,000 MT of fructose (See report MX5089.) However, unlike the September 30 publication where certificates were to be valid for only 30 calendar days, the latest announcement modifies the regulations allowing the permits issued to be valid through September 30, 2006.

Additional Information: Due to the on-going dispute between Mexico and the United States on the trade of sweeteners, the Mexican government had not published the criteria to import the fructose products mentioned above until it deemed that the necessary conditions existed, as stated in a publication in the *Diario Oficial*, on March 20, 2003. (See report MX3034). Since, the U.S. granted Mexico access to 250,000 MT of sugar under the NAFTA agreement (see report MX5102), Mexico determined that the necessary conditions now exist, and thus announced the criteria to import fructose from the U.S.

Important Dates

1. **Publication Date:** November 9, 2005 **Effective Date:** November 16, 2005 (5 working days after being published)
2. **Publication Date:** November 11, 2005 **Effective Date:** November 12, 2005

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FAS Mexico Web Site: We are available at <http://www.fas-la.com/mexico> or visit our headquarter's home page at <http://www.fas.usda.gov> for a complete selection of FAS' worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx and Mexico's equivalent of the Department of Commerce (SE) can be found at www.economia.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.