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SE to Allow Additional Standard Sugar to Enter

Report Categories:

Agriculture in the Economy

Policy and Program Announcements

Sugar

Trade Policy Monitoring

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Report Highlights:

On September 7, 2009, the Secretariat of Economy (SE) published a regulation in Mexico's *Diario Oficial* (Federal Register) to allow an additional 207,000 metric tons (MT) of sugar to be imported from all countries classified under H.T.S. 1701.11.01 and 1701.11.02. A maximum of 186,300 MT can be imported from any country under a specific tariff rate quota while 20,700 MT can be imported duty-free from Nicaragua. This is the third decree published by the SE since August 6, 2009, to allow additional sugar to enter Mexico due to low domestic supplies. Mexico can import the additional sugar through December 2009.

General Information:

The following report summarizes a decree from the Secretariat of Economy (SE), which was

published in Mexico's *Diario Oficial* (Federal Register) on September 7, 2009, that allows Mexico to import an additional 207,000 MT of sugar.

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.

Important dates:

Publication date: September 7, 2009

Enforcement date: September 7, 2009

Expiration date: December 31, 2009

FAS Mexico's Executive Summary: On September 7, 2009, the SE published a regulation to allow an additional 207,000 MT of refined sugar, classified under H.T.S. 1701.11.01 and 1701.11.02, to be imported under a specific duty. The announcement establishes that 186,300 MT can be imported from any country until December 31, 2009, while Nicaragua can export 20,700 MT of sugar duty-free to Mexico. This is the third announcement from SE that allows sugar to enter under a preferential duty. The first announcement, which was published on August 6, 2009, allowed 100,000 MT to enter (MX9055). The second announcement was published on August 27, 2009, and allowed 150,000 MT of sugar to enter (MX9056). This latest announcement from SE is expected to cover losses in the domestic supply until production picks up, which should be later this fall. The table below summarizes the tariff amount that will be added to the additional imports except for Nicaragua, which can export duty-free to Mexico.

The import quota will be allocated under the public bid scheme during September-November, and it will depend upon the sugar deficit as shown in the Sugar Balance (note below). The quota amount for each public bid will be established by a working group, which includes: the Under Secretariat for Industry and Commerce, General Directorate for Foreign Trade, General Directorate of Basic Industries from the SE, the General Directorate for the Agricultural Development from the Secretariat of Agriculture, Livestock, Rural Development, Fishery and Food (SAGARPA) and the Committee's General Directorate.

This is an open bid process for all interested parties that are established in Mexico.

NOTE: The Sugar Balance is defined as the sugar domestic supply, which accounts for monthly demand that is prepared and approved by the Sugar National Committee and is based on what is outlined in the Sustainable Development Sugar Cane Law. For the purpose of this Decree, the last estimated sugar balance for the 2008/09 season will be considered.

Mexican Sugar Import Tariffs for 2009	
H.T.S. Tariff # Subheading	Tariff for any Country Dollars/Kg
1701.11.01 Sugar with a dry sucrose content that has a polarization equal or higher to 99.4 but not exceeding 99.5	0.01448199

degrees

1701.11.02 Sugar with a dry sucrose content that has a polarization equal or higher to 96 but not exceeding 99.4 degrees

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| ▪ With polarization equal or higher to 96.0 but not exceeding 96.99 degrees. | 0.01377928 |
| ▪ With polarization equal or higher to 97.0 but not exceeding 97.99 degrees. | 0.01398596 |
| ▪ With polarization equal or higher to 98.0 but not exceeding 98.99 degrees. | 0.01419264 |
| ▪ With polarization equal or higher to 99.0 but not exceeding 99.09 degrees. | 0.01439932 |
| ▪ With polarization equal or higher to 99.1 but not exceeding 99.19 degrees. | 0.01441999 |
| ▪ With polarization equal or higher to 99.2 but not exceeding 99.29 degrees. | 0.01444065. |
| ▪ With polarization equal or higher to 99.3 but not exceeding 99.39 degrees. | 0.01446132 |