

LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject : Annex II to Decision Nr. 2/2000 of the EC-Mexico Joint Council of 23 March 2000

Tariff elimination (referred to in Article 3 of the Decision)

Annex II Tariff elimination schedule of the Mexico (sections A-D - specific arrangements)

Section A Tariff – Quota Concessions for Products under Category "6" in accordance with Article 8 of the Decision

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**TARIFF ELIMINATION SCHEDULE OF MEXICO
(REFERRED TO IN ARTICLE 3)**

Section A

**Tariff – Quota Concessions for Products under Category "6" in
accordance with Article 8 of the Decision**

The following tariff concessions shall apply each year after the date of entry into force of the Decision to imports into Mexico of products originating in the Community:

Mexico shall allow the importation of an aggregate quantity of 2 000 metric tonnes of products originating in the Community classified under items 1604 14 01 and 1604 14 99, as well as processed tuna classified under items 1604 19 99 and 1604 20 99 with a preferential customs duty no greater than 33,33 per cent of the MFN customs duty applicable at the time of importation. The quota established in this paragraph shall grow by 500 metric tons each year. This quota shall be reviewed in accordance with Article 10 of the Decision. The quota established in this paragraph shall not apply to tuna loins and skipjack loins classified under items 1604 14 01, 1604 14 99, 1604 19 99 and 1604 20 99.

Section B
Tariff Concessions for Products under Category "7" in
accordance with Article 9 of the Decision

The following tariff concessions shall apply each year after the date of entry into force of the Decision to imports into Mexico of products originating in the Community:

1. Mexico shall allow the importation of products originating in the Community classified in items 1704 10 01 and 1704 90 99, with a preferential customs duty no greater than 16 per cent ad valorem, plus 0,39586 United States dollars/kg of content of sugar.
2. Mexico shall allow the importation of products originating in the Community classified in items 2905 44 01 and 3824 60 01, with a preferential customs duty no greater than 50 per cent of the MFN customs duty applicable at the time of importation to imports from the Community of such products.
3. Tariff concessions on products in category "7" not specified in paragraphs 1 and 2 shall be considered in accordance with the relevant provisions of Article 9.

Section C
Automotive tariff quota

1. Tariff Quota

1.1. From the entry into force of the Decision, Mexico shall apply a tariff quota on imports of motor vehicles listed in paragraph 5 originating in the Community. The tariff quota shall be fixed in units.

1.2. The minimum size of the tariff quota shall be:

- (i) for each year until 31 December 2003, a quantity equivalent to 14 per cent of the total number of motor vehicles listed in paragraph 5 sold in Mexico during the previous year;
- (ii) for each year from 1 January 2004 until 31 December 2006, a quantity equivalent to 15 per cent of the total number of motor vehicles listed in paragraph 5 sold in Mexico during the previous year.

2. Preferential customs duties

2.1. The preferential customs duty applicable on imports into Mexico of motor vehicles listed in paragraph 5 originating in the Community under the tariff quota shall be:

- (i) 3,3 per cent ad valorem from the date of entry into force of the Decision until 31 December 2000;
- (ii) 2,2 per cent ad valorem from 1 January 2001 until 31 December 2001;
- (iii) 1,1 per cent ad valorem from 1 January 2002 until 31 December 2002; and
- (iv) these customs duties shall be completely eliminated by 1 January 2003.

2.2. The preferential customs duty applicable on imports into Mexico of motor vehicles listed in paragraph 5 originating in the Community which are not imported under the tariff quota shall be no greater than 10 per cent ad valorem from the date of entry into force of this Decision until 31 December 2006.

2.3. Customs duties on imports into Mexico of motor vehicles listed in paragraph 5 originating in the Community shall be completely eliminated by 1 January 2007.

3. Quota management

3.1. The tariff quota shall be managed by Mexico in accordance with one of the following methods or any combination thereof:

- (i) method based on the chronological order of the filing of applications (i.e. the "first come, first served" method);
- (ii) method of distribution in proportion to the quantities requested when the applications were filed (i.e. the "simultaneous examination" method);
- (iii) method based on taking traditional trade patterns into account (i.e. the "traditional importers/new arrivals" method).

3.2. Until 31 December 2003, Mexico may reserve part of the tariff quota for manufacturers established in Mexico which comply with the provisions of the *Decreto para el Fomento y Modernización de la Industria Automotriz* of 11 December 1989, and its amendments of 31 May 1995, provided that at least an amount equivalent to 4 per cent of the total sales in Mexico is offered first to other operators.

3.3. Notwithstanding paragraph 3.1, any share of the tariff quota reserved for the manufacturers in accordance with paragraph 3.2 shall be allocated on a non-discriminatory basis among all such manufacturers according to the quantity of motor vehicles listed in paragraph 5 manufactured by each of them in Mexico during the previous year.

3.4. Any method or combination of methods chosen to manage the tariff quota shall allow the full utilisation of the tariff quota and avoid any discrimination between the operators concerned.

4. General Provisions

4.1. The Joint Committee may modify the provisions regarding the management of the tariff quota.

4.2. Mexico shall communicate to the European Commission the detailed rules adopted for the management of the tariff quota, and detailed information on each allocation.

4.3. The Parties shall hold consultations on a regular basis, but at least once a year. On the request of either Party, they shall meet immediately.

5. Product coverage

Motor vehicles classified under headings 8703 and 8706 of the Harmonised System, and under headings 8702, 8704 and 8705 of the Harmonised System with a weight of less than 8 864 kg, as specified in notes 3 and 4 of this Annex.

Section D

Notes

1. Customs duties on imports into Mexico of products originating in the Community classified under these tariff items shall be no greater than 8 per cent ad valorem as of the day of entry into force of the Decision until 31 December 2002, and these customs duties shall be completely eliminated by 1 January 2003.

2. Customs duties on imports into Mexico of products originating in the Community classified under these tariff items shall be no greater than:
 - (a) 5 per cent ad valorem as of the day of entry into force of the Decision until 31 December 2003;

 - (b) 4 per cent ad valorem as of 1 January 2004 until 31 December 2005; and

 - (c) 3 per cent ad valorem as of 1 January 2006 until 31 December 2006.

These customs duties shall be completely eliminated by 1 January 2007.

3. For products imported into Mexico originating in the Community which are classified under these items, Section C shall apply only to vehicles that weigh less than 8 864 kg.
4. For products imported into Mexico originating in the Community which are classified under these items, Section C shall apply.
5. Notwithstanding paragraph 4 of Article 6, between 1 January 2002 and 31 December 2006, the customs duty applicable to imports of products originating in the Community classified under this item shall be 10 per cent ad valorem for as long as bilateral trade between the United States and Mexico remains subject to customs duties. This customs duty shall be completely eliminated no later than 1 January 2007.

