May 17, 2013

From: Julia S. Padierna-Peralta, Hogan Lovells

Re: Mexico Poultry News -- Mexico Drops 175 Percent Non-Preferential Import Duty Rate Down

to Zero on Chicken Meat Imports

On May 15, 2013, the Mexican Government announced in its Diario Oficial (Official Gazette) amendments to its General Import-Export Tariff, including the establishment of a 0 percent tariff rate quota on imports of certain "fresh, chilled or frozen chicken meat." On May 16, Mexico published in the Diario Oficial the corresponding import quota amount of 300,000 metric ton for imports of the selected chicken meat, specifically classifiable under the following Mexican Tariff (MEXHTS) subheadings:

0207.11.01 (whole chicken, fresh/chilled)

0207.12.01 (whole chicken, frozen)

0207.13.03 (certain chicken parts, fresh/chilled)

0207.13.99 (certain other chicken parts, fresh/chilled)

0207.14.04 (certain chicken parts, frozen)

0207.14.99 (certain other chicken parts, frozen)

The above chicken meat products may be imported into Mexico under the new 0 percent tariff rate quota effective May 16, provided that the importer obtains a Quota Certificate issued by Mexico's Economy Secretariat. Quota Certificates will remain valid through Dec. 31, 2013. Mexico's Economy Secretariat has explained that this tariff quota measure is in response to an avian flu outbreak in various Mexican states that has led to rising chicken meat prices.

The establishment of this new tariff rate quota effectively drops Mexico's 175 percent non-preferential duty rate on chicken meat down to zero. This, in turn, is expected to facilitate the importation into Mexico of chicken meat from suppliers outside countries with which Mexico has a free trade agreement. Companies currently exporting chicken meat to Mexico at preferential duty rates under a free trade agreement (e.g., NAFTA) should consider monitoring the implementation of this new tariff rate quota and assess whether it will impact their current market access into Mexico in light of expected increased competition from other foreign suppliers.

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