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## Mexico

**Post:** Mexico

### **Antidumping Petition Against Imported HFCS Denied by GOM**

**Report Categories:**

Agriculture in the News

Trade Policy Monitoring

Sugar

**Approved By:**

Joseph Lopez

**Prepared By:**

Dulce Flores and Tim Harrison

**Report Highlights:**

Two Mexican companies filed a request in April 2015 to initiate an antidumping investigation on imported U.S. fructose. The Unit of International Commercial Practices from the Secretariat of Economy in Mexico announced on September 1, 2015 its refusal to initiate an antidumping investigation into imported fructose as there was no evidence to demonstrate that HFCS and liquid sugar were similar products.

## **General Information:**

An antidumping petition against high fructose corn syrup (HFCS) imports from the United States was filed at the Unit of International Commercial Practices (UPCI in Spanish) from the Secretariat of Economy (SE) in April 2015. Two domestic companies in Mexico, Metco and Sucroliq, that market about 90 percent of liquid sugar, initiated procedures to formally request an antidumping investigation considering unfair competition in imported HFCS under NAFTA. The media reported that in the month of May UPCI requested additional information from the companies.

Some Mexican sugar groups have objected to the fact that HFCS was not considered as part of the sweeteners market in the suspension agreements with the U.S. (December 19, 2014). These producers indicated that they could not export sugar to the U.S. as the NAFTA agreement previously allowed, and they were caught with excess supplies in the domestic market, while HFCS imports keep coming in substituting the use of sugar, mainly in soft-drinks.

On May 29, 2015, El Universal newspaper reported that the two companies claimed their production had fallen 30 percent and they have suffered annual losses of 3.5 billion Mexican Pesos (USD\$217 million) since 2008, when U.S. HFCS began to enter Mexico free of tariffs or quotas. El Universal said that SE had until the end of June 2015 to decide whether or not to initiate an investigation. On June 10, 2015, El Siglo de Torreon newspaper reported that Metco and Sucroliq felt pressured by U.S. HFCS imports and a surplus of Mexican sugar on the domestic market resulting from the export limits in the 2014 sugar suspension agreements. On June 29, 2015, El Milenio newspaper published an article with a former WTO lawyer, Jorge Miranda, who argued that Metco and Sucroliq's case would not survive SE scrutiny. He said that HFCS imports decreased in recent years, making it difficult for the Mexican liquid sugar producers to prove their case. Miranda also said that he understood July 10, 2015 to be the deadline for SE to accept the dumping case. SE did not officially notify the United States of an antidumping investigation as it was never accepted. A court injunction was filed to request an answer from SE and the final deadline was September 1, 2015.

On September 1, 2015, the media announced that the government of Mexico had refused the request of the liquid sugar producers to initiate an antidumping investigation into U.S. imported fructose. According to sources, the UPCI said in the resolution that was issued to the petitioners that there was no evidence to demonstrate that HFCS and liquid sugar were similar products and that it was not possible to compare the information on the use and consumption of both products. The petitioners affirm the granular sugar is a raw material for elaborating liquid sugar, and that they are companies that invest, generate technology, innovation, and added value and are suffering damage by imported HFCS due to dumping. Some Mexican sugar producers believe HFCS is being sold below U.S. prices.

However, the UPCI decided not to initiate an investigation because there is no evidence that these imports are causing material injury to the domestic industry.

The Mexican National Committee for the Sustainable Development of Sugar Cane (CONADESUCA) expects imports of HFCS for MY 2014/15 (October/September) to be at 982,037 MT dry basis compared to MY 2013/14 imports of 912,535 MT dry basis. However, imports are becoming more

expensive due to the devaluation of the peso, and at the end HFCS imports are expected to be slower.  
(Exchange rate as of September 3, 2015,- MX Pesos per U.S. \$1.00 = 16.94)