

THIS REPORT CONTAINS ASSESSMENTS OF COMMODITY AND TRADE ISSUES MADE BY
USDA STAFF AND NOT NECESSARILY STATEMENTS OF OFFICIAL U.S. GOVERNMENT
POLICY

Voluntary Public

Date: 1/11/2016

GAIN Report Number: MX6002

Mexico

Post: Mexico

Mexico Prohibits Use of U.S. Re-Export Sugar in IMMEX Program

Report Categories:

Trade Policy Monitoring

Sugar

Approved By:

Alicia Hernandez

Prepared By:

Dulce Flores

Report Highlights:

On January 6, 2016, the Secretariat of Economy (SE) published a decree in the *Diario Oficial* (Federal Register) that modifies the Promotion of the Manufacturing, Maquiladora, and Export Services (IMMEX) program, under which U.S. sugar was imported into Mexico to be incorporated into other products and then re-exported, primarily to the United States. This revised regulation specifically prohibits sugar that benefits from the U.S. Sugar Re-export Program from also using the IMMEX program.

General Information:

Introduction: This report summarizes an announcement by the Secretariat of Economy (SE) published in Mexico's *Diario Oficial* (Federal Register) on January 6, 2016 containing modifications to the Promotion of the Manufacturing, Maquiladora, and Export Services (IMMEX) program.

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.

Title: [Decree](#) that modifies the Promotion of the Manufacturing, Maquiladora, and Export Services (IMMEX).

Executive Summary:

Mexico's IMMEX program allows participating businesses to import certain inputs duty-free, provided that the resulting products are subsequently re-exported. As [previously](#) reported, in 2015 SE submitted a proposal to modify the IMMEX program stating that IMMEX-certified companies can only import sugar that does not benefit from the U.S. Sugar Re-export Program. On January 6, 2016, SE published the final decree incorporating this and other changes to the program.

In particular, Article 4 indicates that merchandise described in Annex I cannot be imported temporarily under the IMMEX program unless exceptional circumstances are present. (Only sugar products are listed in Annex I.)

ANNEX I

HTS No.	DESCRIPTION
1701.12.01	Sugar whose content of sucrose by weight, in the dry state, has a polarity equal to or higher than 99.4, but less than 99.5 degrees.
1701.12.02	Sugar with a dry sucrose content that has a polarity equal to or higher than 96 but not exceeding 99.4 degrees.
1701.12.03	Sugar whose content of sucrose by weight, in the dry state, has a polarity less than 96 degrees,
1701.13.01	Cane sugar mentioned in the Note 2 of subheading of this Chapter.
1701.14.01	Sugar with a dry sucrose content by weight that has a polarity equal to or higher than 99.4 but not exceeding 99.5 degrees.
1701.14.02	Sugar with a dry sucrose content weight that has a polarity equal to or higher than 96 but not exceeding 99.4 degrees.
1701.91.01	Containing added flavoring or coloring.
1701.99.01	Sugar with a dry sucrose content that has polarity equal to or higher than 99.5 but not exceeding 99.7 degrees.
1701.99.02	Sugar, with a dry sucrose content that has polarity equal to or higher than 99.7 but not exceeding 99.9 degrees.
1701.99.99	Sugar, others.
1702.90.01	Refined liquid sugar and invert sugar.
1702.90.99	Others.
1806.10.01	With a sugar content equal to or higher than 90% in weight.

However, the decree indicates that the goods referred to in Annex II-A, which are the same sugar products as Annex I, may be imported temporarily as long as they do not benefit from the "Sugar re-export Program" or some similar program in connection with the export of sugar, syrup, or products containing sugar from the United States, in accordance with the North American Free Trade Agreement. Additionally, the company that participates in the program must comply with the program requirements established by SE.

The decree enters into force 30 calendar days following the publication (February 5).

Important Dates

1. Publication Date: January 6, 2016.

2. Effective Date: February 5, 2016 (30 calendar days after publication)

For More Information

Visit the FAS headquarters' home page at www.fas.usda.gov for a complete selection of FAS worldwide agricultural reporting.

Useful Mexican Web Sites: Mexico's equivalent of the U.S. Department of Agriculture (SAGARPA) can be found at www.sagarpa.gob.mx, the equivalent of the U.S. Department of Commerce (SE) can be found at www.economia.gob.mx, and the equivalent of the U.S. Food and Drug Administration (SALUD) can be found at www.salud.gob.mx. These web sites are mentioned for the reader's convenience but USDA does NOT in any way endorse, guarantee the accuracy of, or necessarily concur with, the information contained on the mentioned sites.