

prior to Mexico's accession to the General Agreement on Tariff and Trade during the administration of ex-President Miguel de la Madrid Hurtado (1982-1988), imports of bottled mineral (natural and/or carbonated) were marginal. The demand for bottled water, consisting mainly of carbonated spring water and potable water further treated by ultraviolet, reverse osmosis and other processes, was supplied by domestic bottlers.

It has often been stated that Mexico is sadly lacking in fresh water. This may certainly be true in some desert regions of the country, where rainfall is scarce and periodic long dry spells occur. However, there are numerous underground bodies of water in various regions, some of which are high in sulphur content and not fit for human consumption or are harnessed and used for recreational purposes or spas. In several Mexican states, underground springs have supplied fresh water and have been exploited for many years by domestic bottling companies.

Imports

Traditionally, the import market has been dominated by the USA. In 1985 the value of imported bottled water supplied by that country amounted to US\$784; in 1988 the USA accounted for 95.5% of the total import value, and 97.5% in 1989. Canada's share of the market was only 0.01% and 0.6%, respectively, in those years. During the past couple of years, however, brands from other nations including Germany, Italy, France and Spain have appeared in the market.

TABLE II

MEXICAN IMPORTS OF BOTTLED WATER (Values in U.S.A. dollars)

1985	1986	1987	1988	1989
784	334	-	102,606	2,757,348

Source: Secretaría de Comercio y Fomento Industrial

International Trade Policy

Mexico became a member of the GATT in September, 1986, subject to reciprocal tariff treatment with other member nations. As a founding member of the former Latin American Free Trade Area (LAFTA), revised in 1980 as Latin American Association of Integration (ALADI), Mexico exchanges certain preferences with other ALADI member countries. Mexico and Canada signed a reciprocal trade treaty in 1946, and Mexico enjoys "Most Favoured Nation Treatment" on Mexican commodities entering Canada. In July 1974 Canada further extended to Mexico special treatment under its "General Preferential Tariff" ruling, allowing for a wider spectrum of Mexican manufactured goods to enter Canada at reduced tariff rates. In 1988 both Mexico and Canada adopted the harmonized customs system (HS) currently in use. Since May, 1989, Mexican ad-valorem import duty rates range from a minimum of 5% to a maximum of 20%, with certain commodities enjoying exemption from import duty payment.