

- Support and promote optimum use of the services of the Border Clearance Representative for agri-food products, as well as explore the possible expansion of such services to other trade sectors.
- Assist Canadian suppliers with respect to the application of NAFTA Chapter 10 (Government Procurement) by Mexican government agencies and state-owned enterprises, as well as monitor and lobby the Mexican government with respect to any identified systemic problems with Mexican government procurement.
- Participate in discussions to address Mexican concerns about the integrity of tequila bottled in foreign countries and advocate reversal of Mexico's proposed regulatory amendment requiring all tequila to be bottled in Mexico.
- Monitor key aspects of Mexican domestic policy that may have an impact on Canadian market access as well as proposed mandatory technical regulations and their implementation.

IMPROVING ACCESS FOR TRADE IN GOODS

Bovine Spongiform Encephalopathy

On May 20, 2003, Mexico imposed a ban on imports of Canadian cattle, beef and their products due to the detection of a cow infected with bovine spongiform encephalopathy in Alberta. Canada has maintained close communication with the Mexican authorities to inform them about developments in the BSE investigation and the new measures implemented in Canada related to the BSE case. After several high-level representations from Canada and technical discussions with Canadian officials, on October 1, 2003, Mexico reopened the border to imports of Canadian boneless beef and certain other products. Canada has been working with Mexican authorities to include other beef products and live animals. Exports of Canadian boneless beef have already resumed under the new sanitary requirements agreed between Canada and Mexico. Mexico has indicated that it is willing to reopen the border to imports of Canadian breeding cattle once the U.S. Department of Agriculture confirms that this action will not result in restrictions on Mexican exports to the U.S. market.

Seed Potatoes

In January 2003, Mexico imposed a ban on imports of Alberta seed potatoes for alleged phytosanitary reasons. After several rounds of technical discussions, on November 4, 2003, Mexico and Canada signed a work plan to resume seed potato exports from Alberta to Mexico for the 2003–2004 shipping season. In 2001, Mexico imposed a ban on imports of seed potatoes from New Brunswick and Prince Edward Island, also for alleged phytosanitary reasons. Canada and Mexico could not reach an agreement to resolve this dispute, and the matter was referred to a third-party arbitrator through the North American Plant Protection Organization. The arbitrator's report was received in early 2004 and is being reviewed by both countries.

New Mandatory Technical Regulation for Meat

The Mexican Ministry of Health (Salud) is proposing a new mandatory technical regulation (NOM 194) that would establish new sanitary provisions for domestic and imported meat. One of the main concerns regarding the proposed NOM is that Salud is requiring zero tolerance for *salmonella* spp. in uncooked meat, a requirement that is not based on sound science and is inconsistent with international sampling protocols. There are also concerns that Mexico could be violating its international trade obligations, since imported meat would be tested at the border at additional cost, while domestic meat would be tested without cost. Furthermore, the proposed regulation would require Mexican importers of meat products to obtain an import permit from Salud, which would be burdensome and costly. Canada has made several representations before Salud to discuss its concerns about the proposed regulation for meat. Salud is currently revising the language of the proposed regulation to ensure that it does not apply rules that are discriminatory to foreign meat suppliers. Canada will continue working with Salud in order to ensure that the proposed NOM does not adversely affect Canadian meat exports to Mexico.

Regulation of Biotechnology

Mexico is currently establishing a legal framework for the regulation of biotechnology and the products of biotechnology (e.g., food based on genetically modi-