

Annex 1001.2a

Transitional Provisions for Mexico

Notwithstanding any other provision of this Chapter, Annexes 1001.1a-1 through 1001.1b-3 are subject to the following:

Pemex, CFE and Non-Energy Construction

1. Mexico may set aside from the obligations of this Chapter for a calendar year set out in paragraph 2 the percentage specified in that paragraph of:

- (a) the total value of procurement contracts for goods and services and any combination thereof and construction services procured by Pemex in the year that are above the thresholds set out in Article 1001(1)(c);
- (b) the total value of procurement contracts for goods and services and any combination thereof and construction services procured by CFE in the year that are above the thresholds set out in Article 1001(1)(c); and
- (c) the total value of procurement contracts for construction services procured in the year that are above the thresholds set out in Article 1001(1)(c), excluding procurement contracts for construction services procured by Pemex and CFE.

2. The calendar years to which paragraph 1 applies and the percentages for those calendar years are as follows:

<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
50%	45%	45%	40%	40%

<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003 and thereafter</u>
35%	35%	30%	30%	0%

3. The value of procurement contracts that are financed by loans from regional and multilateral financial institutions shall not be included in the calculation of the total value of procurement contracts under paragraphs 1 and 2. Procurement contracts that are financed by such loans shall also not be subject to any restrictions set out in this Chapter.

4. Mexico shall ensure that the total value of procurement contracts under any single FSC class (or other classification system agreed by Parties) that are set aside by Pemex or CFE under paragraphs 1 and 2 for any year does not exceed 10 percent of the total value of the procurement contracts that may be set aside by Pemex or CFE for that year.

5. Mexico shall ensure that, after December 31, 1998, Pemex and CFE each shall make all reasonable efforts to ensure that the total value of procurement contracts under any single FSC class (or other classification system agreed by the Parties) that are set aside by Pemex or CFE under paragraphs 1 and 2 for any year does not exceed 50 percent of the total value of all Pemex and CFE procurement contracts under that FSC class (or other classification system agreed by the Parties) for that year.