

5. MARKET ACCESS

As a result of Mexico's accession to GATT, the Mexican government has gradually opened the economy to international markets. Tariffs have been lowered from a maximum 100% in 1983, to 20% since December, 1988. The official price system has been totally eliminated and import permits are required on only 198 of the total 11,812 items in the Mexican Harmonized Tariff System.

The import climate for consumer goods has improved significantly as a result of this commercial liberalization. Maximum duty rates have been reduced to 20%. Therefore, imports of consumer goods are subject to an ad valorem duty of maximum 20% assessed on the invoice value. In addition, a customs processing fee of 0.8% is assessed on the invoice value. A 10% value added tax (recently reduced from 15%) is then assessed on the cumulative value of both taxes in addition to the invoice value.

Formerly, in order to bid on tenders and sell to a government agency or decentralized company, foreign manufacturers required having a local resident agent and to have the foreign supplier registered and accepted by the Secretariat of Planning and Budgeting (Secretaría de Programación y Presupuesto - SPP). As of July 1991, the above requirement for prior registration with SPP has been eliminated.

The new procedures now in force require the foreign supplier to have a local agent or representative and it has to be registered through his local representative as an accepted supplier with each government ministry and/or decentralized agency according to the international tender requirements under review.

International tenders financed by the World Bank or the International Development Bank are open to all member countries of these institutions. More recently, the World Bank, where its credits are involved, has required that bid documents should also include an affidavit confirming that the Canadian company is a bona fide Canadian company with an official residence in Canada and that Canada is recognized as a contributing member to the World Bank.

There are no official metric requirements applicable to imports into Mexico. However, since the metric system of units is, by law, the official standard of weights and measures in Mexico, importers will usually require metric labeling for packaged goods, although the English system is also used. Dual labeling is acceptable. Imported products should be labeled in Spanish containing the following information: name of the product, trade name and address of the manufacturer, net contents, serial number of equipment, date of manufacture, electrical specifications, precautionary information on dangerous products, instructions for use, handling and/or product conservation and mandatory standards. Mexico adheres to the International System of Units