

4006: Overview of the Elimination or Reduction in Tariffs Under the Agreement between Japan and the United Mexican States for the Strengthening of the Economic Partnership

Based on the Japan-Mexico EPA, the tariff is scheduled to be eliminated approximately 97% of the value of the trade between the two countries (approximately 98% of exports from Japan and approximately 87% of imports from Mexico) within 10 years from the entry into force of the agreement

I. Agricultural Products

1. Overview

In a manner responsive to the interests of both Japan and Mexico, both Parties agreed to eliminate or reduce tariffs on products in the area of agriculture, forestry and fisheries, which cover almost all imports from Mexico in such areas.

2. Five Agricultural Products

(1) Pork

Establishment of a preferential tariff rate quota reducing the ad valorem rate of Tariffs by half (First year 38,000 tons – Fifth year 80,000 tons)

(2) Orange Juice

Establishment of a preferential tariff rate quota reducing the rate of tariffs by half (First year 4,000 tons – Fifth year 6,500 tons (Calculated in terms of orange concentrate))

(3) Beef

First two years for marketing and sales promotion: 10 tons, free

From the third year onwards (Third year 3,000 tons- Fifth year 6,000 tons)

The Tariff rate will be consulted in the second year after the Agreement comes into force.

(4) Chicken

First year for marketing and sales promotion: 10 tons, free

From the Second year onwards: (Second year 2,500 tons – Fifth year 8,500 tons)

The Tariff rate will be consulted in the first year after the Agreement comes into force.

(5) Oranges

First two years for marketing and sales promotion: 10 tons, free

From the third year onwards (Third year 2,000 tons- Fifth year 4,000 tons)

Tariff rate will be consulted in the second year after the Agreement enters into force.

3. Other Products

Classified according to the treatment of customs duties in such groups as, immediate elimination, gradual elimination from 3 to 10 years, establishment of non-taxable quota, reduction of customs duties, renegotiation, and exclusion from the regular provisions of the Agreement.

II. Industrial Products

1. Overview

Both Parties agreed to realize liberalization (elimination of customs duties) in compliance with the international standards in a manner responsive to the interests of both sides. It was also agreed that customs duties will be eliminated on almost all products within ten years.

2. Commitment by the Mexico side to liberalize the steel sector

Without exception, customs duties will be eliminated on all steel products within ten years. Among them, the customs duties on products used in specified industries (note 1) will be immediately eliminated.

3. Commitment by the Mexican side to liberalize the automobile sector

When the Agreement enters into force, a new duty free tariff quota, which is equivalent to 5% of the number of units sold in Mexico in the previous year, and will be established for automobiles and buses and trucks excluding large buses and trucks, complete liberalization will be achieved in the seventh year after the Agreement comes into force (note 2).

(Note 1) Four sectors: electronics, home appliances, capital good, automobiles.

(Note 2) The existing duty free tariff quota for companies having a production base in Mexico will be maintained.