

SUBSIDIES

Questions from ARGENTINA Regarding the New
and Full Notification of MEXICO¹

The following communication, dated 17 March 1997, has been received from the Permanent Mission of Argentina.

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1. Mexico has notified a programme of temporary imports to produce export goods.
 - 1.1. Could Mexico provide some examples where the provisions of the notified Decree are applied in the case of goods returning abroad in the same state in which they were imported, particularly since the title of the above-mentioned programme refers to temporary imports to produce export goods?
 - 1.2. With respect to the form of the subsidy, Mexico has notified a drawback for exporters of tariff duties paid on temporary imports. In order to obtain this drawback the exporters concerned must submit an application accompanied by a series of documents. From reading Article 13 of the Decree, it would seem that when the product manufactured from the good imported under the temporary import system is authorized to be sold on the home market, the import duties have to be paid on the imported goods before final import permission is granted. Can Mexico clarify if the programme consists of an import duty drawback or of exemption from the duty, or if both are possible?
 - 1.3. The temporary import programme notified does not specify if the good imported under the programme must be exported within a fixed period. Could Mexico specify whether there is a fixed period within which the product must be exported under this system?
 - 1.4. From the reading of Article 6, last paragraph, and Article 22, it would seem that the programme notified is subject to export results. If this interpretation were correct we could be faced with a subsidy covered by Article 3.1(a) of the Subsidies Agreement: could Mexico clarify these articles?
 - 1.5. Can Mexico specify what will be the total duration of this programme and if it will respect the eight-year time-limit set out in Article 27.4 of the Subsidies Agreement?
 - 1.6. Does Mexico have a timetable for the progressive elimination of the temporary import programme in accordance with Article 27.4 of the Subsidies Agreement?

¹G/SCM/N/3/MEX.