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Mexico

Sugar

Mexico's Lower Chamber Opposes Proposal to Eliminate HFCS Tax

2003

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Report Highlights:
Mexico's Lower Chamber has recommended to the Executive Branch that the 20-percent tax on the high fructose corn syrup used in the manufacture of beverages be continued. The Executive Branch proposed eliminating the tax in its 2004 budget proposal.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Mexico [MX1]
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On November 17, 2003, Mexico's Lower Chamber approved a "Point of Agreement" exhorting the Lower Chamber's Tax and Budget Commission to continue the 20-percent tax on high fructose corn syrup (HFCS) used in the manufacture of beverages. The Executive Branch proposed eliminating the 20-percent tax in its calendar year 2004 budget proposal. The Government of Mexico recently approved imports of sugar and argued in its budget initiative that the tax, which is designed to encourage sugar use by soft drink manufacturers, is no longer necessary. The Point does not establish any legislative or regulatory action, but it does provide an indication of where the lines on this issue are being drawn in the run up to the 2004 budget. Mexico's federal budget must be approved before the start of the fiscal year January 1.

The Commission for Agriculture and Livestock from the Lower Chamber also issued other Points of Agreements relating to sweeteners. The Commission agreed to require the board that manages the 27 expropriated sugar mills (FEESA) give a detailed report on the conditions of the Mexican sugar industry. The Commission also requested that the Lower Chamber organize a Special Commission for Sugarcane along with a sub-commission to study and analyze the initiatives of the Sugarcane Agro-Industry Law.