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**MEXICO – ADDITIONAL DUTIES ON CERTAIN PRODUCTS FROM
THE UNITED STATES**

REQUEST FOR THE ESTABLISHMENT OF A PANEL BY THE UNITED STATES

The following communication, dated 18 October 2018, from the delegation of the United States to the Chairperson of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

On July 16, 2018, the United States requested consultations with the Government of Mexico ("Mexico") pursuant to Article 4 of the *Understanding on Rules and Procedures Governing the Settlement of Disputes* ("DSU") and Article XXIII of the *General Agreement on Tariffs and Trade 1994* ("GATT 1994"), with respect to Mexico's imposition of increased duties on certain products originating in the United States ("increased duties measure").¹ The United States held consultations with Mexico on September 27, 2018. Unfortunately, these consultations did not resolve the dispute.

The increased duties measure applies only to products originating in the United States. The increased duties measure does not apply to like products originating in the territory of any other WTO Member, and thus appears to be inconsistent with the most-favored nation obligation in Article I of the GATT 1994.

The legal instruments through which Mexico imposes the increased duties measure include the following:

1. *Decree Modifying the Tariff Schedule of the Law of General Import and Export Taxes, the Decree establishing the General Import Tax Rate applicable during 2003 for goods originating in North America, and the Decree establishing Various Sectoral Promotion Programs* (enacted June 5, 2018; effective June 5, 2018);

as well as any amendments, replacements, related measures or implementing measures.

The increased duties measure appears to be inconsistent with Mexico's obligations under Article I:1 of the GATT 1994 because it fails to extend to products of the United States an advantage, favor, privilege or immunity granted by Mexico with respect to customs duties and charges of any kind imposed on or in connection with the importation of products originating in the territory of other Members.

The increased duties measure appears to nullify or impair the benefits accruing to the United States directly or indirectly under the GATT 1994.

Accordingly, the United States respectfully requests pursuant to Article 6 of the DSU that the Dispute Settlement Body establish a panel to examine this matter, with the standard terms of reference as set out in Article 7.1 of the DSU.

¹ WT/DS560/1.