



MODIFYING PROTOCOL ENTERS INTO FORCE FOR FTA WITH MEXICO

- **The next step is to solve the sanitary issue: Minister Diaz-Granados.**

Bogota, August 1, 2011.- A new impulse will be given to the commercial relations with Mexico, as of tomorrow, when the modifying protocol enters into provisional use for the Free Trade Agreement with that country.

The announcement was made by President Juan Manuel Santos, within the framework of his State visit to Mexico, where the issues of trade and investment have been relevant. In particular, the minister of Trade, Industry, and Tourism, Sergio Diaz-Granados, indicated that the deepening of the FTA with Mexico opens the path towards improved investment conditions for both parties.

He recalled that after 2 years of management, the technical teams of both countries completed work for the adjustment of the FTA, on the 12th of August 2009, which allowed for adaptation to the new commercial realities, after the departure of Venezuela from the G3, in 2006.

The negotiation included some agricultural and industrial products that were outside the relief program or were waiting for their incorporation and took into account that although trade flows between both nations have quadrupled since 2002, it has been in Mexico's favor.

The Minister considered it important to have negotiated spaces of preferential access, with growth in the order of 10%, annually, over 10 years, for beef, at an initial volume of 3,000 tons; powdered milk, at an initial volume of 4,500 tons; cheese, at an initial volume of 2,100 tons; drinks containing milk, at an initial volume of 500 tons, and *arequipe* (a caramel-like product made from milk), at an initial volume of 500 tons. "In addition to the tariff aspects, we also have to work towards solving the sanitary questions, so that we can assure real access for Colombian products to the Mexican market. These are the objectives that we have for the coming months, in order to take advantage of the instance that Administrating Commission and the other Committees provide, in respect to the Treaty," he said.

Preferential access was also obtained for confectionery, baked goods, palm oil, *chicharrón* (pork rinds) for microwaves, cacao preparations, chocolates, crackers, and cigarettes.

In industry, the relief program incorporated citric acid, sodium citrate, calcium citrate, and styrene polymers, as well as the relaxation of the rules of origin for the sectors of iron and steel, textiles, and that of tractor trucks over 15 tons.



Ministerio de Comercio, Industria y Turismo
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According to the holder of the Trade Portfolio, in order to formalize the results of this negotiation, 5 Decisions, on the part of the Administrating Commission, were made last year. These corresponded to the negotiations on market access, modifications of the Regional Integration Committee on Inputs, adjustments to the rules of origin, changes to the name of the Treaty, and adding faculties that the Administrating Commission required.

The modifying protocol, which included these decisions, was signed on the 11th of June 2010. In Colombia, the adjustment was put before Congress, on the 20th of July 2010. It was approved on the 29th of September 2010 by the Second Commission of the Senate and finally ratified by the Chamber Plenary at the close of the legislature for the first semester of 2011.

Under this Agreement, from here on out, the governments and private sectors of both countries will work towards improving the conditions of access to their respective markets and take advantage of the complementarities between the two economies, as well as promote mutual investments, with the aim of obtaining greater levels of development and benefits for their people.

According to the figures, in 2010, Colombian exports to Mexico amounted to US \$638.2 million and consisted of products such as coal, propylene polymers, cosmetics, medicines, insecticides, copper minerals, feminine undergarments, books, and tires, among others.

Between January and April of 2011, Colombian sales to Mexico amounted to US \$228.5 million, as opposed to US \$216.4 million in 2010.

Between the years of 2003 and 2009, investment from Mexico to Colombia grew in a similar manner, passing from US \$19 million to US \$202 million, where 2005 should be highlighted, having reached US \$1.062 billion. As for 2010, it reached US \$623 million.

(RCF)
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