

PROTOCOL

BETWEEN JAPAN AND THE UNITED MEXICAN STATES RELATED TO IMPROVEMENT OF MARKET ACCESS CONDITIONS BASED ON PARAGRAPHS 3 AND 5 OF ARTICLE 5 OF THE AGREEMENT BETWEEN JAPAN AND THE UNITED MEXICAN STATES FOR THE STRENGTHENING OF THE ECONOMIC PARTNERSHIP

Japan and the United Mexican States,

Desiring to improve market access conditions on certain originating goods designated for consultation under subparagraphs 1(b), 4(b) and 10(b) of Sections 2 and 3 of Annex 1 of the Agreement between Japan and the United Mexican States for the Strengthening of the Economic Partnership, signed at Mexico City on September 17, 2004 (hereinafter referred to as "the Agreement"); and

Having negotiated in accordance with subparagraph 3(a)(i) and paragraph 5 of Article 5 of the Agreement;

Have agreed as follows:

Article 1

The Parties shall be bound by the aggregate quota quantity and the in-quota rate of Customs Duties established in Appendices 1 and 2, which shall constitute an integral part of this Protocol.

Article 2

Pursuant to paragraph 5 of Article 5 of the Agreement, Appendices 1 and 2 shall supersede the corresponding concessions provided for in subparagraphs 1(b), 4(b) and 10(b), and Schedules corresponding thereto, of Sections 2 and 3 of Annex 1 of the Agreement respectively.

Article 3

1. This Protocol shall be approved by the Parties in accordance with their respective legal procedures, pursuant to paragraph 5 of Article 5 of the Agreement, and enter into force on the thirtieth day after the date on which the Parties exchange diplomatic notes indicating such approval.

2. This Protocol shall continue in force as long as the Agreement remains in force.

Article 4

1. The texts of this Protocol in the Japanese, Spanish and English languages shall be equally authentic. In case of differences of interpretation, the English text shall prevail.

2. Notwithstanding paragraph 1 above:

(a) Appendix 1 is written in the Japanese and English languages, such texts being equally authentic; and

(b) Appendix 2 is written in the Spanish and English languages, such texts being equally authentic.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective Governments, have signed this Protocol.

DONE at Mexico City, on this twentieth day of September, 2006, in duplicate.

For Japan:

For the United Mexican States:

Appendix 1

1. With regard to subparagraph (b) of Note 1 of Section 2 of Annex 1 of the Agreement, Japan shall apply a tariff rate quota for originating goods specified in the Schedule of Japan subject to the following:

- (i) From the third year to the fifth year, the aggregate quota quantity shall be as follows, respectively:
 - (AA) 3,000 metric tons for the third year;
 - (BB) 4,000 metric tons for the fourth year; and
 - (CC) 6,000 metric tons for the fifth year.
- (ii) The in-quota rate of Customs Duties applied during the period from the third year to the fifth year shall be as follows:
 - (AA) The in-quota rate of Customs Duties on originating goods indicated with one asterisk ("*") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year 2003 by 10 percent of that most-favored-nation applied rate.
 - (BB) The in-quota rate of Customs Duties on originating goods indicated with two asterisks ("**") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year of 2003 by 20 percent of that most-favored-nation applied rate.
 - (CC) The in-quota rate of Customs Duties on originating goods indicated with three asterisks ("***") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year of 2003 by 40 percent of that most-favored-nation applied rate.

2. With regard to subparagraph (b) of Note 4 of Section 2 of Annex 1 of the Agreement, Japan shall apply a tariff rate quota for originating goods specified in the Schedule of Japan subject to the following:

- (i) From the second year to the fifth year, the aggregate quota quantity shall be as follows, respectively:

- (AA) 2,500 metric tons for the second year;
 - (BB) 4,000 metric tons for the third year;
 - (CC) 6,000 metric tons for the fourth year; and
 - (DD) 8,500 metric tons for the fifth year.
- (ii) The in-quota rate of Customs Duties applied during the second year shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year 2004 by at least 10 percent of that most-favored-nation applied rate.
- (iii) The in-quota rate of Customs Duties applied during the period from the third year to the fifth year shall be as follows:
- (AA) The in-quota rate of Customs Duties on originating goods indicated with one asterisk ("*") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year 2004 by 10 percent of that most-favored-nation applied rate.
 - (BB) The in-quota rate of Customs Duties on originating goods indicated with two asterisks ("**") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year of 2004 by 20 percent of that most-favored-nation applied rate.
 - (CC) The in-quota rate of Customs Duties on originating goods indicated with three asterisks ("***") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year of 2004 by 28.5 percent of that most-favored-nation applied rate.

(DD) The in-quota rate of Customs Duties on originating goods indicated with four asterisks ("****") in the Column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year of 2004 by 40 percent of that most-favored-nation applied rate.

3. With regard to subparagraph (b) of Note 10 of Section 2 of Annex 1 of the Agreement, Japan shall apply a tariff rate quota for originating goods specified in the Schedule of Japan subject to the following:

(i) From the third year to the fifth year, the aggregate quota quantity shall be as follows, respectively:

(AA) 2,000 metric tons for the third year;

(BB) 3,000 metric tons for the fourth year; and

(CC) 4,000 metric tons for the fifth year.

(ii) The in-quota rate of Customs Duties applied during the period from the third year to the fifth year shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of the Japanese fiscal year of 2004 by 50 percent of that most-favored-nation applied rate.

Schedule of Japan

Column 1	Column 2	Column 3	Column 4	Column 5
Tariff item number	Description of goods	Base Rate	Category	Note
0201.20	- Other cuts with bone in:			
	Quarter		X	
	Other *		Q	1
0201.30	- Boneless **		Q	1
0202.20	- Other cuts with bone in **		Q	1
0202.30	- Boneless:			
	Loin **		Q	1
	Chuck, Clod and Round **		Q	1
	Brisket and plate **		Q	1
	Other *		Q	1

0206.10	- Of bovine animals, fresh or chilled:		
	Internal organs and tongues ***	Q	1
	Other	X	
	- Of bovine animals, frozen:		
0206.21	-- Tongues ***	Q	1
0206.22	-- Livers *	Q	1
0206.29	-- Other		
	Cheek meat and head meat ***	Q	1
	Other:		
	Internal organs ***	Q	1
	Other *	Q	1
0207.11	-- Not cut in pieces, fresh or chilled *	Q	4
0207.12	-- Not cut in pieces, frozen *	Q	4
0207.13	-- Cuts and offal, fresh or chilled *	Q	4
0207.14	-- Cuts and offal, frozen:		
	Livers	X	
	Other:		
	Legs with bone in **	Q	4
	Other ***	Q	4
1602.31	-- Of turkeys:		
	Guts, bladders and stomachs, whole and pieces thereof, simply boiled in water	A	
	Other:		
	Containing meat or meat offal of bovine animals or swine *	Q	4
	Other	A	
1602.32	-- Of fowls of the species <i>Gallus domesticus</i> :		
	Guts, bladders and stomachs, whole and pieces thereof, simply boiled in water	A	
	Other:		
	Containing meat or meat offal of bovine animals or swine *	Q	4
	Other ****	Q	4

1602.39	-- Other:			
	Guts, bladders and stomachs, whole and pieces thereof, simply boiled in water		A	
	Other:			
	Containing meat or meat offal of bovine animals or swine *		Q	4
	Other		A	
1602.50	- Of bovine animals:			
	Guts, bladders and stomachs, whole and pieces thereof, simply boiled in water		A	
	Other:			
	Internal organs and tongues of bovine animals		X	
	Other:			
	Containing less than 30% by weight of a meat and edible meat offal other than internal organs and tongues		X	
	Other:			
	Dried after simply boiled in water		X	
	Beef jerkey or corned beef *		Q	1
	Other:			
	In airtight containers, containing vegetables *		Q	1
	Other		X	

Appendix 2

1. With regard to subparagraph (b) of Note 1 of Section 3 of Annex 1 of the Agreement, the United Mexican States (hereinafter referred to as "Mexico") shall apply a tariff rate quota for originating goods specified in the Schedule of Mexico subject to the following:

- (i) From the third year to the fifth year, the aggregate quota quantity shall be as follows, respectively:
 - (AA) 3,000 metric tons for the third year;
 - (BB) 4,000 metric tons for the fourth year; and
 - (CC) 6,000 metric tons for the fifth year.
- (ii) The in-quota rate of Customs Duties applied during the period from the third year to the fifth year shall be as follows:
 - (AA) The in-quota rate of Customs Duties on originating goods indicated with one asterisk ("*") in the column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect as of January 1, 2003 by 10 percent of that most-favored-nation applied rate.
 - (BB) The in-quota rate of Customs Duties on originating goods indicated with two asterisks ("**") in the column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of January 1, 2003 by 20 percent of that most-favored-nation applied rate.
 - (CC) The in-quota rate of Customs Duties on originating goods indicated with three asterisks ("***") in the column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect at the beginning of January 1, 2003 by 40 percent of that most-favored-nation applied rate.

2. With regard to subparagraph (b) of Note 4 of Section 3 of Annex 1 of the Agreement, Mexico shall apply a tariff rate quota for originating goods specified in the Schedule of Mexico subject to the following:

- (i) From the second year to the fifth year, the aggregate quota quantity shall be as follows, respectively:
 - (AA) 2,500 metric tons for the second year;
 - (BB) 4,000 metric tons for the third year;
 - (CC) 6,000 metric tons for the fourth year; and
 - (DD) 8,500 metric tons for the fifth year.
- (ii) The in-quota rate of Customs Duties applied during the second year shall be lower than the most-favored-nation applied rate of Customs Duty in effect as of January 1, 2004 by at least 10 percent of that most-favored-nation applied rate.
- (iii) The in-quota rate of Customs Duties applied during the period from the third year to the fifth year shall be as follows:
 - (AA) The in-quota rate of Customs Duties on originating goods indicated with one asterisk ("*") in the column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect as of January 1, 2004 by 10 percent of that most-favored-nation applied rate.
 - (BB) The in-quota rate of Customs Duties on originating goods indicated with two asterisks ("**") in the column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect as of January 1, 2004 by 20 percent of that most-favored-nation applied rate.
 - (CC) The in-quota rate of Customs Duties on originating goods indicated with three asterisks ("***") in the column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect as of January 1, 2004 by 28.5 percent of that most-favored-nation applied rate.
 - (DD) The in-quota rate of Customs Duties on originating goods indicated with four asterisks ("****") in the column 2 shall be lower than the most-favored-nation applied rate of Customs Duty in effect as of January 1, 2004 by 40 percent of that most-favored-nation applied rate.

3. With regard to subparagraph (b) of Note 10 of Section 3 of Annex 1 of the Agreement, Mexico shall apply a tariff rate quota for originating goods specified in the Schedule

of Mexico subject to the following:

- (i) From the third year to the fifth year, the aggregate quota quantity shall be as follows, respectively:
- (AA) 2,000 metric tons for the third year;
- (BB) 3,000 metric tons for the fourth year; and
- (CC) 4,000 metric tons for the fifth year.
- (ii) The in-quota rate of Customs Duties applied during the period from the third year to the fifth year shall be lower than the most-favored-nation applied rate of Customs Duty in effect as of January 1, 2004 by 50 percent of that most-favored-nation applied rate.

Schedule of Mexico

Column 1	Column 2	Column 3	Column 4	Column 5
Tariff Item number	Description of goods	Base Rate	Category	Note
020120	Other cuts with bone in.			
02012099	Other cuts with bone in. *		Q	1
020130	Boneless.			
02013001	Boneless. **		Q	1
020220	Other cuts with bone in.			
02022099	Other cuts with bone in. **		Q	1
020230	Boneless.			
02023001	Boneless. *		Q	1
02023001XX	Only: Loin, chuck, clod, round, brisket and plate **		Q	1
020610	Of bovine animals, fresh or chilled.			
02061001	Of bovine animals, fresh or chilled. ***		Q	1
020621	Tongues.			
02062101	Tongues. ***		Q	1
020622	Livers.			
02062201	Livers. *		Q	1
020629	Other			
02062999	Other. *		Q	1
02062999XX	Only: Cheek meat, head meat, internal organs other than livers ***		Q	1
020711	Not cut in pieces, fresh or chilled			
02071101	Not cut in pieces, fresh or chilled. *		Q	4
020712	Not cut in pieces, frozen			
02071201	Not cut in pieces, frozen. *		Q	4
020713	Cuts and offal, fresh or chilled			
02071301	Deboned by mechanical means *		Q	4
02071302	Carcasses. *		Q	4
02071303	Legs, thighs or legs and thighs in one piece. *		Q	4
02071399	Other. *		Q	4

020714	Cuts and offal, frozen		
02071401	Deboned by mechanical means. ***	Q	4
02071402	Livers.	X	
02071403	Carcasses. ***	Q	4
02071404	Legs, thighs or legs and thighs in one piece. **	Q	4
02071499	Other. ***	Q	4
160231	Of turkeys		
16023101	Of turkeys.*	Q	4
160232	Of fowls of the species Gallus domesticus		
16023201	Of fowls of the species Gallus domesticus containing meat or meat offal of bovine animals or swine, n.e.s.*	Q	4
16023201XX	Only: Not containing meat or meat offal of bovine animals or swine, n.e.s. ****	Q	4
160239	Other		
16023999	Other. *	Q	4
16025099	Other.	X	
16025099AA	Only: Guts, bladders and stomachs, whole and pieces thereof, simply boiled in water.	A	
16025099BB	Only: Dried or salted meat. *	Q	1
16025099CC	Only: In airtight containers containing vegetables. *	Q	1