Import Tariffs in Mexico

Under the terms of the NAFTA, Mexico eliminated tariffs on all remaining industrial and most agricultural products imported from the United States on January 1, 2003. The remaining tariffs and non-tariff restrictions on corn, sugar, milk powder, orange juice, and dried beans were phased out as of January 1, 2008.

A number of U.S. exports are subject to antidumping duties that limit access to the Mexican market. Products subject to these duties currently include beef, apples, epoxidized soy oil, liquid caustic soda, hydrogen peroxide, monoethylene glycol mono butyl ether, ammonium sulfate, stearic acid, partially hydrogenated fatty acid, polyvinyl chloride, bond paper, and welded carbon steel pipe. The United States exempted Mexico from the recently ended safeguard action on steel.

Mexico also has implemented what are called “Sectoral Promotion Programs (PROSEC)” which reduce MFN tariffs to 0 or 5 percent on a wide range of important inputs needed by Mexico’s export manufacturing sector. This program includes some 20 different industry sectors and affects 16,000 tariff line items. Mexican companies must be registered under this program to participate, and it can be difficult to qualify.

All NAFTA-compliant products imported definitively into Mexico no longer need to pay the customs processing fee (CPF). Products temporarily imported for processing and re-export may be subject to the CPF since the imports are not considered “definitive.”

Mexico has, in addition, a value-added tax (IVA) on most sales transactions, including sales of foreign products. The IVA is 10 percent for products staying in the Mexican border region and 15 percent for products that enter the interior of Mexico. Basic products such as food and drugs (but not processed foods) are exempt from the IVA.
A special tax on production and services (IEPS) is assessed to the importation of alcoholic beverages, cigarettes and cigars, among others. This tax may vary from 25 to 160 percent depending on the product.

Where an "arms length" transaction does not exist between seller and importer, such as intra-company sales or transfers, Mexico applies valuation rules that are compatible with the Brussels Customs Valuation Code. Goods for which the NAFTA preferential tariff treatment is not requested are valued on a C.I.F. basis.

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