

**CHILE – MEXICO (GOODS)**  
**Summary Fact Sheet**  
**October 2007**

**Table 1: Background Information**

Parties	Chile, Mexico	
Date of signature	17 April 1998	
Date of entry into force	1 August 1999	
Transition period for full implementation	6 Years, 5 Months	
Date of full implementation	1/1/2006	
Website addresses or points of contact	Chile: <a href="http://www.direcon.cl/index.php?accion=tlc_mexico">http://www.direcon.cl/index.php?accion=tlc_mexico</a> Mexico: <a href="http://www.economia.gob.mx">www.economia.gob.mx</a>	
List of related GATT/WTO documents	WT/REG125/N/1 WT/REG125/2 WT/REG125/3 WT/REG125/M/1,2 WT/REG125/1 WT/REG125/5-6	Notification Terms of Reference Standard Format Summary Records Agreement Questions & Replies

**Table 2: Internal trade liberalization provisions**

Import duties and charges	Article 3-04 - elimination of import duties on goods that satisfy rules of origin in Chapter 4 Article 3 and Annex III: Tariff Rates Quotas
Export duties and charges	Article 3-10 – no customs duties or charges on goods originating in either party Annex 3-11 provides an exception to Mexico to apply a tax, duty or other charge on exports of basic foodstuffs
Non-tariff measures	Chapter 3 Section D Article 3-09 and Annex 3-09
Sector-specific rules	Specific provisions concerning the automotive sector in Annex 3-15 require Mexico to automatically grant import permits for vehicles originating in Chile. The Parties also establish a tariff rate quota for vehicles.
Product exclusions	Annex 3-04(3)

**Table 3: Common External Tariff**

Provisions	Not applicable
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**Table 4: General trade-related provisions**

Provision	Relevant Article(s)	Additional Information
Rules of Origin	Chapter 4 Chapter 5 Chapter 20	Goods wholly obtained or produced in the territory of either Party; manufactured with non-originating materials but meeting the requirements of Annex 4-03 or satisfying the regional content requirement where the corresponding change in tariff classification cannot be made; and classified in subheadings for which a transition period regarding the mandatory minimum regional-content value has been agreed. The general provisions allow flexibility in the implementation of rules with special rules in Articles 4-03(f) (circumstances precluding change in tariff classification), 4-08 (cumulation) and 4-06 ( <i>de minimis</i> ).
Standards-related measures	Article 1-03 Article 1-05 Chapter 7 Chapter 8	Parties affirm their rights and obligations under the WTO Agreements. Article 1-05 establishes the validity of all references to any other international treaty or agreement to which both countries are party. Part Three deals with technical standards, including sanitary and phytosanitary (Chapter 7) and standards-related (Chapter 8) measures.
SPS measures	Chapter 7	The Parties will base measures as far as possible on international standards, guidelines or recommendations and establish harmonized systems, for sampling, diagnosis, inspection and certification of animals, plants and the products and by products thereof. They will also recognize

Provision	Relevant Article(s)	Additional Information
		disease- or pest-free areas to the extent that the Party concerned provides objective evidence of that condition, to the satisfaction of the other Party. A Committee on Sanitary Measures is established and is responsible for coordinating the relevant provisions and, where necessary, for setting up sub-committees in specific fields.
Safeguard mechanisms (intra-trade)	Chapter 6	Rules and procedures for the adoption of bilateral safeguard measures for a specified period to prevent any injury from an excessive and unforeseen increase in imports originating in the territory of the other Party, as a result of tariff reductions under the Agreement. The Party imposing the measure must provide compensation to the other Party. If the Parties are unable to agree on compensation, the exporting country may take action having equivalent effect in order to offset the trade effects of the safeguard. Bilateral measures may be adopted solely during the transition period and exclusively for products subject to tariff reduction. They may be adopted beyond the transition period, but only with the consent of the country against whose goods the action is taken. In the long term, the Parties, as WTO Members, may impose global non-discriminatory safeguard measures, in accordance with Article XIX of the GATT 1994
Anti-dumping and countervailing measures	Article 20-08(b)	The Parties undertake to begin negotiations from the second year following the Agreement's entry into force with a view to the reciprocal elimination of anti-dumping duties.
Subsidies and state aid	Article 3.13	Governed by the WTO Agreement on Subsidies and Countervailing Measures. The Agreement provides for the elimination of all export subsidies on agricultural products as from 1 January 2003. Until that date, should a Party introduce, re-introduce or increase export subsidies, the other Party may raise the MFN rate of duty applied on the product.
Customs-related procedures	Chapter 5	Provisions on the declaration, verification and certification of origin, import and export obligations, exceptions, accounting records, confidentiality, advance rulings, penalties, review and appeal, and customs sub-committee.
IPR	Part 5	Regulations on copyright, related rights, trademarks and appellations of origin. Under the general provisions only certain spheres of intellectual property are covered. The Parties may, <i>inter alia</i> grant more extensive protection than is required under the Agreement and provide for national and most-favoured-nation treatment and cooperation.
Government procurement	Article 20-08(c)	The Parties undertake to begin negotiations on government procurement as from the second year following the Agreement's entry into force.
Competition	Chapter 14	Parties must adopt or maintain measures that proscribe anti-competitive business practices and consult on the effectiveness of their measures. The dispute settlement system may not be invoked in respect of this obligation. The Parties may establish monopolies and state owned enterprises. For a privately owned monopoly, each Party must ensure that the monopoly acts in a manner not inconsistent with obligations under the Agreement.
Investment	Chapter 9	Covers <i>inter alia</i> scope and coverage, national and most favored nation treatment, minimum standard of treatment, performance requirements, non-conforming measures, transfers, expropriation and compensation, denial of benefits, implementation, and investor-state dispute settlement.
General exceptions	Chapter 19	Incorporates the general exceptions in Article XX of the GATT 1994 and Article XIV of the GATS. Parties are not required to furnish information on national security and may take any action deemed necessary to protect security interests, in particular measures relating to trade in weapons and transactions in goods, services and technology carried out for provisioning a defence establishment. This Chapter generally excludes internal taxation measures. Provision also for the adoption of measures restricting transfers in case of serious balance-of-payments difficulties or the threat thereof.
Accession	Article 20-06	The ALCCM is open for accession, after negotiation, to all other parties to the Montevideo Treaty of 1980 (Agreement Establishing the Latin

Provision	Relevant Article(s)	Additional Information
		American Integration Association).
Dispute resolution	Chapter 18 Chapter 19	Establishes a dispute settlement system to settle disputes between the Parties in respect of the ALCCM or of measures that are inconsistent with the ALCCM or liable to cause nullification or impairment of some of the benefits it provides. The system may not be invoked in the event of disagreement in connection with safeguard measures that have been proposed or with matters excluded from the scope of the Agreement.
Relation with other trade agreements	Article 1-03 Article 3-03-06 Article 3-09.1 Article 3-12 Article 3-13.2 Article 7-01 Article 1-06	The Parties affirm their mutual rights and obligations under the Agreement Establishing the WTO, the Montevideo Treaty of 1980 and other agreements to which they are party. In the event of any inconsistency between these instruments and this Agreement, the latter prevails to the extent of the inconsistency. The preferences negotiated or granted among the Parties under the Montevideo Treaty of 1980 are rescinded from the time of entry into force of the Agreement. Under Article 3-05, the customs valuation rules applied by the Parties in their reciprocal trade are governed by the Agreement on Customs Valuation. Article 3-03 incorporates Article III of the GATT 1994. Article 19-02 incorporates Article XX of the GATT 1994 and its interpretative notes.
Transparency	Article 16	Transparency provisions include requiring both parties to publish their laws, regulations and administrative rulings promptly (and in advance if possible) to allow the other party to comment; the Chapter also includes transparency provisions with regard to administrative proceedings and review and appeal procedures.
Institutional provisions	Articles 17-01 and 17-02	Establishes the Free-Trade Commission and the Secretariat of the ALCCM. The main body is the Chile-Mexico Free-Trade Commission, which convenes once a year. Its terms of reference include to: supervise implementation of the Agreement and evaluate its results; resolve disputes regarding its interpretation or application; supervise the work of committees, sub-committees and groups of experts; and establish rules and procedures.
Other	Article 9-15	The Agreement contains provisions on the protection of environment.

**Table 5a: Trade and tariff data (Mexico's imports from Chile)**  
US\$ million

	Value of imports from Chile	Value of imports covered by the Agreement	Percent covered
1998	552.0	551.8	99.96
1999	683.5	683.3	99.97
2000	893.7	893.6	99.99
2001	975.0	974.8	99.98

Source: Ministry of the Economy, using data provided by the Bank of Mexico

**Table 5b: Trade and tariff data (Chile's imports from Mexico)**  
US\$ million

	Value of imports from Mexico	Value of imports covered by the Agreement	Percent covered
1998	849.9	840.1	98.8
1999	578.8	578.4	99.9
2000	615.7	615.1	99.9
2001	532.9	532.6	99.9

Source: DIRECON