



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Fr: Jill Gerber for Chairman Grassley, 202/224-6522
Re: Mexico's tax on high fructose corn syrup
Da: Tuesday, Aug. 9, 2005

According to press reports, a World Trade Organization (WTO) dispute settlement panel yesterday issued a confidential final report in favor of the United States in the WTO dispute over Mexico's tax on high fructose corn syrup. This final report is reported to have upheld the panel's June preliminary ruling. Sen. Chuck Grassley, chairman of the Committee on Finance, has long urged Mexico to drop this discriminatory tax and comply with its international trade obligations. Grassley made the following comment on the WTO's decision in the case.

"I haven't seen the final report, but I understand that the WTO has again determined that Mexico's discriminatory tax on beverages containing high fructose corn syrup violates Mexico's WTO obligations. This discriminatory tax is harming farmers and high fructose corn syrup producers in Iowa and elsewhere.

"I urge Mexico to comply with its WTO obligations and lift this tax as soon as possible. This WTO-inconsistent tax has been an irritant in U.S.-Mexican trade relations for too long.

"At the same time, I sincerely hope that the Mexican government doesn't engage in a game of hide and seek and replace this WTO-inconsistent barrier to imports of high fructose corn syrup with yet another barrier that violates Mexico's international trade commitments."

The panel's final report will be circulated to WTO members and the public after it has been translated into the three official WTO languages. Circulation of the report is expected to occur in September.