

3-19-1997

Trade Secretariat Announces Temporary Restrictions On Some Imports Of Textile Products

Carlos Navarro

Follow this and additional works at: <https://digitalrepository.unm.edu/sourcemex>

Recommended Citation

Navarro, Carlos. "Trade Secretariat Announces Temporary Restrictions On Some Imports Of Textile Products." (1997).
<https://digitalrepository.unm.edu/sourcemex/3718>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in SourceMex by an authorized administrator of UNM Digital Repository. For more information, please contact amywinter@unm.edu.

Trade Secretariat Announces Temporary Restrictions On Some Imports Of Textile Products

by *Carlos Navarro*

Category/Department: General

Published: Wednesday, March 19, 1997

In mid-March, the Trade Secretariat (SECOFI) announced contingency plans to impose temporary import restrictions on 49 separate products to protect the country's textile industry. Speaking to reporters, deputy trade secretary Raul Ramos said the restrictions would not kick in unless imports of these items surpass a previously determined quota. According to Ramos, SECOFI has not decided when the new regulations will actually go into effect. Nevertheless, Ramos said the Mexican government was viewing the restrictions as only a temporary measure that will remain in place until the year 2000. "We are not talking about an indiscriminate increase in tariffs," said Ramos. "Rather, we are seeking to promote increased competitiveness for our textile industry." NAFTA and bilateral partners exempt from restrictions Ramos emphasized that the restrictions would apply only to imports from countries that do not have a free trade agreement with Mexico. Therefore, any imports from such countries as the US, Canada, Chile, Bolivia, Costa Rica, Colombia, and Venezuela would be exempt. "This is a mechanism that would allow us to react more quickly to an adverse import situation, protect our productive sectors, and promote investment among our own manufacturers," said Ramos. As expected, the textile industry chamber (CANAINTEX) strongly endorsed the new regulations. Jose Saltiel Serotta, outgoing president of CANAINTEX, said the new regulations could promote development of the domestic textile sector. "Our industry has continued to be one of the pillars of growth in Mexico and is beginning to move forward as part of the economic recovery," said Saltiel. Still, Saltiel said that, despite the recent recovery in the sector, Mexican textile manufacturers continue to contend with unfair advantages enjoyed by foreign competitors. He said many textile products exported to Mexico are either subsidized by a foreign government or sold in the country at below world market prices. Clothing manufacturers oppose measure On the other hand, the SECOFI move met strong opposition from the clothing industry chamber (CNIV), which expressed major reservations about the impact of import restrictions on the cost of production. In an interview with the daily business newspaper *El Economista*, CNIV president Ramzy Casab Velazquez warned that the import tariffs could reduce supplies of textiles and, in turn, force clothing manufacturers to raise their prices by at least 10%. "This mechanism is illogical and will not benefit any clothing manufacturer," said Casab. "In fact, the clothing industry could lose its competitiveness because the higher cost of production could affect quality, prices, and design." According to Casab, the list compiled by SECOFI includes 11 textiles that are not even manufactured in Mexico. Furthermore, Casab expressed concern that the SECOFI restrictions could affect Mexico's ongoing efforts to negotiate a free trade agreement with the European Union (EU), which is the source of some textiles imported by Mexican manufacturers. [Note: Peso-dollar conversions in this article are based on the Interbank rate in effect on March 19, reported at 7.93 pesos per US\$1.00]. (Sources: *Novedades*, *The News*, *El Nacional*, 03/12/97; *El Universal*, 03/13/97; *El Economista*, 03/12/97, 03/17/97)

-- End --