

Issues and Requests Relating to Foreign Trade and Investment - Mercosur

Category	No	Issue	Issue Details	Requests	References
9 Restrictive Export/Import Trade, Duty, and Customs Clearance	(1)	<u>High Import Duty</u>	- <u>High import duty (about 14% on hydraulic machines) and addition of value added tax serve as substantial barriers to FFEs' entry into common market of the South (Mercosur).</u>		
	(2)	<u>Discriminatory Application of the Harmonised Tariff Classification</u>	- <u>Under the going Mercosur HS code scheme, a substantial difference in customs duty results from the device technology so that DLP projector (incorporating the U.S. manufacturer's core technology) classified under 8528.69.10. attracts 0% customs duty, while 16% customs duty applies to 3-LCD type DLP projector (incorporating the Japanese affiliated manufacturer's 3LCD core technology) classified under 8528.61.00.</u> <u>[Reference]: Current Mercosur HS code on projector:</u> <u>Remarks: DMD is also called DLP projector (digital light processing)</u> <u>- Projectors: 8528.61.00:</u> <u>-- Of a kind solely or principally used in an automatic data processing system of heading 8471, 16%</u> <u>-- Other: 8528.69.10:</u> <u>--- With digital micromirror device (DMD) technology, Free</u> <u>8528.69.90:</u> <u>--- Other, 20%</u>	- <u>It is requested that Mercosur removes bias from its HS scheme and applies 0% customs duty also on the 3-LCD type projector.</u>	