

### **JOINT DECLARATION I**

#### **concerning full cumulation pursuant to Article 2 of Annex III**

1. The Parties recognise the important role of cumulation of origin in encouraging the smooth development towards the establishment of a free trade area between the Community and Mexico.
2. For that purpose, the Parties will examine the parameters to be considered in evaluating the economic conditions needed to eventually implement full cumulation. This process will begin no later than three years after entry into force of this Decision.
3. Following a positive assessment pursuant to paragraph 2, the Parties shall take the necessary steps to implement full cumulation.
4. Full cumulation allows to take into account all stages of processing or transformation of a product within the free trade area without the materials used being necessarily originating in one of the partner countries.

### **JOINT DECLARATION II**

#### **relating to Article 2 of Annex III**

Products manufactured exclusively from materials which comply with the provisions set out in Articles 4 or 5 of Annex III, shall also be considered as originating in Mexico or the Community.

### **JOINT DECLARATION III**

#### **relating to Article 6 of Annex III**

1. The Special Committee on Customs Cooperation and Rules of Origin, established in accordance with Article 17 shall discuss and agree on a definition for simple mixing of products and simple assembly of parts to constitute a complete product. These definitions shall enter into force no later than 1 January 2003.
2. Prior to that date, the Parties agree that for the chemical sector simple mixing of products does not include chemical reaction.
3. For other sectors, simple assembly of parts to constitute a complete product, includes screwdriver operations.
4. For the chemical sector 'chemical reaction' means a process (including a biochemical process) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule.

### **JOINT DECLARATION IV**

#### **regarding Appendix I to Annex III**

When the ex-works price is not known or is uncertain, the producer or an exporter of goods may use the cost of manufacturing of the product.

### JOINT DECLARATION V

#### regarding Notes 2 and 3 of Appendix II(a) to Annex III for Heading Nos ex 2914 and ex 2915

The Joint Committee shall review the necessity to extend beyond 30 June 2003 the application of the rule established in Notes 2 and 3 of Appendix II(a), if the economic conditions which formed the basis for establishing the rule set out in those Notes continue.

### JOINT DECLARATION VI

#### regarding Note 4 of Appendix II(a) to Annex III for Heading No 4104

1. The Joint Committee shall extend beyond 31 December 2002 the rule established in Note 4 of Appendix II(a), if the multilateral/WTO negotiations continue beyond that date until these negotiations have finished. At that time, in light of the results of these negotiations, the Joint Committee shall determine the rule of origin to be applied.
2. Within the context of the multilateral negotiations, both Parties shall seek to establish disciplines for the elimination of export taxes or restrictions that operate to increase the exports of, or the protection afforded to, domestic industries, such as leather.

### JOINT DECLARATION VII

#### regarding specific textile products of Appendix II to Annex III

1. For heading Nos 5208 to 5212, the Joint Committee shall review, in 2003, the annual quota to adjust it in the light of the experience in managing it and the bilateral trade flows.
2. For heading No 5407 to 5408, the Joint Committee shall review, in 2003, the annual quota to adjust it in the light of the experience in managing it and the bilateral trade flows.
3. For heading Nos 5512 to 5516, the Joint Committee shall review, in 2003, the annual quota to adjust it in the light of the experience in managing it and the bilateral trade flows.
4. For heading Nos 5801, 5806 and 5811, the Joint Committee shall review, in 2003, the annual quota to adjust it in the light of the experience in managing it and the bilateral trade flows.

### JOINT DECLARATION VIII

#### regarding Note 8 of Appendix II(a) of Annex III for Heading Nos 6301 to 6304

Notwithstanding Note 8 of Appendix II(a), the Joint Committee shall review the necessity to extend beyond 31 December 2003 the application of the rule established in that note. The review shall be undertaken on the basis of all relevant factors, including the availability of woven fabrics at the adequate quantities or qualities within the free trade area.

### JOINT DECLARATION IX

#### regarding Note 9 of Appendix II(a) to Annex III

For heading Nos 6402, 6403 and 6404, the Joint Committee shall review, in 2004, the conditions established in Note 9 of Appendix II(a) to adjust it in the light of the quota management experience with a view to allowing effective use of the trading opportunities offered.

**JOINT DECLARATION X**  
**regarding Appendix II and Appendix II(a) to Annex III**

The Parties agree that the administration of the auctioning system will only require payment of the amount offered if the total sum of all quotas offered by each bidder exceeds the total amount of the quota ('least winning price system').

**JOINT DECLARATION XI**  
**regarding Note 12.1 of Appendix II(a) to Annex III for Heading Nos ex 8701, 8702 and 8704**

The Parties shall review, at any time after 31 December 2002, the rule set out in Note 12.1 of Appendix II(a), if the Joint Committee determines that the power train (engine, transmission, etc.) is not being supplied in the Community and Mexico, or an investigation regarding anti-competitive practices in one of the Parties has been initiated at the request of manufacturers of vehicles under these headings. In such case, for a period of time to be determined by the Joint Committee, the rule set out in Note 12.1 of Appendix II(a) shall continue to apply as established for the years 2000 to 2002. For this purpose, the manufacturers of vehicles under these headings will provide the necessary information to the Joint Committee.

*Note:* Joint Declarations XII to XV were published in *Official Journal of the European Communities* L 157 of 30 June 2000, page 29.

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