

## Annex 2-03.8

### Tariff Preferential Quotas for certain Goods classified in Chapter 50 through 63 of the Harmonized System

1. Each Party shall apply the provision of article 02-03.8, in accordance to the following quantities:

- (i) Apparel and Other Made Up Textile Articles(classified in Chapters 61 through 63 of the Harmonized System)

For the first 3 years of entry into force of the Agreement 2.1 million dollars

For the year 4 and thereafter 3.0 million dollars

- (ii) Yarns and Fabrics (classified in Chapters 50 through 60 of the Harmonized System)

For the first 3 years of entry into force of the Agreement 1.4 million dollars

For the year 4 and thereafter 2.0 million dollars

Total annual quota for the first three years of entry into force of the Agreement 3.5 million dollars

Total annual quota for the year 4 and thereafter 5.0 million dollars

2. Maximum amount of annual quota to be allocated within the same heading 15% of total annual quota

3. Mexico shall allocate the annual Tariff Preferential Quotas (TPQ's) specified in this Schedule through a "first come, first served" mechanism.

The Parties agree to review after 2005 the annual TPQ's to adjust it in the light of the experience in managing it and the bilateral trade flows.