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L/5689

1 October 1984

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**GENERAL AGREEMENT ON  
TARIFFS AND TRADE**

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Original: Spanish

LATIN AMERICAN INTEGRATION ASSOCIATION (LAIA)

Report Presented by the Member States of LAIA

The delegation of Uruguay, acting on behalf of LAIA member countries which are contracting parties to the General Agreement, has forwarded the following communication dated 25 September 1984.

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I have pleasure in forwarding herewith the biennial report by LAIA to the CONTRACTING PARTIES on implementation of the "Enabling Clause" provisions.

INFORMATION ON IMPLEMENTATION OF THE "ENABLING CLAUSE" PROVISIONS

In pursuance of paragraph 4(a) of the Decision adopted by the CONTRACTING PARTIES on 28 November 1979 regarding "differential and more favourable treatment, reciprocity and fuller participation of developing countries", the delegations of Argentina, Brazil, Colombia, Chile, Peru and Uruguay, being member countries of LAIA and at the same time contracting parties to the General Agreement, hereby present the following information.

1. The member countries of the Association undertook to incorporate in the new integration scheme established by the 1980 Treaty of Montevideo, signed on 12 August 1980, the concessions granted under the liberalization mechanisms of the Treaty of Montevideo (national schedules, lists of exclusive advantages, and complementarity agreements), renegotiating those concessions by updating, enlarging or withdrawing them, so as to achieve greater strengthening and equilibrium of trade flows.

In furtherance of that undertaking, the member countries of the Association which are GATT contracting parties have signed the instruments mentioned below in accordance with the mechanisms of the 1980 Treaty of Montevideo.

A. Partial-scope agreements for renegotiation of preferences granted in the period 1962/1980

The list of partial-scope agreements signed in accordance with Resolution 1 of the Council of Ministers incorporating in the new scheme concessions granted in national schedules or lists of exclusive advantages within the framework of LAFTA is as follows:

<u>Country</u>	<u>Instrument</u>
Argentina with:	
Bolivia	Agreement No. 2
Brazil	Agreement No. 1
Colombia	Agreement No. 4
Ecuador	Agreement No. 5
Mexico	Agreement No. 36
Peru	Agreement No. 6
Venezuela	Agreement No. 7
Chile, Paraguay and Uruguay	Agreement No. 26
Brazil with:	
Argentina	Agreement No. 1
Bolivia	Agreement No. 8
Colombia	Agreement No. 10
Chile	Agreement No. 3
Ecuador	Agreement No. 11
Mexico	Agreement No. 9

<u>Country</u>	<u>Instrument</u>
Paraguay	Agreement No. 34
Peru	Agreement No. 12
Uruguay	Agreement No. 35
Venezuela	Agreement No. 13
Colombia with:	
Argentina	Agreement No. 4
Brazil	Agreement No. 10
Chile	Agreement No. 14
Paraguay	Agreement No. 18
Uruguay	Agreement No. 23
Mexico	Agreement No. 40
Chile with:	
Bolivia	Agreement No. 27
Brazil	Agreement No. 3
Colombia	Agreement No. 14
Ecuador	Agreement No. 15
Mexico	Agreement No. 37
Peru	Agreement No. 28
Venezuela	Agreement No. 16
Argentina, Paraguay and Uruguay	Agreement No. 26
Peru with:	
Argentina	Agreement No. 6
Brazil	Agreement No. 12
Chile	Agreement No. 28
Mexico	Agreement No. 32
Paraguay	Agreement No. 20
Uruguay	Agreement No. 33
Uruguay with:	
Bolivia	Agreement No. 22
Brazil	Agreement No. 35
Colombia	Agreement No. 23
Ecuador	Agreement No. 24
Mexico	Agreement No. 39
Peru	Agreement No. 33
Argentina, Chile and Paraguay	Agreement No. 26
Venezuela	Agreement No. 25

B. Trade agreements

Resolution 1 of the Council of Ministers likewise provides (Article 8) that the complementarity agreements concluded under the Treaty of Montevideo and Resolution 99 (IV) of LAFTA are to be adjusted to the new system of trade agreements envisaged in Article 6 of Resolution 2 of the Council, and that concessions contained therein can be renegotiated in accordance with the specific provisions laid down for such agreements.

In pursuance of that provision, the member countries which had signed complementarity agreements have taken action to adjust them, resulting in the following trade agreements currently in force:

<u>Industrial sector</u>	<u>Trade agreement</u>
Statistical machines	No.1
Electronic valves	No.2
Chemicals	No.5
Refrigeration and air-conditioning	No.7A
Household goods	No.7B
Glass	No.8
Generating, transmission and distribution of electricity	No.9
Office machines	No.10
Electronics and electrical communications	No.12
Phonography	No.13
Electrical household equipment	No.14
Chemical and pharmaceutical industry	No.15
Petrochemical industry	No.16
Refrigeration and air-conditioning	No.17A
Electrical household equipment	No.17B
Photography	No.18
Electronics and electrical communications	No.19
Dyes and pigments	No.20
Chemicals (surpluses and deficiencies)	No.21
Essential oils, aromatic chemicals, perfume and flavouring industry	No.22
Generating, transmission and distribution of electricity	No.23
Electronics and electrical communications	No.24
Lamps and lighting units	No.25

C. Economic complementarity agreements

Likewise pursuant to Resolution 1 of the Council of Ministers (Article 10), three member countries of the Association (Argentina, Brazil and Uruguay) have signed two economic complementarity agreements, thereby adjusting the bilateral agreements concluded by those countries under Resolution 354 (XV) of LAFTA.

2. In addition to the negotiating activity in connection with the renegotiation required by Resolution 1 of the Council of Ministers known as renegotiation of the "LAFTA heritage", the member countries of the Association have brought into operation other mechanisms of the 1980 Treaty of Montevideo.

A. Regional tariff preference

In accordance with Article 5 of that Treaty and Resolution 5 of the Council of Ministers, the member countries of the Association have implemented the regional tariff preference as from 1 July 1984, and have concluded a regional agreement to that end.

By definition (Article 6 of the 1980 Treaty of Montevideo), all the member countries of the Association (eleven countries) participate in that agreement, six of them (Argentina, Brazil, Colombia, Chile, Peru and Uruguay) being contracting parties to the General Agreement (GATT).

B. Liberalization lists in favour of the relatively less-developed countries

In pursuance of Article 18 of the 1980 Treaty of Montevideo, the member countries have likewise concluded three regional agreements containing lists of products on which each of them has granted concessions to the relatively less-developed countries.

C. Other partial-scope agreements

Resolution 2 of the Council of Ministers establishes provisions for the conclusion of partial-scope agreements between member countries of the Association in pursuance of the 1980 Treaty of Montevideo (Article 7 ff.).

The following instruments have been signed to date under that Resolution:

- (i) Agricultural agreement: concluded between the Argentine Republic and the Eastern Republic of Uruguay in order to establish preferential treatment between the two countries in respect of trade in live bovine animal, sheep and swine and meat of those species, and likewise to co-ordinate policies for the marketing of those products in international markets; and
- (ii) Economic complementarity agreement: concluded between the Argentine Republic and the Republic of Ecuador in order to promote economic complementarity between the two countries in the plumbers' fittings manufacturing sector.

- (iii) Partial scope agreements under Resolution 24 of the Committee of Representatives. In pursuance of Resolutions 21 and 24 of the Committee of Representatives and taking into account the relevant recommendations set forth in the report of the high-level meeting of governmental integration authorities of the member countries, held at Montevideo in June 1982, the Governments of the Argentine Republic and of the Federative Republic of Brazil, respectively, have signed partial-scope agreements with the Republic of Bolivia with the aim of contributing to developing trade with that country in various products.

The partial-scope agreements concerned are Nos. 1 and 2, signed with Brazil and Argentina respectively, dated 30 April and 26 August 1983 and valid for a period of one year from the date of signature, to run for a further year in the absence of any statement to the contrary by any signatory. (At the date of the present report, the agreement signed by the Federative Republic of Brazil has been extended automatically under the above-mentioned option.)

- (iv) Partial-scope agreements under Article 25 of the 1980 Treaty of Montevideo. Under Article 25 of the 1980 Treaty of Montevideo, member countries may sign partial-scope agreements with other Latin-American countries and areas of economic integration, in accordance with the various modalities foreseen in Chapter 2, Section 3 of that Treaty.

Under this provision, Argentina and Colombia inter alia have concluded partial-scope agreements as follows with Latin-American countries not members of the 1980 Treaty of Montevideo:

<u>Signatory countries</u>	<u>Date of signature</u>
Argentina - El Salvador	27 August 1983
Argentina - Costa Rica	31 August 1983
Argentina - Cuba	16 March 1984
Colombia - Costa Rica	2 March 1984
Colombia - Nicaragua	2 March 1984
Colombia - Guatemala	2 March 1984