

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1425

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Limited Distribution

Original: Spanish

CENTRAL AMERICAN FREE TRADE AREA

Communication from the Government of Nicaragua

The following communication dated 14 February 1961 has been received from the Government of Nicaragua:

"In accordance with the Multilateral Central American Free Trade and Economic Integration Treaty, the Central American countries have signed a Central American Agreement on the equalization of import duties and charges with a view to the formation, in the near future, of a complete customs union. Attached to our letter of 3 September 1960 was the text of the above-mentioned Treaty¹ which we sent you in order that it be examined by the CONTRACTING PARTIES. On 13 December 1960, the General Treaty for Central American Economic Integration was signed in the City of Managua.² The purpose of the Treaty is to speed up, to the greatest extent possible, the formation of the Central American customs union within a period of five years. A copy of the Treaty is enclosed herewith.³

"Since the signature of the Agreement on the equalization of import duties and charges, the unification of afors has been agreed upon, to be effective immediately in respect of 429 tariff items, and to be achieved gradually over a period of five years in respect of 259 items.

"The situation outlined above and the fact that Nicaragua alone is a contracting party to the General Agreement has led us to request the CONTRACTING PARTIES to examine our special situation in relation with the other Central American countries, and to release the Government of Nicaragua, in conformity with the provisions of Article XXIV of the General Agreement, from the obligation to apply the concessions included in Schedule XXIX and negotiated in Annecy and Geneva where the afors relating to the corresponding tariff items have already been unified vis-à-vis Central American countries.

¹L/1302 and Add.1

²L/1302/Add.2

³One copy (Spanish) has been received by the secretariat.

"Salvador and Guatemala are already applying the Central American uniform customs tariff, and if our Government does not bring this tariff into application within a short period, the trade of our country will be at a disadvantage in the territories of the other members of the customs union from the point of view of competitiveness.

"In view of the foregoing and given the urgency of the case, our Government is suspending provisionally the application of concessions included in Schedule XXX insofar as they relate to the tariff items for afros which have already been unified, pending the result of the examination by the CONTRACTING PARTIES."

