

CHILE-EL SALVADOR (GOODS)
Summary Fact Sheet
December 2007

Table 1: Background Information

Parties:	Chile, El Salvador	
Date of signature	18 October 1999	
Date of entry into force	1 June 2002	
Transition period for full implementation	16 years from date of ratification	
Date of full implementation	El Salvador: 1 January 2017 Chile: 1 January 2011	
Website address or points of contact	Chile: http://www.direcon.cl/index.php?accion=tlc_camerica_04 El Salvador: http://www.minec.gob.sv/default.asp?id=70&mnu=70	
List of related GATT/WTO documents	WT/REG165/N/1 and Corr. 1 WT/REG165/1 WT/REG165/2 S/C/N/299 WT/REG165/3 WT/REG165/4 WT/REG165/M/1-2 WT/REG165/6-8	Notification Agreement Additional info (bilateral protocol) Notification Terms of Reference Standard Format Summary Records Questions and Replies

Table 2: Internal trade liberalization provisions

Import duties and charges	Article 3.04 (Tariff elimination) Annex 3.04(2) (Tariff elimination programme)
Export duties and charges	Article 3.14 (Export duties) Annex 3.14 (Export duties)
Non-tariff measures	Section D (Non-tariff measures)
Sector-specific rules	No specific provisions regarding trade in goods in any particular sector, other than those contained in each Party's Tariff Elimination Programme and other Annexes
Product exclusions	Chile: Products subject to the price band mechanism including wheat, wheat flour, edible oils and sugar. Also beef, pork, chicken meat, dairy products, eggs, oranges, lemons, some steel products, cement, among others. El Salvador: beef, chicken meat, pork, dairy products, some vegetables, rice, oranges, lemons, beer, vehicles, yellow maize, white maize, different types of flours, some edible oils, raw sugar, sweets, food preparations, cement, footwear and used tyres.

Table 3: Common External Tariff

Provisions	Not applicable
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Table 4: General trade-related provisions

Provision	Relevant Article(s)	Additional Information
Rules of Origin	Chapter 4 and Annex 4.03	Main criteria for qualification as originating goods are that the goods be wholly obtained or produced entirely in the territory of one or more Parties belonging to the FTA manufactured exclusively from originating materials, or that the imported raw materials used in producing the goods have undergone a change in tariff classification in accordance with the specific rules or origin in the in the Annex to Article 4.03
Standards-related measures	Chapter 9	To increase and facilitate trade among the Parties by avoiding that standards, technical regulations, conformity assessment procedures, matters related to metrology and approval procedures applied to

		products become unnecessary technical barriers to trade. The Chapter includes specific provisions on basic rights and obligations, risk assessment, equivalence, harmonization, conformity assessment, technical cooperation, etc. It also includes transparency measures on notifications and establishes a Committee for discussing TBT issues and problems, facilitating the process of accepting conformity assessment results and specific provisions on technical cooperation.
SPS measures	Chapter 8	This Chapter provides a regulatory framework to facilitate trade in agricultural products and protect human, animal and plant life and health, under rules based on the WTO Agreement on the Application of SPS Measures. SPS standards are to be based on scientific information risk analysis and the international reference standards of the Office International des Epizooties, the <i>Codex Alimentarius</i> and the International Plant Protection convention
Safeguard mechanism (intra-trade)	Chapter 6	Bilateral emergency action may be used when, as a result of the reduction or elimination of a duty pursuant to the Agreement, a Party's good is being imported into the other Party in such increased quantities as to constitute a cause of serious injury, or threat of injury to the domestic industry of the latter. This mechanism can only be used during the transition period- i.e. the time taken for tariff liberalization plus 2 years. The mechanism triggers immediate compensation. The Parties retain their rights and obligations under Article XIX of GATT 1994 and the Safeguards Agreement, except for the exclusion of such actions in specific cases, and for compensation and retaliation which takes place immediately.
Anti-dumping and countervailing measures	Chapter 7	The Parties retain their rights and obligations under the WTO Agreement with regard to the application of antidumping and countervailing duties.
Subsidies and state air	None	
Customs-related procedures	Article 3.08 and Chapter 5	Chapter 5 includes rules regulating customs procedures for verifying declarations by an exporter that has been granted a tariff preference, including provisions on certificates of origin, the obligations of importers and exporters, procedures for verifying the origin of goods, and cooperation between customs administrations. The Customs Valuation Agreement governs the customs valuation rules applied by the Parties to their reciprocal trade.
IPR	None	The Agreement does not include a chapter on IPR. Article 3.12 on Geographical Indications in Section D on Non Tariff Measures, provides that the Parties acknowledge reciprocal recognition for their respective geographical indications.
Government procurement	Chapter 16	Chapter 16 establishes the principles of transparency and non discrimination. Article 16.04 grants national treatment for the procurement of goods, services (including construction services) and suppliers of the parties using open tendering procedures by all entities except those listed in annex 16.01 (Armed Forces, Judiciary, Municipalities, State Enterprises, etc.). It also contains provisions to ensure non discriminatory challenge procedures that follow due process, on cooperation and on the establishment of a Committee.
Competition	Chapter 15	The Parties shall ensure that the benefits of the Agreement are not undermined by anti-competitive business practices. They shall also endeavor to work toward the adoption of common rules to avoid such practices. The Parties will establish mechanisms to facilitate and promote the development of competition policy and ensure the application of rules on free competition among and within the Parties to avoid the adverse effects of anti-competitive business practices in the free trade area. The Parties shall also make sure that their

		Monopolies and State Enterprises act in accordance with the Agreement and do not treat in a discriminatory manner goods, investors or services providers of the other Party.
Investment	Chapter 10	Chapter 10 incorporates other agreements in investment into the Agreement and provides for a future work program.
General exceptions	Chapter 20	The Agreement identifies situations in which its provisions would not apply because of issues of public interest, national security, balance-of-payments difficulties or tax measures.
Accession	None	
Dispute resolution	Chapter 19	The complaining Party may opt for WTO procedures or those established by the Agreement. If the Agreement's dispute resolution mechanism is chosen, it first provides for consultations between the Parties. If this fails to resolve the dispute, either Party may refer the matter to the Free Trade Commission, which shall assist the Parties in reaching a mutually satisfactory resolution. If, within a specified period of time, the Parties still fail to agree, the Party which requested the Commission's intervention may request in writing the establishment of an arbitral panel made up of three members acting in conformity with rules of procedure to be laid down by the Commission.
Relation with other trade agreements	Article 1.04	The provisions of the Agreement prevail in the event of inconsistency with other international agreements. However, obligations under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the Montreal Protocol of Substances that Deplete the Ozone Layer and the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and Their Disposal prevail if there is inconsistency with the Agreement.
Transparency	Chapter 17 articles 8.10, 13.8 and 16.05	The Agreement establishes transparency provisions for administrative rulings, including the prompt publication of laws, regulations and administrative rulings, or in advance to allow comments by the other Party; and a review and appeal process. The Agreement has specific provisions on transparency in certain chapters, e.g. Sanitary and Phytosanitary Measures, Telecommunications and Government Procurement.
Institutional provisions	Annex 3.16, Article 8.11, Annex 8.11, Article 11.14, Annex 11.14, Article 12.04 and Chapter 18	The Agreement establishes administrative bodies including the Free Trade Commission, the Free Trade Sub-Commission, the Secretariat, the Advisory Committee on Private Commercial Disputes and committees, Sub-Committees or Groups of Experts for matters relating to trade in goods, SPS measures, standards-related, metrology and approval procedures, investment and cross-border trade in services.

Table 5a: Trade and tariff data (Chile's imports from El Salvador)

Period	Value (US\$ thousand)	Share of trade (%)
Intermediate	2.613,0	99.8
Eight years from entry into force	4,0	0.2
Total imports from El Salvador (2001)	2.617,0	100.0

Source: Standard Format

Table 5b: Trade liberalization between the parties (El Salvador's imports from Chile)

Period	Value (US\$ thousand)	Share of trade (%)
Immediate	11,019.9	69
Five years from entry into force	842.3	5.3
Eight years from entry into force	129.8	0.8
Ten years from entry into force	3,262.0	20.4
16 years from entry into force	152.3	1.0
Excluded	557.6	3.5
Total imports from Chile (2001)	15,963.9	100

Source: Banco Central de Reserva de El Salvador