

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CENTRAL AMERICAN FREE-TRADE AREA

Request by Nicaragua

The following statement and text of the Draft Central American Free-Trade Treaty have been submitted by the Government of Nicaragua for the information of the contracting parties.

CONTENTS

	<u>Page</u>
Historical Background	2
Text of the Draft Treaty	4
Annex A: List of Products covered by the Draft Treaty	17
Annex B: Customs Procedures	27
List of Products of the Regional Industries envisaged in the Programme for Economic Integration ¹	30
List of Products that could be included in the Free-Trade System provided they may be subjected to Export Control by certain countries	35

¹ The Draft Regulations for the Integration of Central American Industries is contained in L/508/Add.2

HISTORICAL BACKGROUND

Since the establishment of the Committee for Central American Economic Cooperation and since the Committee began its work in the capital of Honduras with the cooperation of ECLA between 23 and 28 August 1952, a draft free-trade treaty between the countries of central America, which is of considerable importance for the programme of integration of their economies, has been framed.

During the second meeting of the Committee which took place in the capital of Costa Rica between 12 and 17 October 1953, likewise with the collaboration of ECLA, Resolution N° 2 was adopted which provides as follows:

- 1) To recommend to governments of the Member States the conclusion of a Central American free-trade treaty on the basis of a minimum schedule which would comprise products liable to be included in a programme of gradual and limited integration of the economies of the Central American countries.
- 2) To request the Executive Secretary of the ECLA to assist the governments in carrying out this project, in cooperation with the Technical Assistance Administration.

Establishment of an Ad Hoc Commission

At the third meeting of the Committee, which took place in the City of Managua between 23 and 29 January 1956, an Ad Hoc Commission was set up which was scheduled to meet during the second half of March 1956, for the purpose of preparing a draft multilateral free-trade and economic integration treaty, in accordance with the precise, concrete principles laid down in the above resolution, in particular, to include the establishment of a free-trade area in respect of a list of articles which would be exempt from any customs duties or restriction or control measures, and to provide for harmonization, in so far as possible, of the customs duties imposed by Central American countries upon imports of such articles and the raw materials used for their manufacture.

It was agreed that to carry out its task, the Ad Hoc Commission would assume all the functions which had been entrusted, in this field, to the Sub-Committee on Central American Trade, which had already been in charge of this task, but had not the necessary time to prepare the draft with the desired speed.

Completion of the work in March

In accordance with the foregoing, the Commission met in Mexico City in the offices of ECLA and with the assistance of that United Nations body, completed its work on 24 March 1956. Nicaragua was represented at that meeting by Dr. Juan José Lugo Marenco, Vice-Minister for Economic Affairs; Dr. Luis A. Cantarero, Secretary of the National Economic Council and Dr. Gustavo Guerrero, Head of the Department of Economic Studies in the Ministry for Economic Affairs.

A Matter of Public Interest

We are including below the full text of the draft Central American Free-Trade Treaty, with a view to its dissemination, and in order that experts, entrepreneurs, and business circles should have the opportunity to study it and express their views on a matter which is of such importance to Central American economy, in general, and, to the economy of Nicaragua, in particular.

Any suggestions in this respect would be extremely useful to those who have been handling this matter and to the business and industrial circles of the country who would thus have available sounder elements upon which to base their judgement and to draw up a working programme in the near future when the draft has been improved and becomes the legal provisions governing Central American inter-trade.

DRAFT MULTILATERAL CENTRAL AMERICAN FREE-TRADE
AND ECONOMIC INTEGRATION TREATY

The Governments of the Republics of Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, desirous of intensifying and strengthening the bonds of origin and brotherhood which harmoniously unite the five countries, and for the purpose of effecting a gradual integration of their economies and securing development of their markets, promoting the production of and trade in goods and services, raising the standards of living and employment of their respective populations, thereby contributing to the restoration of the economic unity of Central America, are agreed to enter into the present Multilateral Central American Free-Trade and Economic Integration Treaty, which shall be gradually implemented and to that effect have designated their respective plenipotentiaries, as follows:

H.E. The President of the Republic of Guatemala,
H.E. The President of the Republic of El Salvador,
H.E. The President of the Republic of Honduras,
H.E. The President of the Republic of Nicaragua, and
H.E. The President of the Republic of Costa Rica,

who, having exchanged their respective full powers and having found those in order have agreed as follows:

CHAPTER I

TRADE REGIME

Article I

The Contracting States proclaim their desire to establish, as speedily as conditions permit, a customs union as between their respective territories, and therefore agree forthwith to adopt measures for that purpose.

To this end, the Signatory States agree progressively to set up a free trade regime with a view to eliminating between their territories the customs duties, taxes and regulations mentioned below with regard to the commodities listed on the appended schedule which shall constitute Annex A to this Treaty.

Consequently, provided the natural products of the Contracting Countries and the articles processed in their territories are included in the annexed schedule, they shall be exempt from import and export duties and all other taxes, fees and charges levied on imports and exports, or on the occasion of such importation or exportation, whether such duties, taxes, fees and charges be of a national, municipal or other nature, and irrespective of their object.

The exemptions envisaged in this Article do not relate to charges for navigation, docking, warehousing and handling of goods and any other charges which might legitimately be levied for port, warehouse and transport services; they do not relate, moreover, to differentials resulting from the existence of two or more rates of exchange in a Contracting Country.

When a product or article included in the annexed schedule is subject to internal taxes, charges and fees of any kind, levied on the production, sale, distribution and consumption in one of the Signatory Countries, the said country may levy an equivalent amount on similar products imported from another Contracting State.

Article II

Goods originating in the Contracting State and included in the schedule annexed to this Treaty shall be accorded national treatment in all Contracting States and shall be exempt from any restrictions or quantitative measures of control except control measures legally applicable in the territories of the Contracting States for reasons of public health, security, or as police measures.

Article III

Goods originating in one of the Signatory States and which are not mentioned in the annexed schedule shall be accorded unconditional and unlimited most-favoured-nation treatment in the territory of the other Signatory States.

However, the above Treaty shall not be extended to concessions granted by virtue of other free-trade treaties concluded between Central American States.

Article IV

The Signatory States being convinced of the advisability of equalizing their customs tariffs and guided by the firm intention of establishing a customs union in their territories, undertake, as speedily as possible, after the Commission on Central American Trade mentioned below has studied the matter and communicated its findings, to equalize the fees and other taxes imposed by them individually on imports of products mentioned in the annexed schedule or which may be subsequently included in such schedule, together with the main raw materials and containers which may be necessary for their manufacture or preparation.

Article V

The Governments of the Signatory States shall neither enjoy nor grant customs exemption on imports of articles produced in one of the Contracting States and mentioned in the annexed schedule which come from countries outside Central America.

The Signatory States likewise agree to equalize the advantages granted by them to industries manufacturing articles which are mentioned in the annexed schedule, to the extent that such advantages might otherwise, in the opinion of the Commission on Central American Trade, entail unfair competition with respect to the said products.

Article VI

Subject to the Commission on Central American Trade giving a previous opinion, the schedule annexed to this Treaty shall be extended by mutual agreement, as between the Contracting States, by means of subsequent protocols and in accordance with the constitutional procedures of the Contracting States.

Article VII

In order that the goods contained in the annexed schedule may enjoy the advantages ensuing from this Treaty, they shall be covered by a customs form, which shall be signed by the exporter and shall include a declaration of origin. This form shall be submitted to the visa and control of the customs officers of the countries of shipment and of destination, in accordance with the model reproduced in Annex B to this Treaty.

Article VIII

The Central Banks of the Signatory States shall cooperate closely with a view to precluding monetary speculations which might affect the rates of exchange, and maintaining convertibility of the currencies of the respective countries on a basis which, in conditions of normalcy, shall guarantee the freedom, uniformity and stability of exchange rates.

Where any Signatory State imposes quantitative restrictions on transfers of international payments, such Signatory shall take the necessary measures in order that such restrictions should not affect other Signatory States in a discriminatory manner.

CHAPTER II

DISCRIMINATORY PRACTICES

Article IX

Subject to the provisions of the bilateral Central American Treaties in force and except for any contrary provisions in subsequent treaties between Central American States, the Signatories agree to the following provisions with a view to applying on a wide basis the principle of non-discrimination in their trading relations:

- a) any product which is not included in the schedule annexed to this Treaty and which is subject to quantitative control measures imposed by one of the Contracting States, shall, upon importation from the territory of another Signatory State or upon exportation to such a territory, be accorded treatment no less favourable than that accorded to like products of any other origin or destination;
- b) no Signatory State shall establish or maintain internal duties, taxes or other charges levied on a commodity, whether or not included in the annexed schedule, originating in the territory of another Signatory State, nor shall it enact or establish regulations regarding the allocation of said charges or the use of their proceeds when such charges or regulations tend to place or in effect place the said product in an unfavourable position vis-à-vis like products of domestic origin or imported from any other country;
- c) should one of the Signatory States establish or maintain an agency or service or grant special privileges to a specific enterprise to deal exclusively or principally, permanently or temporarily with the production, exportation, importation, sale or distribution of

a product, the said State shall grant to the trade of any other Signatory State fair treatment as regards purchases or sales carried out abroad by the said agency, service or enterprise. The entity concerned shall be required to act in accordance with private business practice and shall afford the trade of the other countries adequate opportunity to compete for participation in such purchases or sales.

CHAPTER III

INTERNATIONAL TRANSIT

Article X

Each of the Contracting States shall grant full freedom of transit through its territory to goods going to or coming from another Signatory State.

Such transit shall be exempt from withdrawal, discrimination or quantitative restrictions. Should there be traffic congestion or any other case of force majeure, each Signatory State shall equitably attend to the forwarding of the goods intended for its own population and the goods in transit en-route to the other States.

Transit operations shall be carried out by the route legally established to that effect and subject to the customs laws and regulations applicable in the transit territory.

Goods in transit shall be exempt from all duties, taxes and other fiscal charges of a municipal or other character imposed for whatever purpose, except charges generally applicable on account of services rendered and for reasons of security and public health or as police measures.

CHAPTER IV

EXPORT SUBSIDIES AND UNFAIR BUSINESS PRACTICES

Article XI

No Signatory State shall grant directly or indirectly any subsidy on the export of any product intended for the territories of the other States, or establish or maintain any other system, which subsidy or system results in the sale of such product for export to any other Contracting State at a price lower than the comparable price charged for the like product to buyers in the domestic market, due allowance being made for differences in the conditions of sale, for differences in taxation and for other differences affecting price comparability.

The fixing of prices or any discrimination in price matters in one of the Signatory States shall be deemed to constitute an indirect export subsidy, if it involves the establishment of a sales price for a specific product in the other Contracting States which is lower than that resulting from free competition on the market of the exporting country.

However, the exemption from or the remission by a Signatory State of exported products from duties or taxes with a view to promoting the production in its territory of certain products shall not be deemed to constitute an export subsidy.

Likewise, exemption of exported products from internal production taxes, sales or consumers' taxes levied on goods exported to the territory of another State, or the differences resulting from the sale of currency on the free market at an exchange rate higher than the official rate shall not be deemed to constitute an export subsidy.

Article XII

In the case of practices which are contrary to the aims of this Treaty, each Signatory State shall, within the legal means available to it, prevent exportation of goods from its territory to the territories of other States at a lower price than their normal value if this were to cause or threaten material injury to the production of the other States, or to retard the establishment of a domestic or Central American industry.

A product shall be considered to be exported at a lower price than its normal value if the price of the products exported is

- a) less than the comparable value in the ordinary course of trade, for the like product when destined for consumption in the exporting country, or
- b) in the absence of such domestic price, is less than either
 - i) the highest comparable price for the like product for export to any third country in the ordinary course of trade,
 - ii) the cost of production of the product in the country of origin plus a reasonable addition for selling cost and profit.

Due allowance shall be made in each case for differences in conditions of sale, for differences in taxation and for other differences affecting price comparability.

Article XIII

In order to eliminate the effects of any direct or indirect export subsidy which in any of the Signatory countries might result from general and non-discriminatory measures, and to offset the effects of the unfair commercial practices referred to above, the affected State may impose countervailing duties in an amount equal to the artificial price differential resulting from the subsidies or practices bestowed, provided the State concerned shall be notified of the imposition of such a duty.

CHAPTER V

TRANSPORT AND COMMUNICATIONS

Article XIV

The Signatory States shall construct and maintain lines of communication to facilitate and increase traffic between their territories.

They shall likewise endeavour to standardize the transport rates between their two countries and the relevant laws and regulations.

Article XV

Commercial and private vessels and aircraft belonging to any Contracting State shall be accorded the same treatment in ports and airports open to international traffic of the other States as corresponding national vessels and aircraft. Equal treatment shall be extended to passengers, crews and freight of the other Contracting States.

Land vehicles registered in one of the Signatory States shall enjoy the same treatment in the territory of the other States, and during their temporary stay there, as the vehicles registered in the country where they are temporarily located.

Enterprises which deal in a Signatory country with the supplying of inter-Central American services for passenger and freight automobile transport shall enjoy national treatment in the territory of the other States.

Private vehicles and vehicles which are not used for regular inter-Central American transportation of persons and goods shall be admitted to the territory of the other Contracting States under the temporary duty free import system, and shall be subject to the corresponding legal provisions.

Vessels of any Contracting State plying between the ports of Central America shall be subject in the ports of the other States to the national coastal trading regime.

The provisions of this Article are to be interpreted subject to compliance with formalities of registration and control applied in each country upon entry, sojourn and exit of the vessels, aircraft and vehicles, for reasons of public health, security, or as police measures and for the protection of public interest and fiscal requirements.

Article XVI

The Signatory States shall endeavour to develop telecommunications between their respective territories and shall join efforts for the attainment of this objective.

CHAPTER VI

INVESTMENTS

Article XVII

Each Contracting State acting within the framework of its constitutional provisions, shall grant national treatment to capital investments by nationals of the other States, and shall accord in relation to such investments the same rights to organize and manage or to participate in collective, commercial and financial enterprises, as in respect of investments by its own nationals; each Contracting State shall likewise grant equitable and non-discriminatory treatment for transfers of funds resulting from capital investments by nationals of the other States.

CHAPTER VII

THE COMMISSION ON CENTRAL AMERICAN TRADE

Article XVIII

The Signatory States agree to establish a Commission on Central American Trade which shall be composed of representatives of each contracting party. The Commission shall meet regularly at least once a year or at the request of a Contracting State.

The Commission, or any member of the Commission, may travel freely in the contracting countries to study in the field questions coming within their competence; the authorities of the Signatory States shall supply them with any information and facilities that may be necessary for the proper discharge of their functions.

The Commission shall have a permanent secretariat. The costs of the permanent secretariat shall be borne by the Organization of Central American States.

The Commission shall adopt its rules of procedure unanimously.

Article XIX

The Commission on Central American Trade shall perform the following functions:

- (a) at the request of one or several governments, study the questions and subjects relating to the development of Central American inter-trade, in particular those dealing with the application of this Treaty, and propose measures to resolve any problem which may arise;
- (b) study production and trade in the Signatory States and recommend additions to the annexed schedule; adopt suitable measures to ensure:
 - (i) unification of customs tariffs and regulations;
 - (ii) establishment of a single fiscal system for articles under State monopoly and for goods subject to production, sales and consumer taxes;
 - (iii) conclusion of agreements designed to avoid double taxation in the latter field;
 - (iv) improvement of inter-Central American transportation through the conclusion of appropriate agreements;
 - (v) application of a decimal metric system of weights and measures.

- (c) collect and analyse statistics and other data relating to trade between the Signatory States.

In fulfilling these functions, the Commission will benefit by the reports and studies of other Central American organizations and agencies.

Article XX

The competent authorities of the Signatory countries shall collect, classify and publish the statistical data relating to import, export and transit operations carried out within the scope of this Treaty, in accordance with the rules laid down, after mutual agreement, by the Commission of Central American Trade and the statistical organizations of the Signatory States.

CHAPTER VIII

INDUSTRIAL INTEGRATION

Article XXI

With a view to promoting industrial development consistent with the purposes of this Treaty, the Signatory States shall adopt, by mutual agreement, measures designed to stimulate the establishment and development of regional industries directed towards the common market of Central America, and offering particular interest for the economic integration of Central America. To that end, they shall undertake to establish a regime under which conditions covering the establishment and location of the said industries shall be laid down.

CHAPTER IX

GENERAL PROVISIONS

Article XXII

The Signatory States shall adopt as a basis for the establishment of their customs tariffs and statistics, the Central American Standard Tariff Nomenclature for Imports, (NAUCA*) and the Central American Standard Nomenclature for Exports.

*Nomenclatura Arancelaria Uniforme Centroamericana.

Article XXIII

The nationals of any Signatory State shall enjoy national treatment in respect of commercial, civil and social matters in the territory of all other Signatory States.

Article XXIV

Considering that this Treaty is principally Central American in character and is designed to lay the foundations of a customs union of the contracting countries and of the progressive integration of their economies, the signatory States agree that prior to signing or ratifying multilateral agreements relating to products, trade or customs concessions, and prior to acceding to any international organization established under these agreements, or negotiating any arrangements within the scope of such organizations, they shall proceed to mutual consultations with a view to concerting, if possible, a united common attitude.

The Contracting States shall, in the same way, express their views at Inter-American or world conferences, or meetings of an economic character.

The Signatory States agree to maintain the "Central American escape clause" in the trade agreements they may conclude with third countries on the basis of the most-favoured-nation treatment.

The Contracting Parties declare that in concluding this Treaty they are prompted by a desire to establish closer links between one another as States belonging to Central America, on the basis of application of the special principles of a Central American Public law. To that end, they agree that if any of the trade agreements they conclude with other countries, or their participation in other international arrangements, constitute an obstacle to the existence of this Agreement, as a result, in particular, of the provisions embodied in the other treaties permitting those countries to demand no less favourable treatment, they will denounce them as soon as possible with a view to avoiding the difficulties or harm which might ensue for the Contracting States as a result of demands of that kind.

Article XXV

The Signatory States agree to settle amicably, in conformity with the spirit of this Treaty, and within the framework of the Commission on Central American Trade, any differences which may arise with respect to the interpretation or administration of any provision of this Treaty.

If agreement cannot be reached, they shall submit the matter to arbitration. For the purpose of constituting the arbitration tribunal each Contracting Party shall nominate to the general secretariat of the Organization of Central American States, three judges from amongst its Supreme Court of Justice. The Secretary-General of the Organization of Central American States and the government representatives in the Organization, shall select by drawing lots from the full list of persons nominated three arbitrators no two of whom may be nationals of the same State. The award of the arbitration tribunal shall be decided by the concurring votes of no less than two members. The award shall be final and without appeal and shall have binding force between all the Contracting Parties in respect of any point settled concerning the interpretation or administration of the provisions of this Treaty.

Article XXVI

Should there be incompatibility between the provisions of this Treaty, and other trade agreements between countries of Central America, the provisions of this Treaty shall prevail.

CHAPTER X

FINAL PROVISIONS

Article XXVII

This Treaty shall come into force as follows:

In the case of the first two States to ratify it on the date of deposit of the second instrument of ratification; for the States which ratify it subsequently, on the date of deposit of the corresponding instruments of ratification. The assured life of the Treaty shall be ten years from the date of its entry into force; it shall be renewed by tacit extension for successive periods of ten years.

Any Signatory State may withdraw from this Treaty on condition that notice be given not later than six months, before the date on which the initial period of validity or any subsequent period expires. Withdrawal shall take effect in respect of the withdrawing State as from the date of expiry of the corresponding period of validity of the Treaty. The Treaty shall remain in force as between the other Contracting States insofar as at least two States continue to be parties to it.

This Treaty shall be submitted for ratification by each Signatory State, in conformity with its constitutional or legal procedures.

The Secretary-General of the Organization of Central American States shall act as depository of this Treaty and shall furnish certified copies thereof to the chancelleries of each Contracting State, and a notification of the deposit of each instrument of ratification and of any withdrawal which may occur within the time-limits laid down to that effect.

IN WITNESS WHEREOF the respective plenipotentiaries have signed this Treaty.

DONE AT the Headquarters of the Organization of the Central American States; in the City of San Salvador, this day of 1956.

For the Government of Guatemala

For the Government of Salvador

For the Government of Honduras

For the Government of Nicaragua

For the Government of Costa Rica

ANNEX A

LIST OF PRODUCTS COVERED BY THE FREE TRADE AGREEMENT
BETWEEN THE CONTRACTING STATES

General Note:

To the extent that the description of headings or products coincides with the description given in the NAUCA to the group (three digits), items (five digits), or sub-items (seven digits) which appear in the left hand column, those headings or products shall be understood to include all products included in the sub-groups, items or sub-items of the NAUCA and the related "Manual de Codificación". Whenever the description of the heading or product is more restricted than the description corresponding to the group, item or sub-item indicated in the left hand column, that description shall be understood to include the article or articles specifically mentioned in the list, to the extent that they belong in the group, item, or sub-item under which they have been classified.

NAUCA group item
or sub-item

Description

<u>SECTION CODE O.</u>	<u>FOOD</u>
001-01-01	Pure-bred
001-02-01	Pure-bred
001-03-01	Pure-bred
001-04	Poultry
001-09	Live animals, chiefly for food, n.e.s.
001-09-01	Goats, pure-bred
001-09-02	Goats, common
001-09-03	Feathered game
001-09-04	Live animals, chiefly for food, n.e.s.
013-09-02)	
032-01-07)	
055-02-01)	
021-01-02	Yoghourt
023-01-00	Natural butter from milk of any kind, in any form or in any container
024-01-00	Cheese and curd of any kind
026-01-00	Bees' and other natural honey

NAUCA group item or sub-item	Description
031-01	Fish, including live fish and edible fish flesh and roes, fresh, chilled or frozen
031-02	Fish, including edible fish flesh and roes, dried, salted, smoked or in brine, but not otherwise prepared
031-03	Crustaceans and molluscs, fresh, chilled, frozen, salted, dried, smoked, in brine or simply cooked
047-09-00	Rice flour
051-01-00	Fruit, fresh
051-07	Edible nuts (including fresh coconuts), other than nuts chiefly used for the extraction of oil
052-01-00	Dried fruits, including artificially dehydrated, in airtight containers or not
053-01	Preserved fruits, whole or in pieces, with or without added sugar, canned or not
053-01-01	Olives in wooden containers
053-01-02	Olives in containers n.e.s.
053-01-03	Fruits preserved in alcohol, wine or liqueurs
053-01-04	Fruits, frozen, in brine or preserved in another manner n.e.s.
053-02-00	Fruits, fruit peel, parts of plants, drained, glazed or crystallized, with or without artificial flavouring
053-03	Jams, marmalades, fruit jellies, fruit pulps and pastes, in airtight containers or not
053-03-01	Groundnut paste and butter
053-03-02	Jellies, jams and marmalades, of fruit
053-03-03	Other fruit pulps and pastes
053-04	Fruit juices, unfermented, frozen or not, including syrups and natural fruit flavours
053-04-01	Fruit syrups
053-04-02	Fruit juices (unfermented)
053-04-03	Fruit flavours
055-04-03	Yucca starch
055-04-04	Fecula and flour of potatoes
062-01-01	Chewing gum and other confectionery gums
072-03-00	Cocoa butter

NAUCA group item or sub-item	Description
075-01-00	Pepper and pimento, ground, unground or otherwise prepared
075-02	Spices, whether unground, ground or otherwise prepared
075-02-01	Vanilla (except essence)
075-02-02	Nutmegs
075-02-03	Cinnamon
075-02-04	Saffron
075-02-05	Cloves, anise, cumin seeds, fennel seeds, anatto, ginger, thyme and other spices n.e.s.
081-01-00	Hay and fodder, green and dry, including carobs
081-02-00	Bran, pollard, sharps and other by-products from the preparation of cereals and cereal products
081-03-00	Oil-seed cake and meal and other vegetable oil residues
081-04-00	Meat meal (including tankage) and fish meal
081-09	Food wastes and prepared animal feed, n.e.s.
081-09-01	Animal feed mixed with chemical and biological products such as bone meal, dried blood, etc.
081-09-02	Food wastes and prepared animal feed, n.e.s.
091-02-02	Shortening, of animal or vegetable origin, except lard
099-09-01	Vinegar
099-09-04	Sauces of all kinds and other similar condiments
<u>SECTION 2.</u>	<u>CRUDE MATERIALS, INEDIBLE, EXCEPT FUELS</u>
242-01-00	Pulpwood (except sawlogs)
242-09-00	Poles, piling, posts and other wood in the round, including pitprops (except sawlogs)
243-01-00	Railway sleepers (ties), whether sawn or not
243-02-00	Lumber, sawn, planed, grooved, tongued, etc.
262-05-00	Horsehair and other coarse hair (except bristles and hair falling within No. 291-09-11)
263-03-00	Cotton linters and waste
271-01-00	Natural fertilizers of animal or vegetable origin, not chemically treated
271-03-00	Natural phosphates, ground or unground, and crude potash salts

NAUCA group item or sub-item	Description
272-01-00	Natural asphalt
272-02-00	Sand, gravel and crushed stone (including ground quartz and tarred macadam)
272-04	Clay, kaolin, chamotte and refractory rock
272-06-00	Sulphur, unrefined in any form
272-07	Pumice stone, emery, corundum and other similar abrasives, in the natural state
272-08	Building, monumental and dimension stone, not worked
272-08-01	Marble, in blocks or slabs, sawn or not, not polished, including marble powder
272-08-02	Alabaster in sawn or unsawn blocks and slabs, not polished
272-08-03	Slate in sawn or unsawn blocks or slabs, not worked
272-08-04	Other building and dimension stone, not worked (calcareous rocks n.e.s., granite, porphyry, basalt, sandstone, etc.)
272-11	Stone for industrial uses, except dimension
272-11-01	Gypsum, crude
272-11-02	Gypsum, calcined, in powder
272-11-03	Stone, lithographic, crude
272-11-04	Stone n.e.s. for industrial uses (dolomite, calcareous stone and other stones of the same kind used for the manufacture of cement and lime and for industrial uses)
272-12-00	Asbestos, crude, washed or ground
272-13-00	Mica, uncut or unmanufactured, in sheets or blocks files and splittings, scrap mica, unground or ground
272-14-00	Feldspar, fluorspar and cryolite
272-16-00	Graphite, natural, or plumbago
272-19	Non-metallic minerals, n.e.s. (excluding ice)
272-19-02	Infusorial earth
272-19-03	Jet, amber and meerschaum, crude or simply prepared
272-19-04	Steatite, natural or powdered, except toilet talcum powder

NAUCA group item or sub-item	Description
272-19-05	Earth-colours, calcined or not, intermixed or not
272-19-06	Quartz and other minerals n.e.s., crude
281-01-00	Iron ore and concentrates
291-01-02	Horns, crude
291-01-04	Tortoise shell, crude
291-01-09	Bones
291-09-03	Feathers, crude
291-09-11	Bristles, crude
292-02-01	Chewing-gum, crude or simply prepared
292-02-03	Black balsam
292-04-00	Plants, seeds, flowers and parts of plants, n.e.s., mainly for use in medicine or perfumery (fresh or dried, whole, crushed, ground or pulverized)
292-05-00	Seeds, bulbs, tubers and rhizomes of flower or foliage plants, cuttings, slips, trees and other live plants
292-09	Vegetable saps, juices and extracts and vegetable materials n.e.s. (unsuitable for immediate consumption)
292-09+01	Vegetable extracts for medicinal use, soft, dry or liquid
292-09-03	Vegetable flavouring extracts, soft, dry or liquid, suitable for culinary use, for the preparation of syrups, etc.
292-09-04	Vegetable extracts for the manufacture of insecticides, fungicides and the like
292-09-05	Vegetable saps, juices and extracts, n.e.s., pectin, agar-agar and other natural mucilages and thickeners
292-09-06	Algae, kapok, vegetable hair and other vegetable materials used mainly for stuffing or padding
292-09-07	Other vegetable materials n.e.s.

SECTION 4. ANIMAL AND VEGETABLE OILS AND FATS

412-01-00	Linseed oil, unrefined
412-02-00	Soyabean oil, unrefined
412-03-00	Cottonseed oil, unrefined
412-04-00	Groundnut (peanut) oil, unrefined

NAUCA group item or sub-item	Description
412-05-00	Olive oil, unrefined
412-07-00	Coconut (copra) oil, unrefined
412-11-00	Castor oil, unrefined
412-12-00	Tung oil, unrefined
412-19	Oils from seeds, nuts and kernels, n.e.s., unrefined
412-19-01	Sesame oil, unrefined
412-19-02	Maize or corn oil, unrefined
412-19-03	Other vegetable oils n.e.s., unrefined
413-01-00	Oils, oxidized, blown or boiled
413-02-00	Hydrogenated fats and oils
413-03	Acid oils, fatty acids and solid residues from the treatment of oils and fats
413-03-01	Stearic acid (commercial stearine)
413-03-02	Oleic acid (commercial olein), palmitic acid (commercial palmitine) and other fatty acids
413-03-03	Acid oils and solid residues from the treatment of oils and fats
413-04	Waxes of animal or vegetable origin
413-04-01	Spermaceti
413-04-02	Beeswax
413-04-03	Other animal or vegetable waxes, n.e.s.

SECTION 5. CHEMICALS

511-01-02	Sulphuric acid
511-01-07	Carbonic acid gas
511-01-08	Silica
511-09-01	Oxygen
511-09-29	Peroxyde
512-05	Turpentine products
512-05-01	Turpentine oil
512-05-02	Sulphate wood turpentine; pinewood oil and other similar products of the distillation or other treatment of coniferous woods; pine oil and crude terpeneol
531-01-01	Indigo, natural or synthetic, in any form, not prepared for household use

<u>NAUCA group item or sub-item</u>	<u>Description</u>
532-02	Vegetable tanning extracts
532-02-01	Oak bark extract
532-02-02	Sumach leaf extract
532-02-03	Tannic acid and tannins
532-02-04	Vegetable tanning extracts n.e.s.
533-01-01	Mineral colours, in powder
533-03-04	Indigo, prepared for household use
541-09-03	Medicaments prepared for parenteral administration (injectable), n.e.s.
541-09-04	Medicaments prepared for administration by the mouth, n.e.s.
541-09-05	Prepared medicaments for external use, n.e.s.
541-09-08	Sterilized absorbent cotton wool
561-02-00	Phosphatic fertilizers and phosphatic fertilizer materials, other than naturel, including superphosphates and basic dephosphorization slag
561-03-00	Potassic fertilizers and potassic fertilizer materials, except crude potash salts
561-09-00	Fertilizers n.e.s., including mixed fertilizers
599-02-00	Insecticides, fungicides and disinfectants
599-04-03	Gelatin for industrial use
599-04-04	Glues and adhesives, other than with a rubber base
599-09-04	Wood tar
599-09-05	Colophony

SECTION 6.MANUFACTURED ARTICLES CLASSIFIED CHIEFLY BY MATERIAL

612-01-00	Machine leather belting and other articles of leather for use in machinery
621-01-01) 621-01-04)	Rubber thread, whether or not textile covered
621-01-02	Glues and adhesives, with a rubber base
631-02-00	Laminboard
631-03-00	Sheets or boards, of bagasse
632-09-00	Wooden tool handles
632-09-00	Shoe trees, of wood
652-01	Cotton cloth, unbleached
655-09-01	Absorbent cotton wool, not sterilized

NAJCA group item or sub-item	Description
661-01	Quicklime and slaked lime, as well as hydraulic lime or cement
661-02-00	Cement
661-03-00	Building and monumental stone, worked in the form of tiles, setts, bricks, etc.,
661-09-00	Building materials, n.e.s., of asbestos, cement, plaster, asphalt, vegetable fibre agglomerated mineral substances, etc. in the form of bricks, tiles, columns, tubes, etc.
662-01-00	Bricks, tiles, pipes and other products of brick earth or of ordinary baked clay
662-03-00	Refractory bricks and other refractory construction materials
663-01-00	Grindstones, whetstones and polishing stones of calibrated natural or artificial stone
663-06	Non-metallic minerals, worked or manufactured, n.e.s. (except ceramics), such as statuettes, statuary, flower pots, vases and similar articles and rock wool
663-07-00	Refractory products other than refractory construction materials
666-01-00	Articles of ordinary baked clay or ordinary stoneware
681-01-00	Pig iron and sponge iron
685-01-00	Lead and lead alloys, unwrought
699-12-01	Hand-tools used in agriculture
699-12-02	Shoe trees, of metal
699-21-03	Metal barrels, casks, drums and tanks, of a capacity not exceeding 500 litres (including creamery milk cans and insulated containers for transport of ice-cream, etc.)
699-21-05	Collapsible tubes of lead, tin, aluminium, etc., for pomades, ointments and creams
699-21-06	Cans, pots and other similar containers, n.e.s., of metal or metal alloys (tinplate, etc.)
<u>SECTION 7. MACHINERY AND TRANSPORT EQUIPMENT</u>	
721-08-01	Measuring apparatus for electricity
735-09	Fishing boats

NAUCA group item or sub-item	Description
<u>SECTION 8. MISCELLANEOUS MANUFACTURED ARTICLES</u>	
841-07-01	Capes and ponchos, of cotton, rubberized
851-03-02	Alpargatos and similar footwear, with soles of coarse fibres
851-04-00	High boots, of rubber
861-01-07	Contact lenses
861-09-05	Gas and liquid meters, and the like
863-01-00	Cinematographic films, exposed in Central America
891-02	Phonograph (gramophone) records, blank or recorded
891-09	Musical instruments n.e.s.
892-01	Books and pamphlets, printed
892-02-00	Newspapers and magazines
892-03-00	Music, printed, engraved or in manuscript, unbound or bound
892-09-02	Photographs and photocopies, including negatives
899-01-03	Tablets, pastilles and wicks, fumigant, for driving away and killing insects
899-05	Buttons, dress-studs, cuff-links, fasteners of materials of any kind except precious metals and precious stones
899-05-01	Buttons of all kinds, except of precious metal and precious stones; button blanks
899-05-02	Dress-studs, cuff-links, snap-fasteners, sleeve-links and push-buttons, of materials of any kind, except precious metal and precious stones; blanks of such articles
899-06-00	Articles of mother of pearl
899-13-03	Tooth brushes
899-13-05/06	Brooms and brushes of vegetable materials
899-14	Sports goods n.e.s., (except footwear)
899-15	Toys, of wood or rubber
899-15-02	Billiard tables
899-99-08	Dressing combs and ornamental combs, of synthetic plastic materials or other of pearl
899-99-12	Tailors dummies

L/508/Add.1

Page 26

NAUCA group item
or sub-item

Description

SECTION 9. LIVE ANIMALS N.E.S.

921-01-01	Horses, pure-bred
921-09	Live animals n.e.s., not for food
921-09-01	Bees
921-09-02	Birds not for food
921-09-03	Live animals n.e.s., not for food

ANNEX BCUSTOMS PROCEDURESArticle I

The products which are the object of free trade under the Central American Multilateral Free Trade and Economic Integration Treaty shall be forwarded by the customs offices of shipment and of destination in the Contracting countries, subject to compliance with the customs regulations and formalities applicable in the States concerned, and upon submission of the customs form mentioned under Article VII of the Treaty. This form shall serve both as an application for forwarding and as a certificate of origin.

Article II

The declaration of origin contained in the above customs form shall be visaed by the Central customs office or by the customs office of exit in the exporting country and verified by the customs office of entry in the importing country.

When the customs officer responsible for visaing and verifying the declaration of origin has doubts as to its accuracy, he shall refer the case for decision to the central customs office to which he is answerable.

Article III

The customs form concerned shall be made out in three copies at least, in accordance with the following model:

CUSTOMS FORM

For the application of the Central American Multilateral
Free Trade and Economic Integration Treaty

Exporter

(Name and domicile)

Seller

(Name and domicile)

Consignee

Customs of destination

Place of shipment

Means of transport

Markings and Numbers	Number and nature of parcels	Gross weight in Kgs.	Units	Commercial description of goods	NAUCA* classification	FOB value in national currency
Total						
						Transport
						Other expenses:
						Insurance

* Should the party concerned not fill in this column, the customs at place of shipment shall proceed to do so.

The above-mentioned exporter hereby declares that the goods referred to above originate from and that the values, costs of transport, insurance and other information contained in this form are correct.

.....

(Signature of exporter)

The under-signed certifies that to the best of his knowledge the goods referred to in this customs form originate from

.....

(Signature and stamp of the authorized official of the General Directorate of Customs Receipts and of the customs office of exit).

(The following indications shall be printed on the obverse side of the form).

Notes:

- a) The original shall be handed to the party concerned to be given in to the customs office of destination; one copy shall remain with the party concerned; one further copy shall be filed by the customs of the country of origin authorizing exportation of the goods.
- b) The party concerned shall add to the value of the goods the expenses incurred on account of transport and insurance.
- c) The party concerned shall give details in this form on each of the goods he wishes to export when the corresponding item of the schedule annexed to the Treaty includes various products.

LIST OF PRODUCTS OF THE REGIONAL INDUSTRIES ENVISAGED IN THE
PROGRAMME FOR ECONOMIC INTEGRATION

NAUCA group item or sub-item	Description
	<u>Fish and Fish Products</u>
032-01	Fish, crustaceans and molluscs, and preparations thereof, in airtight containers or prepared in a manner n.e.s.
032-01-01	Sardines
032-01-02	Codfish
032-01-03	Salmon
032-01-04	Anchovies and anchovy paste
032-01-05	Crustaceans and molluscs and preparations thereof, in airtight containers (except soups and broths) or prepared in any manner, n.e.s.
032-01-06	Caviar and caviar substitutes, also other edible fish roes
032-01-08	Fish and fish preparations, in airtight containers, n.e.s., or prepared in a manner n.e.s.
	<u>Pulp and Waste Paper</u>
251-02-00	Mechanical or chemical pulp, of wood, straw, fibres or rags
641-01-00	Newsprint paper
641-02	Printing and writing paper in rolls and sheets, other than newsprint
641-03-00	Common packing and wrapping paper, printed or not (kraft paper, straw paper and the like) n.e.s.
641-05-00	Building board of paper or of pulp, not impregnated
641-07-00	Paper and paperboard, coated, impregnated, vulcanized, bituminized or asphalted, etc., including reinforced and coated with graphite in imitation of slate, n.e.s.
641-08-00	Wallpaper in any form, including linocrusta (canvas stamped and coated with linseed oil), borders, friezes and vitrauphanies

NAUCA group item or sub-item	Description
641-11-00	Cigarette paper, white or coloured, printed or not, in rolls or on reels
641-12-01	Blotting paper in sheets
641-12-02	Filter paper in sheets, cellulose filter blocks and cellulose wadding
641-19	Paper and paperboard, n.e.s.
641-19-01	Paperboard, channelled or corrugated, other than building board
641-19-03	Drawing paper, white or coloured, not printed
641-19-04	Translucent and transparent paper, whether or not ruled, checkered, etc., for technical drawings or for plans
641-19-05	Writing paper and other paper, pasteboard and paperboard, ruled or checkered but not otherwise printed, in rolls or sheets
641-19-06	Paper and paperboard, parchment or grease-proof (butter paper) and imitations thereof, and glassine, in rolls or sheets
641-19-07	Paper creped or crinkled, and paper and paperboard embossed or perforated, in rolls or sheets
641-19-08	Paper n.e.s., in rolls or sheets
641-19-09	Pasteboard n.e.s., not cut to size
641-19-10	Paperboard n.e.s., not cut to size

Fertilizers

561-01-00 Nitrogenous fertilizers and nitrogenous fertilizer materials, other than natural, n.e.s.

Petroleum Products

313-01 Motor spirit (gasoline and other light oils for similar uses), including gasoline blending agents

313-02-00 Lamp oil and white spirit (kerosene)

313-03-00 Gas oil, diesel oil and other similar heavy oils

313-04 Lubricating oils and greases, including mixtures with animal or vegetable lubricants

313-05-01 Parafin wax, ceresine or ozokerite

NAJCA group item or sub-item	Description
313-05-02	Vaseline, petrolatum or petroleum jelly, simple, not mixed with any other material
313-05-03	Other mineral jellies and waxes, n.e.s.
313-09-00	Pitch, resin, petroleum asphalt, coke of petroleum and other by-products n.e.s., of coal, lignite, petroleum and oil shale, including mixtures with asphalt, not chemicals
<u>Inks</u>	
533-02-00	Printers' ink and lithographic ink
899-17-01	Ink of all kinds, except printing ink
<u>Paints and varnishes</u>	
533-03-01	Prepared paints
533-03-02	Prepared enamels, lacquers and varnishes
<u>Veterinary, biological, opotherapeutic products and glass ampoules</u>	
541-02-00	Bacteriological products, sera and vaccines, prepared or not as medicaments
541-03-00	Penicillin, streptomycin, tyrocidine and other antibiotics
541-09-02	Opotherapeutic products (human plasma, insulin, hormones and other extracts of glands, organs, etc. for therapeutic use), n.e.s.
541-09-07	Veterinary medicaments n.e.s.
665-09-02	Glass ampoules
<u>Tyres and tubes</u>	
621-01-03	Tread rubber (camel back)
629-01	Rubber tyres and tubes for vehicles of any kind
<u>Sanitary articles of faience, household articles, wall tiles and other articles of ceramic materials</u>	
662-02-00	Wall tiles, of faience
666-02-00	Household articles of faience and other articles of ceramic materials
812-02	Sanitary articles of faience

NAUCA group item or sub-item	Description
	<u>Glass and Glass Containers</u>
664-01-00	Glass in the mass, including broken and powdered glass, and glass rods and tubing
664-02-00	Optical glass and spectacle glass, unworked
664-03-00	Sheet glass (generally used for windows), unworked, coloured or not
664-04-00	Plate glass, flat, unobscured, ground and polished on both sides (generally used for mirrors, show cases, counters, etc.), not otherwise worked
664-05-00	Glass, cast or rolled (translucent), fluted, impressed, corrugated, frosted, obscured, stamped, pressed or reinforced, coloured or not, not otherwise worked
664-06-00	Bricks, tiles and other construction materials of cast or pressed glass
664-07-00	Laminated and other safety glass, of any shape or size, not framed
664-08-00	Sheet and plate glass, tinned, silvered or coated with platinum, not further worked
664-09	Glass n.e.s.
664-09-01	Bulbs for electric lamps and electronic valves and the like
664-09-02	Curved glasses for clocks, watches, sunglasses and the like
664-09-03	Bevelled glass, except mirrors
664-09-04	Curved glass and glass cut other than rectangular, n.e.s.
664-09-05	Glass n.e.s., in semi-worked forms
665-01-00	Glass containers (with or without covers of any materials), other than fancy containers (carboys, bottles, demijohns, flacons, pots, tubular containers and similar containers), including common glass closures and stoppers and inners for vacuum bottles and other similar receptacles
	<u>Soldered Tubes and Pipes</u>
681-13-00	Tubes, pipes, and connecting devices and fittings therefor, of iron or steel

Containers of plastic Materials

899-11-01 Bags, sachets, flasks and other containers of
 cellophane or other plastics

Caustic soda and carbonate of sodium

511-03-00 Caustic soda

511-04-00 Carbonate of sodium (soda ash or sal soda)

Artificial fibres

266-01-00 Synthetic and artificial fibres in staple lengths
 suitable for spinning, and waste

651-06 Filaments of artificial or synthetic fibres

 651-06-01 Yarn and thread of rayon (artificial silk)

 651-06-02 Yarn and thread of other artificial or synthetic
 fibres and of spun glass

LIST OF PRODUCTS THAT COULD BE INCLUDED IN THE FREE-TRADE SYSTEM
PROVIDED THEY MAY BE SUBJECTED TO EXPORT CONTROL BY CERTAIN COUNTRIES

NAUCA group item or sub-item		Countries accepting inclusion subject to export control
001-01-02	Bovine cattle, common	Costa Rica El Salvador Guatemala Honduras Nicaragua
001-02-02	Sheep and lambs, common	Costa Rica Guatemala
001-03-02	Swine, common	Costa Rica El Salvador Guatemala
025	Edible eggs	Costa Rica
045-09-02	Millet	Guatemala
211 and 212	Hides, skins, and furskins, undressed	Guatemala
221-03-00	Palm kernels	Guatemala
221-06-00	Cottonseed	Guatemala
221-09-00	Sesame seeds	Guatemala
231-01-00	Natural rubber and similar, natural gums, crude	Costa Rica
265-09-00/ 292-03	Rushes, straw, palm fibre and other similar fibres, crude	Guatemala
292-01	Bark for use in tanning or dyeing	Honduras

