

# GENERAL AGREEMENT ON

## TARIFFS AND TRADE

RESTRICTED

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### ACCESSION OF HONDURAS

#### Questions and Replies to the Memorandum on Foreign Trade Régime (L/7028)

##### Addendum

As foreshadowed in document L/7160, additional questions submitted by contracting parties in connection with the foreign trade régime of Honduras and the replies thereto provided by the authorities of Honduras are reproduced hereunder. Further questions and replies will be circulated in due course.

1. Page 15, paragraph 2: It is stated that price controls are currently maintained on six products, namely coffee, cement, iron bars, petroleum products, fertilizers and airline tickets. Is this list of products subject to further revision? If so, according to what criteria? How would Honduras plan to meet its GATT obligation under Article III:9 which calls upon contracting parties applying internal maximum price control measures to "take into account" the interests of exporting contracting parties with a view to avoiding prejudicial effects which may arise from the maintenance of such controls?

The list of products currently subject to price control will be maintained until it is deemed that the conditions which led to their inclusion in this mechanism have been overcome; nonetheless, it is important to underline that present economic policy is aimed at eliminating this form of control.

Honduras considers that the price controls on the products mentioned do not affect the interests of contracting parties exporting these products; the mechanism used is, therefore, consistent with Article III:9 of the General Agreement.

2. Page 20, last paragraph: it is stated that Honduras' trade liberalization strategy includes the "transfer of State activities to the private sector, under the approach that private initiative is the main engine of development and economic growth". First, do any of these "State activities" fall within the meaning of Article XVII of the GATT? If so, which ones? Second, please describe precisely what State activities have been transferred to the private sector and how this has been brought about. Can Honduras offer an assessment of the success of this privatization policy to date? How would Honduras propose to deal with any setbacks in

**this area which would leave certain activities in State hands (for example, lack or absence of suitable buyers)?**

The independent State-owned enterprises that carry on operations that might be directly or indirectly classified as trading activities in the country are as follows:

- National Agricultural Development Bank (BANADESA);
- Honduran Forestry Development Corporation (COHDEFOR);
- National Electricity Company (ENEE);
- National Port Company (ENP);
- Honduran Telecommunications Company (HONDUTEL);
- Honduran Agricultural Marketing Institute (IHMA);
- Autonomous National Water Supply and Drainage Service (SANAA);
- National Basic Product Supply Company (BANASUPRO).

With regard to the transfer of State activities, the Honduran Government began the process of transferring State-owned enterprises to the private sector in 1985, when it enacted Decree No. 161-85 of 10 November 1985, the "Privatization Law" (see Annex 1), which was amended in the same year by Decree No. 197-85 of 7 December. This Law was adopted in view of the fact that the National Investment Corporation (CONADI) had large holdings in productive enterprises which had not attained the goals envisaged when they were set up, and represented a major financial burden for the Central Government. Under this Law, other public enterprises such as the Honduran Forestry Development Corporation (COHDEFOR), the Honduran Banana Corporation (COHBANA) and the National Agricultural Development Bank (BANADESA) could transfer their investments, shareholdings and other assets to the private sector in the same way as was established for CONADI.

As of 1990 the privatization process was boosted under the Law on the Structural Reorganization of the Economy, Decree No. 18-90, of 1990. In that year, the Ministry of Finance Decision No. 763-A set up the High-Level Privatization Committee, comprising representatives of the public and private sectors, including organized labour.

The sale of thirty enterprises and other State property under the Honduran Government's privatization programme has raised a sum of L 645.4 million (equivalent to US\$113.2 million). The majority of the enterprises privatized to date formed part of CONADI's holdings and were transferred to the private sector by public auction and/or direct negotiation. The privatization programme has led to a reduction in the Honduran external debt of approximately US\$30 million, generating US\$16 million in new investment, increasing exports by approximately US\$14 million and creating 2,000 new jobs.

For the future, the Government not only intends to repeat the success achieved by privatization of the enterprises mentioned but also to expand the programme by implementing the second phase and selling enterprises and entities that are larger than those held by CONADI. It is envisaged that future privatization will affect enterprises in which the Government has an investment of more than US\$2 billion.

The Honduran Government considers that the privatization process has been a success and it is taking measures to ensure that the subsequent phases will also be successful; nevertheless, if it appears that some activities cannot be transferred to the private sector, they will continue to be administered by the State on the basis of the rationalization and efficiency criteria which characterize the new domestic economic policy.

3. Pages 21-25 inclusive describe the comprehensive export policy which Honduras has put in place. The policy places considerable emphasis on export promotion. Will Honduras provide its assurance that this policy is and will continue to be implemented in a GATT-consistent manner, i.e. in conformity with Articles I, VI, VIII, IX, X, XI, XIII, XVI and XX?

The export promotion policy described in pages 21-25 of the Memorandum of Accession is implemented in a manner consistent with the provisions of the General Agreement. The sole purpose of the policy is to increase investment, as well as the levels of employment and vocational training, together with the overall development of Honduras on the basis of its comparative advantages.

This policy will continue to be implemented without any form of discrimination and without causing distortions which could constitute indirect protection for domestic production and it will thus continue to be fully consistent with GATT regulations.

4. Page 21, paragraph 2: In respect of groundfish caught in waters that are the subject of the North Atlantic Fisheries Organization (NAFO), and bluefin tuna caught in waters that are the subject of the International Convention on Atlantic Tuna (ICCAT), how are these catches dealt with under the export permit system operated by the Honduran Ministry of Natural Resources? Are these species covered by the Ministry's "wildlife protection requirements"?

These species do not live in Honduran territorial waters and are not, therefore, the subject of export permits. Honduran legislation does not have any regulations on these catches nor on export permits for them.

5. Page 23, last paragraph: It is stated that under the "Temporary Import Régime" (RIT), payment of duties, fees and taxes will be suspended on imports of raw materials and intermediate products necessary for the production of export goods. Can Honduras provide a complete list of the products included in this programme? Will fishery products be included in the list of goods that be accorded this treatment? Can Honduras indicate the expected duration of the RIT?

The following imports are exempt from payment of customs duties and other taxes and fees:

- Raw materials, semi-finished goods, packaging and other goods when they are assembled, processed, altered or physically incorporated in products to be exported to countries not in Central America;

- Machinery, equipment, tools, spare parts and accessories if they are exclusively used to assemble, process, alter or manufacture articles for export to countries not in Central America;
- Sample books, instructions and models needed to adapt production to the standards and design requirements of the international market and for demonstration, research or educational purposes.

Only industrial and agro-industrial enterprises which export outside the Central American region can take advantage of this régime, consequently enterprises whose activity is fishing do not qualify under the RIT. The programme is for an indefinite period.

**6. Page 26, paragraph 5:** It is stated that Honduras plans to convert from the CCCN to the HS Nomenclature by 1 January 1993. Are these plans on track?

In the context of the agreements and progress made in the Central American Integration Programme, on 1 March 1993 Honduras will replace the CCCN by the Central American Harmonized System (SAC).

**7. Page 27, paragraph 1:** It is stated that the duties contained in the Import Tariff may be modified by the National Congress, after receiving the opinion accompanied by an explanatory statement of reasons, of the Executive Power, for purposes such as ensuring adequate protection for local production, guaranteeing domestic supply, and promoting new production activities. Are there any criteria in place which would serve to limit this discretionary authority? Is Honduras willing to consider an across-the-board ceiling binding in the context of its tariff negotiation?

Although duties may be modified by the National Congress, the relevant proposals for modification are usually submitted by the competent Ministries or departments of the Executive Power. Decisions by the Legislative Power can only be vetoed by the President of the Republic.

Honduras intends binding a maximum ceiling for its import tariff as a contribution to the liberalization of world trade.

**8. Page 27, paragraph 2:** Would Honduras please elaborate on the consistency of the Law on Plant Health and the Health Regulations with internationally agreed phytosanitary standards? What criteria will the Ministry of Natural Resources employ in determining whether to submit fisheries products to periods of quarantine or to restrict or prohibit these imports?

The Law on Plant Health and the Health Regulations are fully consistent with internationally agreed phytosanitary standards. The amendments to the Law on Plant Health, which will enter into force during the first quarter of 1993, state that the FAO/WHO International Code of Conduct on the Distribution and Use of Pesticides is mandatory.

Honduras is party to the International Plant Protection Convention and follows its provisions when issuing import/export licences or international

phytosanitary certificates which are equivalent to and harmonized with those issued by Mexico and other Central American countries.

The Ministry of National Resources is currently drawing up and harmonizing at the regional level a list of agricultural products whose import will be restricted or banned for phytosanitary reasons. This list will be approved by the Council of Ministers during the first half of 1993. Once it has been approved, a copy will be sent to the GATT Secretariat for the information of the contracting parties.

**9. Page 27, paragraph 3: This paragraph notes that imports of products of vegetable or animal origin that are considered harmful to health are regulated by the Ministry of Public Health in accordance with the Health Code. Could Honduras specify the criteria for determining that such products are harmful to health? Are there mechanisms in place that provide for comment by trading partners on proposed regulatory actions? How does the health Code compare with the Law on Plant Health and the Health Regulations? Does the Code comply with international standards?**

The criteria used to determine whether products are harmful to health consist of the following chemical and health analyses:

- Chemical analysis: this is carried out to see whether the product fulfils the requirements concerning its formula and preparation from the qualitative and quantitative points of view;
- Health analysis: this is carried out to see whether the product contains chemical or biological components which could affect public health.

Both analyses are carried out in conformity with the guidelines laid down in the Pan-American Health Standards and the Codex Alimentarius.

In addition, trade partners can make comments on proposed regulatory measures through the following:

- the institutions directly involved, for example, the Food Control Division of the Ministry of Public Health and the Agriculture and Livestock Department of the Ministry of Natural Resources;
- the Inter-Agency Commission for Standardization and Quality Control, in which the competent sectors involved in the process have broad responsibility.

The Health Code and the Law on Plant Health are complementary and consistent. The common objective of all the health measures (relating to storage, transport, handling, use, marketing, etc.) concerning domestic or imported products, for example, foodstuffs of vegetable or animal origin, beverages, dangerous substances, as well as the introduction, dissemination, control and eradication of pests and diseases affecting crops and plantations caused by animals or plants, is to ensure the health and security of the population and safeguard the Honduran economy. In the case of human health, the laws, regulations and other provisions within the

competence of the Ministry of Public Health apply, whereas the laws, regulations and other provisions within the competence of the Ministry of Natural Resources are applicable to the health of animals, plants and other natural resources: nevertheless, interdependent action by both Ministries is co-ordinated jointly.

The relative competence is set out in the Law on the Ministry of Natural Resources, which states that this Ministry is responsible for agricultural production (products of vegetable or animal origin) in accordance with technical standards. It is the responsibility of the Ministry of Public Health, in conformity with the Health Code, to supervise control of these products during their transport, storage, processing and marketing until they reach the final consumer.

Exports of products of animal origin (meat) are certified by the meat packers' laboratory and, as a foodstuff, the certificate is issued by the Food Control Division of the Ministry of Public Health. When the analysis cannot be carried out by these laboratories, it is undertaken by the laboratory of the Centre for the Study and Control of Contaminants (CESCO), especially in the case of residues (insecticides, heavy metals, aflatoxins, etc.).

Furthermore, Article 6 of the Health Code prescribes that the Code and health regulations in general should be implemented in conformity with the international conventions and treaties to which Honduras is a signatory.

In addition, it is provided that foodstuffs, food additives and packaging for foodstuffs shall conform to the food standards and methods laid down in the Codex Alimentarius and endorsed by the Republic of Honduras. The standards and methods which are not laid down in the Codex Alimentarius or accepted by Honduras shall be those drawn up by the Pan American Health Organization (PAHO) and approved by the Council of Ministers of Public Health of Central America and Panama. In their absence, the standards to be applied shall be those of the Central American Institute of Industrial Research and Technology (ICAITI) and, in the last instance, in the absence of regulations by PAHO and ICAITI, the standards laid down in the Federal Code of Regulations of the Food and Drug Administration of the United States of America (FDA).

Honduras belongs to the following standardization organizations:

- Central American Institute of Research and Industrial Technology (ICAITI);
- Commission of the Codex Alimentarius;
- Pan American Standards Commission (COPANT).

**10. Page 27, paragraph 4:** This paragraph states that the Law on Contraband and Tax Fraud is being revised, inter alia, to counter "unfair trade practices which cause or threaten injury to domestic production". It is further stated that draft regulations have been drawn up on the origin of goods, unfair business practices, and safeguard action, which reflect

the GATT rules on these matters. What is the present status of these efforts? Will copies of the new law and regulations be made available? If not, could Honduras elaborate the main tenets of the new law and regulations?

The drafts of the Central American Regulations on Unfair Practices and Safeguard Clauses and the Regulations on the Central American Origin of Goods have already been prepared, but they are still being negotiated by Central American countries and it is not therefore possible at the present stage to give specific examples. Nonetheless, when the regulations have been approved they will be transmitted to the GATT Secretariat for distribution to the contracting parties. It is also important to note that the provisions contained in these regulations take into account already-existing provisions within GATT and they will enter into force when Central American integration becomes effective on 1 March 1993.

**11. Page 27, last paragraph:** Is Honduras prepared to adhere to the Government Procurement Code upon accession to GATT? What other Tokyo Round Codes might Honduras be prepared to join upon accession to GATT?

Honduras intends to accede to the GATT Anti-Dumping Code. At present Central American countries are negotiating an Anti-Dumping Code consistent with the relevant provisions in GATT and it will be implemented when Central American integration becomes effective, which is due to take place on 1 March 1993.

With regard to the Customs Valuation Code, Honduras will adopt it under the special time frame laid down by GATT for developing countries, because it needs sufficient time to train customs personnel and obtain the technical resources needed to implement the Code. Honduras also intends to accede to the Code on Import Licensing.

Finally, in the case of the Government Procurement Code, the Honduran Government recognizes the importance of such regulations, but requires time to study their implications at both the domestic and international levels.

**12. Page 28, paragraph 4:** It is stated that the new import duties are based on the importance of goods for the production system, with lower tariffs set for raw materials and machinery not produced domestically, and higher tariff rates for locally-produced goods. There is no mention of fisheries products in this paragraph. Are fisheries products an exception to this categorization? If not, can Honduras indicate the applicable category for fisheries products for the purposes of tariff treatment?

Fisheries products do not constitute an exception to the criteria used as a basis to fix import tariffs. They are considered to be finished goods which could be produced locally and are therefore subject to the maximum duty of 20 per cent. The exceptions cover fish for reproduction and fish-meal of crustaceans and molluscs for human consumption, which are subject to duties of 5 per cent and 10 per cent respectively.

**13. Page 28, last paragraph:** It is stated that the system of duty exemptions was eliminated through the repeal of all legal provisions exempting public or private institutions and natural legal persons, "with the exception of those established by the constitution and by international agreements...". Could Honduras please specify which entities are covered by this exception? What duty scheme applies to these entities?

According to Honduran legislation, the exemptions and concessions concerned are those granted to persons and institutions entitled to these privileges under international agreements such as with the United Nations and its specialized agencies, the OAS and its specialized bodies; Central American integration entities; the European Economic Community; conventions subject to the criterion of strict reciprocity, such as those applicable to diplomatic missions, and international bilateral conventions signed by the Government of Honduras; natural or legal persons who have signed contracts with the State prior to the entry into force of the Law on the Structural Reorganization of the Economy, under which they are entitled to customs exemptions; and the Autonomous National University of Honduras (UNAH), in accordance with the Constitution of the Republic.

Other customs exemptions are those in favour of Hondurans residing abroad, in accordance with Decree No. 185-86 of 31 October 1986 and the provisions of the Customs Law, Decree No. 212-87 of 29 November 1987; enterprises covered by the régime for Free Zones, RITs and ZIPs; and non-profit-making public-interest voluntary private organizations duly registered in the country.

**14. Page 29, paragraph 1:** Which "basic agricultural products" are subject to the Central American harmonized price band mechanism?

The products currently subject to this mechanism are yellow maize, sorghum, whole and brown rice and rice in the husk. However, similar basic products consumed in the place of the ones mentioned or processed from them could be included so as to ensure the effectiveness of the mechanism.

**15. Page 29, paragraph 1, and page 34, paragraph 2:** Could Honduras elaborate on the "harmonized price band mechanism" (PBM) for basic agricultural products which was established earlier this year as part of the "Transitional Multilateral Free-Trade Agreement" among Honduras, Costa Rica, El Salvador, Guatemala and Nicaragua? This measure is highly discriminatory against exporters of products which come under the PBM. Additionally, this type of measure can have a corrosive effect on the competitiveness of the domestic economy and runs contrary to the moves taken by Honduras toward market principles.

We understand that the PBM is intended to establish variable import levies so as to prevent foreign imports from undermining minimum domestic prices. Would Honduras indicate which products are covered by this system, the associated price bands and the import levies now in effect? The Memorandum notes that the PBM will terminate upon entry into force of the "definitive multilateral agreement" in 1993. There is no indication, however, as to whether the PBM will continue to apply to third-country



suppliers outside the regional trading bloc. Could Honduras clarify the status of the PBM after implementation as it relates to agricultural imports from outside the trading bloc? Would any modification have to be made to the system in light of a Uruguay Round agreement on agriculture, and what would be the nature of the changes?

To set the maximum and minimum prices for a specific product, the international f.o.b. prices for the last sixty months are used, adjusted by the United States Producer Price Index on the basis of the last month of the series. Prices are ranked from highest to lowest, and the top and bottom fifteen are eliminated. The lowest of the remaining thirty prices becomes the floor price and the highest the ceiling. Prices falling between the floor and ceiling are subject to a 25 per cent tariff. In the case of prices higher than the ceiling, a tariff is applied that is less than 25 per cent and diminishes as the price increases, but can never be less than 5 per cent. In the case of prices below the floor price, a tariff is applied that is in inverse proportion to the price, but can never exceed 45 per cent.

The Honduran Agricultural Marketing Institute (IHMA) is the independent entity responsible for determining and preparing the tables of prices and tariffs using the above mechanism; these are subsequently submitted for approval to the Agricultural Development Council (CODA), the body responsible for consultation and harmonization of activities carried out by public sector agricultural institutions. After these steps have been taken, the ensuing customs tariffs are submitted for consideration by the National Congress and then published in the country's information media. The tariffs thus set are valid for twelve calendar months from the first day of September of each year.

This price mechanism was established for reasons of food security for the population, and seeks to insulate the domestic market from abrupt price fluctuations on world markets, thus protecting consumers and producers, alike.

There is an error of interpretation of the second paragraph on page 34, which states that the Transitional Multilateral Free-Trade Agreement will expire automatically upon the entry into force of the definitive multilateral agreement, not that the price band mechanism will be abolished following the entry into force of this Agreement. The price-band mechanism was conceived as a regional instrument and it will remain in force within the Central American integration system; it is currently being applied by all Central American countries with the exception of Costa Rica.

Honduras considers that the Central American price band mechanism is consistent with the draft Final Act of the Uruguay Round, which envisages the tariffication of variable import duties, particularly those based on arbitrarily defined guarantee prices, which form part of policies designed to insulate the domestic market from the international market so as to ensure the success of domestic support policies. The price band system used in Central America is based on a mechanism which links the national and international markets by calculating a tariff which varies in inverse

proportion to the trend in international prices with the objective of mitigating the abrupt fluctuations in international markets while at the same time following their medium-term and long-term trends. The overall goal is to minimize the risk of scarcity of staple grains.

A list of products currently subject to the mechanism, together with their respective tariffs and price margins, is annexed.

**16. Page 29, paragraphs 3-5: Can Honduras provide its assurance that the 10 per cent surtax and 5 per cent levy for customs administrative services are being applied in a manner consistent with Article VIII of the GATT?**

**17. Page 29, paragraph 5: How was the levy of 5 per cent arrived at for the "Customs Administrative Services Surtax"? Will there be any maximum ceiling on the amount charged on any individual transaction?**

The 10 per cent surtax is not related to the provisions of Article VIII of the General Agreement. The 5 per cent levy for customs administrative services was instituted to cover the costs incurred in providing customs services and it is applied in accordance with the provisions of Article VIII of the General Agreement. However, we recognize that the revenue stemming from the application of this surtax has exceeded the costs for which it was established. Consequently, the Government of Honduras is prepared to carry out a gradual reduction in order to bring it down to levels that will cover the costs incurred under this heading within the time frame established by GATT for developing countries. This gradual reduction will make it possible to find an alternative source of domestic revenue that will be consistent with the relevant requirements laid down in the General Agreement, while at the same time enabling the country to fulfil its international financial obligations.

**18. Page 29, last paragraph, and page 30: Is the 10 per cent "selective consumption tax" applied to domestic products and imports at the same "single stage of marketing"? In other words, is this tax equally visible in the case of both domestic and imported products? When in the marketing cycle is it applied? Finally, will Honduras provide its assurance that this tax, as well as the production and consumption tax and the sales tax, are being applied in a manner consistent with Article III of the GATT?**

The 10 per cent Selective Consumption Tax applies to both domestic products and imports. For domestic products, the Selective Consumption Tax is calculated in accordance with Article 3, paragraph A, of Decree No. 58 of 29 July 1982 and it is based on the ex-factory price plus 15 per cent imputed profit. Application of this tax is consistent with Article III of the General Agreement since it affects producers, manufacturers and importers who market goods subject to this levy and, pursuant to the law, they must register with the Directorate-General of Taxation. Any natural or legal persons who produce or import goods subject to this levy are also liable to its payment. Honduras gives its assurance that the Production and Consumption Taxes, as well as the Sales Tax, are applied in a non-discriminatory manner.

**19. Page 34, paragraphs 3 and 4:** Has the Transitional Multilateral Free-Trade Agreement signed by Honduras, Costa Rica, El Salvador, Guatemala, and Nicaragua and which entered into force on 7 February 1992 been notified to the GATT? The Memorandum indicates that this Agreement will expire automatically upon the entry into force of the "definitive multilateral agreement" in 1993. Can Honduras specify when in 1993 this will occur and indicate any plans for notification of the agreement to GATT?

The Transitional Multilateral Free-Trade Agreement has been notified to the GATT Secretariat. The definitive multilateral agreement will enter into force on 1 March 1993 and will be notified to GATT before its implementation.

**20. Page 36, paragraph 1:** It is stated that the exchange policy of Honduras was modified in March 1990 by the introduction of a new exchange system establishing the "Customs Valuation Factor". Does this reference rate reflect the related obligations contained in GATT Article VII:4?

The Customs Valuation Factor is used to convert the value of goods expressed in foreign currency into lempiras and it is calculated on the basis of the prevailing interbank rate so as to enable application of the corresponding tariffs.

The interbank rate of exchange used to calculate the Valuation Factor is based on the average of all the free rates of exchange used in the banking system, as recognized by the International Monetary Fund, and it is fully consistent with the provisions of Article VII:4 of the General Agreement.

Since 19 June 1992, the method used to fix the interbank rate of exchange has been free negotiation of the rate among foreign exchange dealers, so that the Customs Valuation Factor is fixed on the basis of the average rate of exchange on the interbank market and is revised at appropriate intervals. In December 1992, the Customs Valuation Factor was increased by 5.6 per cent from L 5.40 to L 5.70 for US\$1.00.

**21. Page 37, paragraphs 5 and 6:** It is stated that exporters are allowed to retain 30 per cent of their earnings subject to prior authorization by the Central Bank, in order to meet their import needs. What does this prior authorization involve? Is it in place only to ensure that the retained earnings are indeed being used to finance imports, or does it have some other purpose? In cases where importers choose to finance imports by purchasing foreign exchange from a commercial bank, what is the typical duration of the required application process? How stringent are the approval criteria?

Following the entry into force of Resolution No. 359-06/92 of 19 June 1992, which gave effect to the process of liberalizing the foreign exchange market, the Central Bank of Honduras ceased to participate in the fixing of the rate for foreign exchange supply and demand under the National Bank system and its rôle has been replaced by free negotiation among the parties. The amount and rate of the foreign exchange supply or

demand on the market is determined in this fashion and the priority foreign exchange mechanism has no practical effect. If any application is made, however, prior authorization under the mechanism will involve seeking from the exporter information which will allow his foreign exchange needs to be estimated and he will subsequently have to submit justification for the use of the foreign exchange.

Regarding the last two parts of the question, it should be mentioned that, following entry into force of Resolution No. 359-06/92, all applications for foreign exchange to pay commercial imports are dealt with through foreign exchange dealers and the method used to fix prices and amounts is free negotiation among the parties; the duration of the process and the stringency of the criteria depend upon the applicant's bargaining power and the foreign exchange available to the dealer.

**22. Pages 38-40: What is the status of the laws described here as being "at various stages of review"? Will this legislation be made available for consultation by contracting parties? Is there any existing legislation which Honduras would seek to grandfather upon the signing of its Protocol?**

The Investment Law has been enacted together with its regulations and these have been transmitted to the GATT Secretariat to be made available to interested contracting parties.

Important progress has been made in the area of intellectual property through the creation of a legal framework to protect intellectual property rights. A draft Trademark and Patent Law has been drawn up; it is currently being discussed with the private sector and should be submitted to the National Congress during the first quarter of 1993. As far as copyright is concerned, a committee in which representatives of the public and private sectors participate has been established, with responsibility for preparing a draft copyright law which it is hoped will be approved by the Legislative Branch during the first half of 1993.

ANNEXES

1. Privatization Law, Decrees Nos. 161/85 and 197/85.
2. Investment Law, Decree No. 80/92 and its Regulations.
3. Decree Law No. 128/91.
4. Decree No. 129.
5. Law on Administrative Procedure, Decree No. 152-87.
6. Law on Government Procurement, Decree No. 148-85.
7. Import Statistics by Tariff and Country of Origin 1991.
8. Decree No. 222-92.
9. List of Products Exempted under the Régime of Access to the Southern Border Region of Mexico.