

GENERAL AGREEMENT ON  
TARIFFS AND TRADE

RESTRICTED

L/4731/Add.1  
29 January 1979

Limited Distribution

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Original: Spanish

CENTRAL AMERICAN COMMON MARKET

Addendum

Communication from Nicaragua

The following communication dated 17 January 1979 has been received from the Permanent Mission of Nicaragua.

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The Permanent Mission of Nicaragua to the United Nations Office and other International Organizations at Geneva presents its compliments to the Director-General of GATT and, in compliance with the arrangements made by the Council of Representatives of GATT concerning regional economic integration agreements, has the honour to transmit herewith a report on the principal activities of Nicaragua in the context of the Central American Economic Integration Programme.

DEVELOPMENTS IN CENTRAL AMERICAN ECONOMIC INTEGRATION

In 1977 and 1978 the process of Central American economic integration was still beset by the crisis that had begun at the beginning of this decade. Throughout the period, the absence of guidelines to reorient the process toward new objectives and guarantee to the countries concerned a more equitable distribution of the benefits of integration was clearly perceptible. Although in 1976 the High-Level Committee had submitted to the countries concerned a preliminary draft Treaty which established the bases for the creation of an economic and social community in Central America, the conflict between Honduras and El Salvador, the nature of the draft text presented, and other problems continued to affect the area, preventing the taking of decisions on restructuring that were necessary for the process.

Within this framework, the various fora concerned with integration continued their work in 1977 and 1978. The Ministers of Economy of the area, meeting as the body that directs the process, held seven working sessions at which important resolutions were adopted, including the following: signature of the Third Protocol to the Central American Agreement on Fiscal Incentives for Industrial Development; approval of implementing regulations for Article IX of the General Treaty of Central American Economic Integration; a resolution to speed up the work of reviewing the Central American tariff and customs régime; and lastly, agreements on regional commercial policy in respect of sugar, meat and primary products.

In addition, the Ministers of Economy of the area met as the Economic Co-operation Committee for the Central American isthmus and adopted resolutions designed to reactivate the integration process through projects of a regional character. Likewise, the holding of the Second Joint Meeting of Ministers of Economy and Agriculture of the area, and the adoption by it of fourteen resolutions in November 1977, implies very positive progress toward integration of the agricultural sectors of the area.

As regards restructuring of the common market, the significant progress achieved by the co-ordinators for the review of Central American tariff policy, SIECA and UNCTAD experts, gives grounds to expect that finalization of the preliminary draft in 1979 will provide Central America with the necessary legal and technical bases for establishment of a new Central American import tariff which is at present in the process of pre-negotiation with the participation of interested private sectors.

The results of the meetings mentioned are reported in greater detail in the section hereinafter on regional meetings.

The statistics on regional trade reflect an expansion by 22 per cent in 1977, reaching a value of \$760 million. This growth reflects a reactivation of regional trade as compared with the growth rates reported for the period 1970-1976. Once more it may be seen that while four

countries in the area continued to increase their negative balances, Guatemala augmented its favourable balance which in 1977 reached levels in excess of \$160 million. El Salvador, which has traditionally been in surplus, joined the other members in deficit in 1975 and in 1977 reached a record imbalance level of \$61.6 million, while Costa Rica also increased its imbalance vis-à-vis the other Central American countries. Honduras, for its part, has continued to move back into the common market through bilateral agreements and has recorded increasingly large deficits (Table 1).

Nicaragua's trade with the rest of the area, which is examined in detail in the next section, continued in deficit in 1977 and 1978.

#### NICARAGUA'S TRADE WITH CENTRAL AMERICA IN 1977

During 1977, Nicaragua's trade flow with the Central American countries continued its growth rate. Although activity in that year was less dynamic than in 1976, the increase by \$16.2 million in exports and \$24.1 million in imports from the common market are a clear indication of increasingly close links with the other countries of the isthmus. It is interesting to note that from 1960 - the year of signature of the General Treaty of Central American Economic Integration - to date, exports to the regional market have multiplied forty-fold and imports sixty-fold. This very substantial growth has changed the geographical composition of Nicaragua's foreign trade, in which the Central American region is playing an increasingly important part (Table 2).

As in earlier years, the growth of exports was not sufficient to offset import growth; so that in 1977 the deficit reached \$30.5 million, \$7.9 million above the level for 1976.

Because of the fact that the industrial sector accounts for approximately 94 per cent of Nicaragua's purchases from and sales to the common market, the deficit balance basically corresponds to that field of activity. It should be noted, nevertheless, that in 1977 the trade balance was to some extent accounted for by the agriculture and livestock sector. Indeed, agricultural and livestock products, which have traditionally generated a positive trade balance with Central America, yielded a deficit of \$1.7 million in that year.

The figures for 1977 by country show that Costa Rica continues to be Nicaragua's principal purchaser and seller in Central America, followed by Guatemala and El Salvador. It should be underlined that Nicaragua has had a traditionally positive trade balance with Costa Rica and only since 1976 has the situation been reversed, reaching a level of -\$10 million in 1977.

Guatemala, for its part, took up 57.8 per cent of Nicaragua's deficit with the area in 1977, recording a balance of -\$17.6 million, an increase by more than \$7.0 million over the deficit level for the preceding year. As regards trade with El Salvador and Honduras, the results show a reduction by \$3.5 million in the deficit and an increase by \$1.6 million in the surplus vis-à-vis these respective countries.

The 13.7 per cent increase in exports to the Central American area in 1977 brought these to a level of \$134.0 million, of which \$125.7 million consisted of industrial products, \$7.7 million products of agricultural and livestock origin, the rest being attributable to the mining sector. This situation differs from that in purchases from the common market, more than half of which comprise raw materials and intermediate products for industry and agriculture, while sales of consumer goods account for only one quarter. This composition particularly reflects government policy of encouraging these industries at national and regional level. Thus, among the major products exported in 1977, polyvinyl chloride accounted for \$11.5 million, chlorated camphene for \$5.3 million, and sodium hydroxide for \$3.3 million, all of these being covered by special integration régimes. It is relevant to note that the headings considered as being consumer goods included milk powder, exports of which to the isthmus reached a value of \$6.5 million; this industry too was originally promoted by the public sector.

Imports from Central America reached a value of \$164.5 million, 17.2 per cent above the 1976 level. Of this total, \$154.7 million corresponded to industrial products, and \$9.4 million to agricultural and livestock products. As regards the composition of imports, consumer goods account for half of all purchases from Central America, and in particular non-durable goods which in 1977 reached a total value of \$70.0 million. Purchases of raw materials and intermediate goods for agriculture and industry made up 40 per cent of the total.

There is less concentration in imports than on the export side, since none of the items imported from Central America exceeded a value of \$5 million in 1977. The most important products purchased from Central America include the following: antibiotics and sulfa drugs, knitted or crocheted fabrics, glass containers and galvanized sheets and plates, all of which reached levels in excess of \$4 million. As far as growth is concerned, the products that showed the largest purchase increase in 1977 were nitrogenous and phosphatic fertilizers, prepared fertilizers and insecticides, all supplied by Costa Rica; these were largely used in coffee and cotton production. Imports of glass containers increased by some \$500,000, while banana purchases rose to a total of \$2.7 million.

TRADE WITH CENTRAL AMERICA, JANUARY-SEPTEMBER 1978

During the period January-September 1978, the statistics of Nicaragua's trade with Central America showed a deficit of \$9.9 million, which was \$11.4 million smaller than in the corresponding period of 1977. That situation is the result of sluggish export performance and the persistent decline in imports as a consequence of unemployment early in the year and the social and political events that occurred throughout the period under reference. (See Table 5.)

From the country aspect, it should be noted that Costa Rica recorded a positive balance in its trade with Nicaragua, reaching a surplus of \$3.4 million as compared with a deficit of \$6.8 million in 1977, attributable to a decline by 16.2 per cent in imports and a 9.1 per cent increase in exports.

The trade balance with El Salvador swung to a surplus of \$1.5 million as against a deficit of \$3.5 million in 1977.

As regards Guatemala there was also an increase by approximately \$2.3 million in the deficit as a result of a 7.6 decline in exports and a 6.4 per cent rise on the import side, so that the deficit for the period reached \$16.5 million, as against \$12.2 million in 1977.

Lastly, in its trade with Honduras, Nicaragua achieved a favourable balance (\$1.7 million), well above that recorded in 1977, which reached \$1.2 million.

Exports

During the period January-September, exports reached a value of \$102.9 million equivalent, to an increase by 5.3 per cent in comparison with the same period of 1977.

With respect to economic sectors of origin, there was steady export growth in manufacturing industry while exports of agricultural, livestock and mining products declined somewhat.

The industrial products that accounted for the export increase included the following: chemicals, plastic products, basic iron and steel manufactures, leather and footwear products. As regards economic use or purpose, supplies were mainly concentrated on raw materials and intermediate products for industry and agriculture, together with construction materials.

### Imports

Imports reached a level of \$112.7 million as against \$119.1 in the same period of the preceding year. This reflects a reduction by 5.3 per cent in the period under reference, due mainly to smaller purchases of manufactures which declined as compared with the same period of 1977. The textile and base metal branches accounted for this decline.

As regards economic use or performance, imports of raw materials and intermediate products for industry, non-durable consumer goods and construction materials reached levels lower than in the same period of last year.

Performance to date indicates that the 1978 annual results in trade with Central America will be positive or slightly in deficit, depending on performance in the last quarter of the year.

### RESULTS OF REGIONAL MEETINGS

The Ministers of Economy of the region, the Vice-Ministers and other regional groups have met in their respective fora to examine problems and other aspects concerning the countries of the area, seeking solutions to reactivate the Central American integration process.

In 1977 the Ministers of Economy held their XVIIth, XVIIIth, XIXth and XXth meetings; in 1978, important agreements were adopted at the IIIrd Special Meeting and the XXIst Regular Meeting. Special mention should be made of agreements concerning the functioning of free trade, the situation of some export products in international markets, and the region's dependency in relation to Venezuelan petroleum; one should also note the signature of the Third Protocol to the Agreement on Fiscal Incentives for Industrial Development and the adoption of various support measures for the tariff programme. In addition the Ministers gave their support to certain measures of a financial character to be taken by SIECA under this programme which is designed to achieve a comprehensive review of tariff policy and related instruments. Other matters to which the Ministers gave attention at these meetings included an examination of the financial affairs of SIECA, progress of the SIECA/Brookings project and the study on the fertilizer industry.

In addition to the above-mentioned meetings the Ministers had discussions on the occasion of the XVIIth session of ECLA when they also met as the Economic Co-operation Committee of the Central American isthmus holding its Vth special session.

The Third Protocol to the Central American Agreement on Fiscal Incentives for Industrial Development, signed by the five governments at San José, Costa Rica, on 31 August 1977, is an instrument that establishes uniform criteria at regional level in respect of fiscal incentives for

industrial activity and at the same time allows the discretionary grant of exemptions. The Third Protocol has amended the Agreement on Fiscal Incentives for Industrial Development, the Second Protocol to that Agreement and the Protocol to the General Treaty of Central American Economic Integration (Emergency Action to Protect the Balance of Payments).

This reform is designed to achieve orderly application of the Agreement on Fiscal Incentives for Industrial Development and to extend until 1983 the validity of the Second Protocol and the measures to protect the balance of payments.

The Central American Agreement on Fiscal Incentives has been amended in the following way: (a) handicrafts, small industry and export industries are now governed by provisions at national level; (b) exemptions from tax on income, profits and on the assets and wealth of undertakings and/or their owners are determined at national level; (c) undertakings which expand their plants will receive the benefits corresponding to Group "A" new industries if the additional investment is not less than the percentage of initial investment stipulated in the regulations; (d) in respect of plant extension for undertakings other than those in Group "A", the only advantages granted are customs exemptions on imports of machinery and equipment and exemption from taxes on assets and wealth in the manner and conditions stipulated by Article 8 of the Agreement; (e) "new" category treatment is granted to industries which, while not existing in the country, already exist in any of the other countries of the isthmus; (f) more expeditious procedures have been established for the equalization of tax benefits.

In 1978 the Ministers continued to give their support and guidance to the tariff project, the region's external economic relations, and the restructuring of the common market.

As regards the tariff project, the Ministers reaffirmed their decision to establish a new Central American tariff and customs régime as soon as possible, inter alia by linking it with the process of restructuring the common market.

In addition to the foregoing, the mandate given to the Assembly of Coordinators responsible for reviewing Central American tariff policy has been revised, in the sense that the Assembly is to act as a pre-negotiation group and to prepare by 31 March 1979 a draft Central American tariff and customs régime to include a proposal concerning the new legal commitment and the new tariff, with the participation of representatives of interested producing sectors. Likewise, it will include assessments of the fiscal and balance-of-payments effects of the proposed tariffs.

With respect to external economic relations, the Ministers of Economy reaffirmed the importance of co-operation relations between the CACM and the European Economic Community. To this end SIECA has been given the task of carrying out studies and research on matters concerning trade, finance, investments, transfer of technology and technical co-operation, so that the CACM may have the necessary elements of judgement to allow the formulation and negotiation of a co-operation agreement with the EEC.

Likewise, the Permanent Secretariat has been requested to present, within the first six months of 1979, a proposal for more appropriate organizational arrangements so that the Central American Common Market can act as an entity in negotiations with the European Economic Community.

As regards the present situation and immediate prospects for basic export products (coffee, sugar, cotton, meat and bananas), a study is to be made of possible modalities for the establishment of regional mechanisms so that the CACM may gradually progress toward co-ordinated marketing policies for certain primary products, taking into account for this purpose the various institutional realities existing in the Central American countries and the range of products that could appropriately be covered.

In connexion with restructuring of the CACM, the Ministers reaffirmed their agreement that it is very important to continue efforts to achieve such restructuring of the Common Market which is an irreversible undertaking and one of the most appropriate mechanisms for promoting the economic and social development of the countries of the area.

In addition, the Ministers of Economy tackled certain problems in the context of administration of the free-trade area. One of these is the increase in the price of caustic soda produced by the ELPESA Integration Plant of Nicaragua.

The Vice-Ministers of Economy, for their part, continued to meet from time to time to discuss matters within their competence and make recommendations to the meeting of Ministers designed to reactivate and normalize the integration process. Among the main topics considered at recent meetings one may mention the following: matters concerning commercial policy, examined with a view to establishing uniform regional criteria to serve as a basis for multilateral meetings; negotiations for the fixing of prices or quotas for certain products subject to special régimes, such as dried milk and caustic soda; detailed examination of the application of integration legislation on fiscal incentives; implementing regulations for Article IX of the General Treaty, draft regulations for Article VI of the same Treaty and examination of trade problems in general.

As regards restructuring of the Central American Common Market, the centre of activity has been the Assembly of Co-ordinators to whom has been entrusted the task of reviewing Central American tariff policy. In the meetings held by the Co-ordinators during the period under reference, the first phase of the work was completed, including a quantification of the

degree of effective tariff protection afforded to the producing activities of each Central American country, and the preparation of abundant information on each economic activity with a view to evaluating the benefit that they represent for each country and for Central America, their degree of interdependence, their production and input structure, tariff structure and other important indicators. Likewise, preparations have been made for the formulation of a version of the Brussels Tariff Nomenclature, general interpretative rules and the corresponding correlation with the NAUCA. In addition, an examination has been made and agreements reached on topics such as the flexibility that the new tariff can offer, its scope, its co-ordination with other policy instruments, etc. Towards the end of 1978 work was begun on fixing the new tariff levels and preparing the legal instrument which, covering all the earlier topics, would regulate the tariff machinery and ensure development of the industrial, agricultural and trade activities of the region.

For its part, the Preliminary Draft Treaty (Outline Treaty) presented by the High-Level Committee has continued to be the subject of study by technical groups at government level, in preparation for the corresponding negotiation in the regional tripartite body in due course.

The Presidents of Central Banks, which form the Central American Monetary Council, assisted by its technical groups, held nine meetings in 1977 at which they discussed and took resolutions on various matters, including the following in particular: the Second Amendment to the Articles of Agreement of the International Monetary Fund and the corresponding internal legal adjustments; compensation and reciprocal credit agreements between the Central Banks that are members of the Central American Chamber of Compensation and the Banks of the Republic of Colombia and Mexico; the possibility of linking up existing compensation and payment mechanisms in Central America and in LAFTA; and the financial situation and prospects of the Central American countries.

The meetings of Ministers of Agriculture were also active and the various sessions held in 1977 culminated in a joint meeting with Central American Ministers of Economy in November, the second joint meeting to be held in seventeen years of integration. The resolutions adopted by the Ministers included those on the integrated programme for primary products, the multilateral negotiations, the Sugar Agreement, the Central American information mechanism, co-ordination and consultation on bovine meat, strengthening of animal and plant health mechanisms, health problems, liberalization of intra-regional trade, the regional stabilization fund for agricultural prices, and the amendment or replacement of the Limón Protocol.

The private sectors, for their part, were also active in their federations of chambers. The central topic for attention both in the Federation of Central American Chambers of Commerce and Industrial Associations (FECAICA) and the Federation of Central American Chambers of Commerce (FECAMCO) was the signature of the Third Protocol to the Agreement on Fiscal Incentives for Industrial Development and its impact on industrial and trade activity.

TABLE 1  
REGIONAL TRADE

	GROWTH RATES				
	1975	1976	1977	1976/75	1977/76
<b>EXPORTS</b>					
	(\$ million)				
Guatemala	521.8	620.8	759.9	19.0	22.4
El Salvador	184.3	218.1	280.5	18.3	28.6
Honduras	120.8	133.3	158.2	10.3	18.7
Nicaragua	29.1	36.4	42.5	25.1	16.8
Costa Rica	92.6	117.8	134.0	27.2	13.8
	95.0	115.2	144.7	21.3	25.6
<b>IMPORTS</b>					
Guatemala	519.3	609.4	746.8	17.3	22.5
El Salvador	103.1	106.4	119.3	3.2	12.1
Honduras	136.8	170.4	219.8	24.6	29.0
Nicaragua	51.7	58.4	73.5	13.0	25.9
Costa Rica	112.7	140.3	164.5	24.5	17.2
	115.0	133.9	169.7	16.4	26.7
<b>BALANCE</b>					
Guatemala	81.2	111.7	161.2		
El Salvador	-	37.1	61.6		
Honduras	-	22.0	31.0		
Nicaragua	-	22.5	30.5		
Costa Rica	-	18.7	25.0		

NOTE: Differences between exports and imports are due to the fact that the figures corresponding to Nicaragua have been updated.

SOURCE: 1975-76 SIECA.

TABLE 2

## NICARAGUA: TRADE WITH CENTRAL AMERICA BY COUNTRY

Description	GROWTH RATES				
	1975	1976	1977	1976/75	1977/76
		(\$'000)			%
<u>EXPORTS</u>					
Guatemala	92,574	117,815	133,986	27.3	13.7
El Salvador	21,521	31,132	34,697	44.7	11.5
Honduras	21,286	27,748	33,672	30.4	21.3
Costa Rica	12,492	14,985	17,308	20.0	15.5
	37,275	43,950	48,309	17.9	9.9
<u>IMPORTS</u>					
Guatemala	112,678	140,341	164,456	24.6	17.2
El Salvador	36,494	41,725	52,313	14.3	25.4
Honduras	29,115	35,949	38,350	23.5	6.7
Costa Rica	10,551	14,777	15,492	40.0	4.8
	36,518	47,890	58,301	31.1	21.7
<u>BALANCE</u>					
Guatemala	-20,104	-22,526	-30,470		
El Salvador	-14,973	-10,593	-17,616		
Honduras	-7,829	- 8,201	- 4,678		
Costa Rica	-1,941	208	1,816		
	757	- 3,940	- 9,992		

TABLE 3

NICARAGUA: TRADE WITH CENTRAL AMERICA BY ECONOMIC SECTORS OF ORIGIN

	EXPORTS			IMPORTS		
	1975	1976	1977	1975	1976	1977
	(\$ '000)					
AGRICULTURE AND LIVESTOCK	10,962	10,939	7,724	4,882	7,957	9,406
MINING AND QUARRYING	759	1,038	566	127	249	285
MANUFACTURING	80,853	105,836	125,189	107,665	132,123	154,738
Food	21,620	25,015	25,784	11,431	15,052	19,189
Beverages	177	71	82	121	173	160
Tobacco	32	27	34	178	186	218
Textiles	7,079	9,785	12,021	20,696	26,803	25,776
Footwear and wearing apparel	2,802	3,308	3,864	5,332	6,587	6,828
Wood and cork	2,149	4,302	5,554	3,959	823	1,211
Furniture and fixtures	537	1,011	1,229	582	718	719
Paper and paper products	445	1,740	901	6,144	8,344	9,796
Printing, publishing and allied industries	54	50	73	1,510	1,508	1,943
Leather and leather products	720	1,000	1,277	238	332	730
Rubber products	609	806	782	3,351	4,202	5,453
Chemicals and chemical products	28,290	38,026	46,166	24,335	28,131	36,375
Petroleum and coal products	1,262	1,822	1,131	735	875	569
Non-metallic minerals	3,106	4,784	5,765	4,702	4,502	6,840
Basic metal industries	3,359	3,605	4,900	5,508	8,867	8,984
Metal products	4,974	6,212	8,531	5,885	6,310	6,905
Non-electrical machinery	533	554	854	2,529	2,522	4,302
Electrical machinery and apparatus	1,366	2,262	3,356	6,084	7,968	8,975
Transport equipment	10	8	25	1,125	1,010	897
Miscellaneous	1,729	2,448	3,479	6,220	7,210	8,868
ACTIVITIES NOT DEFINED	--	2	7	4	12	27
TOTAL	92,574	117,815	133,986	112,678	140,341	164,456

TABLE 4  
NICARAGUA: TRADE WITH CENTRAL AMERICA BY ECONOMIC USE OR PURPOSE

Description	EXPORTS			IMPORTS		
	1975	1976	1977	1975	1976	1977
Classified according to economic use or purpose						
				(\$'000)		
1 - <u>NON-DURABLE CONSUMER GOODS</u>						
Foodstuffs	26,494	31,988	31,508	46,105	59,984	69,920
Beverages	19,322	21,970	20,801	13,626	19,096	23,320
Tobacco	177	71	82	121	173	160
Pharmaceutical products and toilet articles	33	27	33	178	186	218
Wearing apparel	2,217	3,517	4,302	11,508	13,562	15,645
Other non-durable consumer goods	983	1,113	1,718	6,528	9,792	10,529
2 - <u>DURABLE CONSUMER GOODS</u>						
Household utensils	3,762	5,290	4,572	14,144	17,175	20,048
Personal ornaments, musical instruments etc.	1,200	2,352	3,506	7,641	8,797	10,885
Furniture and other household equipment	130	224	407	389	345	413
Machinery and appliances for household use	67	28	61	369	531	564
Private transport vehicles	558	1,028	1,427	1,594	1,629	1,654
Military weapons and equipment	443	1,067	1,587	1,607	2,046	3,200
	2	5	24	3,682	4,246	5,054
	--	--	--	--	--	--
3 - <u>FUELS, LUBRICANTS AND ALLIED PRODUCTS</u>						
Fuels	299	809	673	641	824	473
Lubricants	293	801	673	125	21	--
	6	8	--	516	803	473

TABLE 4 (cont'd)

## NICARAGUA: TRADE WITH CENTRAL AMERICA BY ECONOMIC USE OR PURPOSE (cont'd)

Description	EXPORTS			IMPORTS		
	1975	1976	1977	1975	1976	1977
Classified according to economic use or purpose						
4 - RAW MATERIALS AND INTERMEDIATE PRODUCTS FOR AGRICULTURE						
Animal feeding stuffs	9,826	10,871	15,007	7,181	7,017	11,033
Other raw materials for agriculture	5,663	5,231	5,495	281	308	383
	4,163	5,640	9,512	6,900	6,709	10,650
5 - RAW MATERIALS AND INTERMEDIATE PRODUCTS FOR INDUSTRY EXCEPT FOR CONSTRUCTION						
Foodstuffs	41,396	53,490	61,708	39,548	47,495	55,132
Non-food agricultural and livestock products	4,183	4,291	3,185	1,395	1,601	2,477
Mining products	10,356	12,762	14,013	18,832	23,227	23,892
Crude and semi-refined petroleum	3,111	3,934	5,589	7,440	7,544	10,957
Chemical and pharmaceutical products	23,746	32,503	40,524	11,881	15,123	17,806
	8,816	12,997	14,250	7,429	11,592	11,485
6 - CONSTRUCTION MATERIALS						
Construction materials of non-mineral origin	2,006	4,073	5,043	509	560	855
Construction materials of non-metallic mineral origin	4,084	6,003	6,143	522	491	734
Metal construction materials	2,726	2,921	3,064	6,398	10,541	9,896

TABLE 4 (cont'd)

NICARAGUA: TRADE WITH CENTRAL AMERICA BY ECONOMIC USE OR PURPOSE (cont'd)

Description Classified according to economic use or purpose	EXPORTS			IMPORTS		
	1975	1976	1977	1975	1976	1977
<b>7 - CAPITAL GOODS FOR AGRICULTURE</b>						
Machinery and tools	1,863	2,035	3,101	1,484	2,039	1,914
Other equipment for agriculture	576	758	944	466	580	723
Transport and haulage equipment	1,024	953	2,085	800	1,185	782
Pure-bred livestock	1	--	--	7	38	133
	262	324	72	211	236	276
<b>8 - CAPITAL GOODS FOR INDUSTRY</b>						
Machinery and apparatus for office, service and scientific use	2,668	3,269	4,225	2,458	2,344	3,297
Tools	38	28	14	135	168	145
Parts and accessories for industrial machinery	30	3	4	282	175	218
Industrial machinery	6	4	6	103	295	428
Other fixed equipment	1,147	1,290	2,040	1,486	1,266	2,066
Telecommunications equipment	1,425	1,806	2,038	1,451	412	436
	20	138	123	1	28	4
<b>9 - TRANSPORT EQUIPMENT</b>						
Parts and accessories for transport equipment	12	2	5	187	231	280
Rolling transport equipment	6	--	--	181	143	199
Fixed transport equipment	6	--	1	6	87	69
	--	2	5	--	1	12
	--	2	3	4	18	37
<b>10 - MISCELLANEOUS</b>						
TOTAL	2,574	117,815	133,986	112,678	140,341	164,456

TABLE 5

NICARAGUA: TRADE WITH CENTRAL AMERICA

JANUARY-SEPTEMBER

Description	GROWTH RATES			
	1976	1977	1978	%
<u>EXPORTS</u>				
	84,819	97,728	102,864	15.2
Guatemala	22,023	25,094	23,181	13.9
El Salvador	19,377	24,225	27,099	25.0
Honduras	10,747	12,442	13,357	15.8
Costa Rica	32,672	35,967	39,233	10.1
	101,024	119,058	112,736	17.8
<u>IMPORTS</u>				
	30,041	37,265	39,655	24.0
Guatemala	26,690	27,763	25,628	4.0
El Salvador	10,354	11,265	11,636	8.8
Honduras	33,939	42,765	35,817	26.0
Costa Rica				
	-16,205	-21,330	-9,872	-5.3
<u>BALANCE</u>				
	-8,018	-12,171	-16,474	-7.6
Guatemala	-7,313	-3,538	1,471	11.9
El Salvador	393	1,177	1,715	7.3
Honduras	-1,267	-6,798	3,416	9.1
Costa Rica				

SOURCE: Central Bank of Nicaragua.