

# GENERAL AGREEMENT ON

# TARIFFS AND TRADE

RESTRICTED

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## ACCESSION OF BOLIVIA

### Additional Questions and Replies Concerning the Foreign Trade Régime of Bolivia

#### Addendum

The following communication, dated 29 June 1989, has been received from the Permanent Mission of Bolivia with the request that it be circulated to contracting parties.

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I have the pleasure to transmit herewith the information requested by various contracting parties during the first meeting of the Working Party on the Accession of Bolivia to the General Agreement. I should be obliged if you would make the necessary arrangements for it to be transmitted to the contracting parties.

Additional Questions concerning Bolivia's Foreign Trade Régime

Question 1

What is the amount of the revenues collected from the Value Added Tax and the Tax on Certain Consumer Goods applied to imports in a recent representative year?

Reply

Receipts from these two taxes collected by the customs in 1988 are:

Value Added Tax: \$b 149,043,989.04

Tax on certain consumer goods \$b 3,997,749.70

Question 2

Please provide information on State enterprises, including: number, activity, number of employees, production as a percentage of total GDP, imports and exports as a percentage of total imports and exports, list of State-owned enterprises that import for processing and/or sale in the domestic market or export, specifying whether each enterprise imports or exports or does both.

Reply

The only information available concerns the operations of exporting State enterprises during 1988; it is given in Annex 1.

Question 3

What is the proportion of imports and exports carried out under counter-trade practices?

Reply

The system used by Bolivia for its sales of gas to Argentina is the only case which may be considered to resemble counter-trade operations. Argentina pays for 80 per cent of its Bolivian gas imports in foreign exchange and the remaining 20 per cent is deposited in an account in dollar-indexed australes. This account is used by Bolivia to pay the interest on its bilateral debt with Argentina; if there is anything left over, it may be used by the Bolivian State or the private sector to purchase Argentine goods and services or to carry out triangular operations.

To date Bolivia has not used the balances of this account to buy goods or services. However, it has paid off debts with foreign firms using the funds deposited in Argentina.

Question 4

Are licences necessary to import:

- lubricants and fuels
- purebred livestock
- seeds
- edible oils
- printed matter?

Reply

Lubricants and fuels: an import licence is required and must be applied for to the Ministry of Energy and Hydrocarbons, which consults on the matter with Yacimientos Petroliferos Fiscales Bolivianos to determine whether the latter can or cannot satisfy the demand giving rise to the application. The outcome is made known through a Ministerial Resolution.

Purebred livestock: no import licence is required under Supreme Decree 21060. Only an animal health certificate required from the Ministry of Rural and Agricultural Affairs is required<sup>1</sup>.

Seeds: since the entry into force of Supreme Decree 21060 an import licence is not required, but only a health certificate issue by the Ministry of Rural and Agricultural Affairs.

Edible oils: Supreme Decree 22193 of 16 May 1989 establishes a previous licensing requirement for all imports of edible oils for a period of 120 days. As this is a food article, a health certificate issued by the Ministry of Social Welfare and Public Health is also required.

Question 5

Please list the principles by which the foreign-trade surveillance enterprises assess the value of imported goods. Are these principles generally based on "price paid or payable"? Are these principles publicly known?

Reply

Verification is based on the "prevailing export price" in the country of origin, which is defined as the price at which identical or comparable goods or services are offered, in competitive conditions and under

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<sup>1</sup>See also Supreme Decree 22207 concerning special requirements for imports of certain food products from neighbouring countries.

comparable terms and conditions, in accordance with current commercial practices, and eliminating discounts applicable to the specific order. As a general rule, the "prevailing export price" is the price at which the manufacturer of the product offers the goods to any foreign purchaser under "standard" terms and conditions of sale. The export prices of alternative supplying countries are not taken into account for price comparison purposes, except in cases where there is an international price for the product in question. Price comparisons do not establish fixed prices, and the "prevailing export price" will change in line with market variations.

The agencies provide this information to users at the time when they are considering hiring their services.

Question 6

Please provide the list of indicative prices used by Bolivia for imports not subject to verification by the foreign-trade surveillance enterprises.

Reply

For imports with an f.o.b. value of less than \$1,000, the Customs Directorate-General periodically issues lists of reference prices, by country of origin and for the most frequently imported goods, for the use of border offices (see Annex 2).

Question 7

For government purchases in which the procurement agencies contracted by the State do not intervene, what method is used by State entities for purchases?

Reply

For purchases of goods and services for a value of less than \$b 100,000, the procedure followed is that laid down in the procurement regulations contained in Annex 3 to Supreme Decree 21660, which constitutes Annex 3 of this document.

Question 8

Could Bolivia provide a list - even on a preliminary basis - of products exempt from the ALADI Regional Tariff Reference?

Reply

The definitive list is given in Annex 4.

Question 9

What is the value of exports benefiting from the Tariff Refund Certificate programme in a recent representative year?

Reply

The approximate value of exports covered by such certificates in 1988 was US\$94,416,242.

Question 10

What proportion of Bolivia's consumption of products subject to the Tax on Certain Consumer Goods is produced domestically?

Reply

No precise information is available. However, Annex 5 contains an indicative list of the products subject to the Tax on Certain Consumer Goods which are not produced in the country.

Question 11

In the area of standards: how are such technical regulations prepared, adopted and applied? Does Bolivia participate in the International Standards Organization? What system is in place for public notification of new technical regulations?

Reply

Annex 6 contains the procedure for the preparation and approval of Bolivian standards, as well as Ministerial Resolution No. 22 529/85 of the Ministry of Industry, Trade and Tourism of 30 January 1985 approving the flow-charts of such procedures.

The system for the preparation of a Bolivian standard is as follows:

- The first step is the preparation of an "outline of a Bolivian standard" by one or more experts assigned to this task.
- A technical committee is then convened, constituted in accordance with the kind of standard involved, and made up of representatives of public and private institutions whose activities are related to the area in question.
- The committee analyses the initial outline and makes whatever changes it sees fit. Once the committee has approved the outline it becomes a "preliminary draft Bolivian standard".
- The preliminary draft is sent for public consultation (all institutions connected with the area, as the case may be) for sixty days during which time any observations are sent in.
- The committee is convened once again to evaluate the observations. If they are correct they are taken into account, and if not they are rejected. The document resulting from this stage is the "draft Bolivian standard".

- The draft is examined by the Directorate-General of Standards and Technology, which approves the document and takes the necessary steps for it to become law. The document now becomes entitled a "Bolivian standard being put into effect".
- Finally, once the document has been approved by the Ministry of Industry, Trade and Tourism, a Ministerial Resolution is issued by which the Bolivian standard enters into force.

ISO standards are used as a reference, among others, in the preparation of Bolivian standards.

All the Ministerial Resolutions approving standards are published in the local press for public information.

#### Question 12

Are there plans to adopt legislation on financial flows in conformity with the Vienna World Convention? If so, how would the changes affect Bolivia's foreign trade régime?

#### Reply

Further information on the Convention, and its links with the General Agreement, is required for us to be able to give a suitable answer to this question.

#### Question 13

Are the same regulations applied to domestically produced and imported pesticides and fertilizers?

#### Reply

Yes.

#### Question 14

Roughly what percentage of total imports is exempted from the tariff duty in force?

#### Reply

Of the total duties corresponding to imports in 1987 (\$b 313,856,583) roughly 30 per cent were freed. Information for 1988 is not available.

#### Question 15

Does Bolivia receive relief from quantitative and other non-tariff restrictions in practice, as a result of its participation in LAIA and the Partial-Scope Agreements?

Reply

With regard to quantitative restrictions, Bolivia does not receive any preference or exemption. On the contrary, many of the concessions received are affected by import quotas.

With regard to the other non-tariff restrictions, their application depends on the mechanism involved:

- (a) In the case of the marketing opening scheme, a preferential mechanism established in favour of the economically relatively less-developed countries, and the Regional Tariff Preference, no non-tariff restrictions may be applied to the negotiated products. Consequently, if a LAIA country includes in its general import régime any kind of non-tariff restriction affecting a specific product negotiated in one of the above-mentioned mechanisms, it must not be applied to the member (beneficiary) countries.
- (b) Under the Partial-Scope Agreements, within a general framework, it is possible to apply non-tariff restrictions which were declared by signatory countries when signing the bilateral agreement in question. Both parties undertake, in the agreements, not to include new restrictions nor to increase those that already exist. Nevertheless, exceptionally and in duly justified circumstances, signatory countries may apply other tariff restrictions in addition to those initially declared.

ANNEXES<sup>1</sup>

- Annex 1: Operations of exporting State enterprises during 1988.
- Annex 2: Ministerial Resolution No. 100 of the Ministry of Tax Collection of 31 March 1987. Lists of reference prices for imports of goods of a value of less than US\$1,000 through border customs offices.
- Annex 3: Annex 3 to Supreme Decree No. 21660: Regulations on the procurement of goods and services for the public sector.
- Annex 4: List of exceptions of Bolivia to the LAIA Regional Tariff Preference.
- Annex 5: Indicative list of products subject to the Tax on Certain Consumer Goods which are not produced in the country.
- Annex 6: Procedure for the preparation of Bolivian standards. Ministerial Resolution 22 529/85 of the Ministry of Industry, Trade and Tourism of 30 January 1985.

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<sup>1</sup>Available in the secretariat (Development Division, Office 2010).