

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## NICARAGUA - INCREASE IN RATES OF DUTY SPECIFIED IN SCHEDULE XXIX

### Communication from the Government of Nicaragua

1. In connexion with the discussion at the twenty-first session of the CONTRACTING PARTIES about the Central American Integration Programme (SR.21/4, page 39), some delegations asked for further information on the action taken or planned by the Government of Nicaragua under the two waivers granted to Nicaragua on 23 November 1961 and 9 November 1962. These waivers, which permit Nicaragua to increase certain duties above the bound level, are related to the harmonization of duties inside Central America. In reply to those requests the Government of Nicaragua has now submitted a communication to the secretariat.
2. By the Decision of 23 November 1961 (BISD, 10th Suppl., page 48) the CONTRACTING PARTIES waived, for a period of three years from the date of the Decision, the provisions of Article II, paragraph 1 of the GATT "to the extent necessary to enable the Government of Nicaragua to increase rates of duty specified in Schedule XXIX for the purpose of applying the equalized rates of duty as and when agreed by the parties to the above-mentioned instruments (i.e. the Central American Agreement on the Equalization of Import Duties and Charges of 1 September 1959 and the General Treaty for Central American Economic Integration of 13 December 1960)". The Government of Nicaragua undertook to notify the Executive Secretary before putting into force an increase in the duty on any item specified in Schedule XXIX and to negotiate under the procedures of Article XXVIII, before the expiry of the Decision or upon completion of the process of alignment of external customs duties, whichever is the earlier, the modifications it would make in the original commitments contained in Schedule XXIX.
3. The Government of Nicaragua has now informed the secretariat that it will present a report on the rates for which the equalization has resulted in an increase. It mentions, however, that the duties on other articles, whether or not included in the schedule of concessions negotiated by Nicaragua, have been reduced substantially, which in their view affords compensation for the increased rates.

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4. The Government of Nicaragua has further informed the secretariat with reference to the emergency duty increase waiver of 20 November 1959 (BISD, 8th Suppl., page 52) which was extended by Decision of 9 November 1962 (BISD, 11th Suppl., page 70) until 30 November 1963 for three items (certain motor cars, lorries and films), that the duty on films has been equalized under the Central American integration agreements and accordingly comes within the category of items to be reported on before 23 November 1964 (cf. 2 above). The other two products (certain motor cars and lorries) are amongst the remaining 5 per cent of the total number of tariff items for which the equalized rates are to be fixed and are thus still at the negotiating stage under the Central American integration agreements. The Government of Nicaragua wishes to maintain for the time being the existing duty increases for these products pending agreement on duty rates which will probably be lower than those at present applying.