

GENERAL AGREEMENT ON TARIFFS AND TRADE

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CENTRAL AMERICAN COMMON MARKET

Alignment of Bound Duties in Schedule XXIX - Nicaragua

Request for extension of Decision of 23 November 1961¹

In accordance with its undertaking in L/2256 the Government of Nicaragua has presented the information annexed hereto, relating to the process of alignment of the tariff items it has bound in Schedule XXIX with the customs tariff of the Central American customs union.

The Government of Nicaragua calls the attention of the CONTRACTING PARTIES in particular to the fact that the alignment of bound duties has on the whole resulted in a reduction rather than an increase in duties.

It will be seen, however, that although very substantial progress has been made in the process of alignment, some items remain to be negotiated with the other members of the Common Market.

Since negotiations on these remaining items are being actively pursued between Nicaragua and her partners, the Government of Nicaragua considers that the renegotiations under Article XXVIII of GATT, provided for in the Decision of 23 November 1961, would be more conveniently and appropriately conducted when this process will have been concluded.

The Government of Nicaragua accordingly requests that the CONTRACTING PARTIES extend the Decision of 23 November 1961 for a further three years, by which time the process of alignment will have been concluded.

In making this request the Government of Nicaragua wishes to reiterate its firm intention to conduct these renegotiations in accordance with the terms and conditions of the above-mentioned Decision.

¹BISD, Tenth Supplement, page 48.

ANNEXComparison of GATT Schedule XXIX - Nicaragua, with the
Common External Tariff of the Central American Common Market

The attached tables are the result of a correlation of the items in Nicaragua's GATT Schedule with tariff numbers now used by Nicaragua, i.e. the tariff items contained in the Arancel de Aduanas Centroamericano.

There are several problems involved in obtaining a correlation of this nature. The Nicaraguan tariff numbers in the GATT Schedule were based on the Standard International Trade Classification (SITC) at the seven or nine digit level. The new Arancel is also based on the SITC, but frequently the numbers used vary between Nicaragua's tariff and the Central American tariff. Thus, it is possible for two Nicaraguan tariff numbers to be incorporated into one Central American number or vice versa. The duties used in both tariffs are a combination of specific and ad valorem rates. Where both parts of the tariff decrease or increase in the Central American tariff when compared to the Nicaraguan tariff, it is an easy matter to indicate that the new rate is lower or higher than the rate in the Nicaraguan GATT Schedule. This procedure was followed in the two tables which list "Items Which Decrease" (Table I) and "Items Which Increase" (Table II). When the two parts of the two tariffs have moved in different directions, it is necessary to compute the ad valorem equivalent (A.V.E.) of the two rates and compare the resulting percentages. For example, Nicaraguan tariff item No. 753-01-01 was dutiable at \$0.40 + 10 per cent while the Central American rate is now Free + 25 per cent. The specific portion of the tariff has dropped to zero, but the ad valorem rate has increased by 15 percentage points. To determine the direction of the change in duty, the ad valorem equivalents of the two specific portions of the tariff were computed by:

- (1) determining the unit value of the goods imported, i.e.

$$\frac{\text{Value of imports}}{\text{Quantity of imports}} = \text{Unit Value}$$

- (2) obtaining the ad valorem equivalent, i.e.

$$\frac{\text{Specific duty}}{\text{Unit value}} = \text{A.V.E. of specific duty}$$

Then the total A.V.E. was obtained as follows:

$$\text{A.V.E. of specific duty} + \text{Ad valorem duty} = \text{Total A.V.E.}$$

If Nicaraguan statistics include data on duty collected at the seven digit level, an alternative means of obtaining an A.V.E. would be:

$$\frac{\text{Value of duty collected}}{\text{Value of imports}} = \text{Total A.V.E.}$$

After computing the A.V.E. of both the new and the old tariff, using for both the same year's value and quantity data, it is possible to ascertain for any item the direction of the change in its rate of duty.

This was done for a number of items where the trade data supplied by SIECA¹ in the Tercer Compendio Estadístico Centroamericano allowed exact comparison between the Nicaraguan tariff items and the Arancel Centroamericano. These items, with the A.V.E.'s in parenthesis, are found at the end of the Tables I and II.

Two other tables list items whose duties do not change (Table III) and items which have not yet been negotiated by the Central American Common Market (Table IV).

The trade statistics given in the tables are only exact when all numbers that is, the previous Nicaraguan tariff number, the current Nicaraguan tariff number, i.e., the Central American (NAUCA) tariff number, and the NAUCA statistical number are the same. Where one or more of the tariff numbers are broken down to the nine digit level the SIECA trade statistics can only provide an estimate of the trade involved.

A table summarizing the estimates of trade values involves in the various tables and the number of tariff items in each category is attached.

¹Secretaría de Integración Económica Centroamericana.

SUMMARY TABLE
COMPARISON OF SCHEDULE XXIX - NICARAGUA - WITH
COMMON EXTERNAL TARIFF OF CENTRAL AMERICAN COMMON MARKET/
RECAPITULATION
COMPARAISON ENTRE LA LISTE XXIX - NICARAGUA - ET LE
TARIF EXTERIEUR COMMUN DU MARCHE COMMUN D'AMERIQUE CENTRALE

	<u>No. of Items/ Nombre de positions</u>	<u>Value of Trade¹ 1962 (\$000)/ Valeur des échanges commerciaux¹ 1962 (en milliers de dollars)</u>
Items whose duties decrease/Positions bénéficiaires d'un abaissement	38	10 770
Items whose duties increase/Positions affectées par une hausse	34	3 398
Items whose duties do not change/Positions pour lesquelles les droits sont inchangés	6	1 037
Items not yet negotiated by CACM/Positions non encore négociées dans le cadre du MCAC	12	9 598

¹Trade values are based on seven digit NAUCA statistics and are not always exactly correlated to the Nicaraguan tariff items. The totals in this table are therefore only estimates./Les valeurs des échanges sont fondées sur les statistiques des numéros à sept chiffres de la Nomenclature douanière de l'Union d'Amérique centrale (NAUCA) et ne correspondent pas toujours exactement avec les positions du tarif du Nicaragua. Les totaux indiqués dans ce tableau n'ont donc qu'une valeur d'estimation.

TABLE I/TABLEAU I

COMPARISON OF SCHEDULE XXIX, NICARAGUA WITH THE CENTRAL AMERICAN CUSTOMS RATE/
COMPARAISON ENTRE LA LISTE XXIX, NICARAGUA, ET LE TARIF D'AMERIQUE CENTRALE

Items which decrease/Positions bénéficiant d'un abaissement

Nicaraguan Tariff Number/ N° du tarif du Nicaragua	Duties Bound in GATT Spec. and Ad Val. Droits consolidés dans le cadre du GATT Spéc. et ad val.	NAUGA Tariff Number/ N° du tarif NAUGA	Central American Duty Spec. and Ad Val. Droit d'Amérique centrale Spéc. et ad val.	NAUGA Stat. Number/ Numéro stat. NAUGA	Total Nicaraguan Imports (\$'000)/ Importations totales au Nicaragua (en milliers de dollars) 1962
022-01-01-01	.13 + 10	022-01-01-01	0.10 + 10%	022-01-01	114
022-01-01-02	.17 + 10 with a ceiling of/ avec plafond de .20 + 10%				
048-01-01	0.10 + 10%	048-01-01	.10 + 10%	048-01-01	29
048-02-00	0.05 + 10%	048-02-00	.02 + 10%	048-02-00	178
Ex-075-02-01	2.50 + 10%	075-02-01	.60 + 10%	075-02-01	-
112-01-03	3.75 + 25%	112-01-03	2.00 + 20%	112-01-03	32
112-01-04	2.00 + 25%	112-01-04	1.50 + 20%	112-01-04	1
266-01-00	0.10 + 10%	266-01-00	Free/Nu1 + 10	266-01-00	43
271-02-00	Free/Nu1 + 10%	271-02-00	Free/Nu1 + .04%	271-02-00	-
271-03-00	Free/Nu1 + 10%	271-03-00	Free/Nu1 + .02%	271-03-00	X
413-03-01	0.04 + 10%	413-03-01	.03 + 10%	413-03-01	41
Ex-512-03-00	0.14 + 10%	512-03-00	10 + 10%	512-03-00	5
541-09-03-1	Free/Nu1 + 20%	541-09-03-01	Free/Nu1 + 13%	541-09-03	1,408
541-09-04-1	Free/Nu1 + 20%	541-09-04-01	Free/Nu1 + 15%		
541-09-04-2	Free/Nu1 + 25%	541-09-04-02	Free/Nu1 + 13%	541-09-04	3,332
551-01-02	5.50 + 10%	551-01-02-01	Free/Nu1 + 5%	551-01-02	4
Ex-551-02-00	0.40 + 20%	551-01-02-09	10 + 20%		
		551-02-00-09	10 + 20%	551-02-00	199

TABLE I (cont'd)/TABLEAU I (suite)

Micaraguan Tariff Number/ N° du tarif du Nicaragua	Duties Bound in GATT Spec. and Ad Val. Droits consolidés dans le cadre du GATT Spéc. et ad val.	NAUCA Tariff Number/ N° du tarif NAUCA	Central American Duty Spec. and Ad Val. Droit d'Amérique centrale Spéc. et ad val.	NAUCA Stat. Number/ Numéro stat. NAUCA	Total Nicaraguan Imports (\$'000)/ Importations totales au Nicaragua (en milliers de dollars) 1962
653-05-02-4	2.5 + 10% with a ceiling of/ avec plafond de 4.00 + 10%	653-05-02-04	1.00 + 10%	653-05-02	236
712-01-01	Free/Nul + 10%	712-01-01	Free/Nul + 5%	712-01-01	83
712-01-02	Free/Nul + 10%	712-01-02	Free/Nul + 5%	712-01-02	134
712-01-03	Free/Nul + 10%	712-01-03	Free/Nul + 5%	712-01-03	94
712-01-04	Free/Nul + 10%	712-01-04	Free/Nul + 5%	712-01-04	23
712-01-05	Free/Nul + 10%	712-01-05	Free/Nul + 5%	712-01-05	41
712-02-01	Free/Nul + 10%	712-02-01	Free/Nul + 5%	712-02-01	58
712-02-02	Free/Nul + 10%	712-02-02	Free/Nul + 5%	712-02-02	668
712-02-03	Free/Nul + 10%	712-02-03	Free/Nul + 5%	712-02-03	58
712-03-01	Free/Nul + 10%	712-03-01	Free/Nul + Free/Nul	712-03-01	-
713-01-00	Free/Nul + 10%	713-01-00	Free/Nul + 7%	713-01-00	1 992
716-03-01	Free/Nul + 10%	716-03-01	Free/Nul + 5%	716-03-01	57
716-03-04	Free/Nul + 10%	716-03-04	Free/Nul + 5%	716-03-04	912
716-03-05	Free/Nul + 10%	716-03-05	Free/Nul + 5%	716-03-05	58
716-11-01	Free/Nul + 10%	716-11-01-01	Free/Nul + 5%	716-11-01	477
721-01-04	• 0.25 + 10% with a ceiling of/ avec plafond de Free/Nul + 25%	721-01-04	Free/Nul + 10%	721-01-04	189
721-19-03	0.08 + 10% with a ceiling of/ avec plafond de Free/Nul + 25%	721-19-03	05 + 10%	721-19-03	21

TABLE I (cont'd)/TABLEAU I (suite)

Micaraguan tariff Number/ N° du tarif du Nicaragua	Duties Bound in GATT Spec. and Ad Val. Droits consolidés dans le cadre du GATT Spéc. et ad val.	NAUCA Tariff Number/ N° du tarif NAUCA	Central American Duty Spec. and Ad Val. Droit d'Amérique centrale Spéc. et ad val.	NAUCA Stat. Number/ Número stat. NAUCA	Total Nicaraguan Imports (\$,000)/ Importations totales au Nicaragua (en milliers de dollars) 1962
Ex-899-14-02-1	0.50 + 10%	899-14-02	35 + 10%	899-14-02	9
032-01-01	0.35 + 20% (96%)	032-01-01-01	0.30 + 30% (95%)	032-01-01	190
682-02-04	0.12 + 10% (21%)	682-01-01-09 682-02-04	0.05 + 15% (20%)	682-02-04	13
733-01-01	0.40 + 10% (37%)	733-01-01	Free/Nul + 25% (25%)	733-01-01	71

TABLE II/TABLEAU II

COMPARISON OF SCHEDULE XXIX, NICARAGUA WITH THE CENTRAL AMERICAN CUSTOMS RATE/
 COMPARAISON ENTRE LA LISTE XXIX, NICARAGUA, ET LE TARIF D'AMERIQUE CENTRALE

Items which increase/Positions affectées par une majoration

Nicaraguan Tariff Number/ N° du tarif du Nicaragua	Duties Bound in GATT Spec. and Ad Val./ Droits consolidés dans le cadre du GATT Spéc. et ad val.	NAUCA Tariff Number/ N° du tarif NAUCA	Central American Duty Spec. and Ad Val./ Droit d'Amérique centrale Spéc. et ad val.	NAUCA Stat. Number/ Numéro stat. NAUCA	Total Nicaraguan Imports (\$'000)/ Importations totales au Nicaragua (en milliers de dollars) 1962
048-01-02	.12 + 10%	048-01-02	.15 + 10	048-01-02	307
075-01-00-1	0.20 + 10%	075-01-00	.40 + 10	075-01-00	27
075-02-05-1	0.22 + 10%	075-02-05	.50 + 10	075-02-05	27
Ex-272-08-1	0.01 + 10%	272-08-01	.03 + 10	272-08-01	X
412-05-00	0.17 + 10%	412-05-00	.35 + 10	412-05-00	33
413-03-02	0.04 + 10%	413-03-02	.10 + 10	413-03-02	431
511-09-10	0.01 + 10%	511-09-10	.01 + 15	511-09-10	37
533-03-01-1	0.04 + 10%	533-03-01	20 + 15	533-03-01	204
533-03-01-2	0.08 + 10%	533-03-02	20 + 20	533-03-02	168
533-03-02	0.16 + 10%	533-03-02	40 + 10	631-01-00	-
Ex-631-01-00	0.20 + 10%	631-01-00	1.00 + 10	653-03-03	-
653-03-03	0.80 + 10%	653-03-03	5.00 + 20	653-06-00	1
653-06-00-1	1.50 + 10%	653-06-00	4.00 + 20	654-01-02	19
654-01-02-1	2.00 + 20%	654-01-02-01	6.00 + 20	654-01-02	17
654-01-02-2	4.00 + 20%	654-01-02-09	.05 + 10	661-03-00	131
Ex-661-03-00	0.03 + 10%	661-03-00-01	.20 + 15	665-02-00	5
Ex-665-02-00-1	0.10 + 10%	665-02-00-01	2.00 + 20	699-29-20	90
Ex-665-09-02-1	0.83 + 10%	665-09-03	10 + 10		
Ex-699-29-20-3	0.03 + 10%	699-29-20-09			

TABLE II (Cont'd)/TABLEAU II (suite)

Nicaraguan Tariff Number/ N° du tarif du Nicaragua	Duties Bound in GATT Spec. and Ad Val. Droits consolidés dans le cadre du GATT Spéc. et ad val.	NAUCA Tariff Number/ N° du tarif NAUCA	Central American Duty Spec. and Ad Val. Droit d'Amérique centrale Spéc. et ad val.	NAUCA Stat. Number/ Número stat. NAUCA	Total Nicaraguan Imports (\$'000)/ Importations totales au Nicaragua (en milliers de dollars) 1962
721-01-02	Free/Nul + 10%	721-01-02-01	05 + 10	721-01-02	154
Ex-721-02-00	0.10 + 10%	721-01-02-09	Free/Nul + 10		
		721-02-00-01	.25 + 10	721-02-00	435
		09	.15 + 15		
		699-12-01-01	Free/Nul + 10%		
699-12-01	Free/Nul + 10%	699-12-01-02	0.25 + 15%	699-12-01	234
		699-12-01-09	Free/Nul + 15%		
Ex-721-11-01	Free/Nul + 10%	721-11-01	Free/Nul + 15	721-11-01	104
721-19-02-1	0.15 + 10%	721-19-02-01	50 + 10		
721-15-02-2	0.15 + 10%	721-19-02-02	30 + 10	721-19-02	112
721-19-07	0.15 + 10% with a ceiling of/avec plafond de Free/Nul + 25%	721-19-07	.25 + 25	721-19-07	155
732-02-00	Free/Nul + 22	732-02-00	35 + 30	732-02-00	192
841-01-03	5.15 + 10%	841-01-03-01	12.00 + 20		
		-09	8.00 + 30	841-01-03	2
Ex-862-01-01	Free/Nul + 10%	862-01-01	Free/Nul + 15	862-01-01	33
862-01-02	0.85 + 10%	862-01-02	1.00 + 30	862-01-02	51
899-15-02-1	0.05 + 10%	899-15-02-09	1.00 + 25	899-15-02	17
899-17-08-1	1.00 + 15%	899-17-08	1.00 + 25	899-17-08	25
		022-02-01-01	0.15 + 10%		
	0.17 + 10% with a ceiling of/avec plafond de	022-02-01-02	(60%)		
		022-02-01-02	0.15 + 10%	022-02-01	363
		(67%)	(60%)		
		022-02-01-03	0.40 + 10%		
			(143%)		
Ex-733-02-00	0.40 + 10% (13%)	733-02-00	Free/Nul + 25%	733-02-00	6
			(25%)		

TABLE III/TABLEAU III

COMPARISON OF SCHEDULE XXIX, NICARAGUA WITH THE CENTRAL AMERICAN CUSTOMS RATE/
COMPARAISON ENTRE LA LISTE XXIX, NICARAGUA, ET LE TARIF D'AMÉRIQUE CENTRALE

Items whose duties do not change/
Positions pour lesquelles les droits demeurent inchangés

Nicaraguan Tariff Number/ N° du tarif du Nicaragua	Duties Bound in GATT Spec. and Ad Val. Droits consolidés dans le cadre du GATT Spéc. et ad val.	NAUCA Tariff Number/ N° du tarif NAUCA	Central American Duty Spec. and Ad Val. Droit d'Amérique centrale Spéc. et ad val.	NAUCA Stat. Number/ Numéro stat. NAUCA	Total Nicaraguan Imports (\$'000)/ Importations totales au Nicaragua (en milliers de dollars) 1962
541-04-01	Free/Nul + Free/Nul	541-04-01	Free/Nul + Free/Nul	541-04-01	7
641-01-00	Free/Nul + 10%	641-01-00	Free/Nul + 10%	641-01-00	367
721-01-01	Free/Nul + 10%	721-01-01	Free/Nul + 10%	721-01-01	163
721-01-03	Free/Nul + 10%	721-01-03	Free/Nul + 10%	721-01-03	54
Ex-734-0-00	Free/Nul + 10%	734-01-00	Free/Nul + 10%	734-01-00	325
734-03-00	Free/Nul + 10%	734-03-00	Free/Nul + 10%	734-03-00	121

TABLE IV/TABLEAU IV

COMPARISON OF SCHEDULE XXIX, NICARAGUA WITH THE CENTRAL AMERICAN CUSTOMS RATE/
COMPARAISON ENTRE LA LISTE XXIX, NICARAGUA, ET LE TARIF D'AMERIQUE CENTRALE

Items not yet negotiated by CACM countries/
Positions non encore négociées par les pays du MCAM

Schedule XXIX Nicaragua Tariff Number/ Liste XXIX N° du tarif Nicaragua	Duties Bound in GATT Spec. and Ad Val. Droits consolidés dans le cadre du GATT Spéc. et ad val.	Current Nicaraguan Tariff Number/ Numéro actuel du tarif Nicaragua	Current Nicaraguan Duties Spec. and Ad Val. Droits actuels Nicaragua Spéc. et ad val.	NAUCA Stat. Number/ Numéro stat. NAUCA	Total Nicaraguan Imports 1962/ Importations totales au Nicaragua 1962
046-01-01	0.03 + 10%	046-01-01	0.03 + 10%	046-01-01	2,330
629-01-02	0.24 + 10%	629-01-02-01	Free/Nul + Free/Nul	629-01-02	1,678
653-09-02-01	0.01 + 10%	629-01-02-01	0.24 + 20%		
653-09-02-02	0.80 + 10%	653-09-02-01	0.01 + 10%	653-09-02	182
721-03-01	0.15 + 10% with a ceiling of/ avec plafond de Free/Nul + 25%	653-09-02-02	0.20 + 10%		
		721-03-01	0.10 + 10%	721-03-01	136
Ex-721-04-01-02	2.30 + 20%	721-04-01	2.30 + 40%	721-04-01	744
721-04-02	2.00 + 10%	721-04-02	2.50 + 20%	721-04-02	29
721-04-04	2.30 + 10%	721-04-04	2.30 + 20%	721-04-04	58
732-01-01	0.04 + 10%	732-01-01	0.07 + 20%	732-01-01	631
Ex-732-03-02	Free/Nul + 10% with ceiling of/ avec plafond de Free/Nul + 12%	732-03-02	Free/Nul + 15%	732-03-02	2,648
Ex-732-06-00-08	Free/Nul + 22%	732-06-00-08	Free/Nul + 30%	732-06-00	1,026
863-01-00-02	0.40 + 10%	863-01-00-09	0.40 + 25%	863-01-00	136