

No. 5494

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**EL SALVADOR, HONDURAS and GUATEMALA**

**Treaty of Economic Association (with annexes). Signed  
at Guatemala City, on 6 February 1960**

*Official text: Spanish.*

*Registered by El Salvador, Honduras and Guatemala on 19 December 1960.*

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**SALVADOR, HONDURAS et GUATEMALA**

**Traité d'association économique (avec annexes). Signé à  
Guatemala, le 6 février 1960**

*Texte officiel espagnol.*

*Enregistré par le Salvador, le Honduras et le Guatemala le 19 décembre 1960.*

[TRANSLATION — TRADUCTION]

No. 5494. TREATY<sup>1</sup> OF ECONOMIC ASSOCIATION BETWEEN EL SALVADOR, HONDURAS AND GUATEMALA. SIGNED AT GUATEMALA CITY, ON 6 FEBRUARY 1960

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The Governments of the Republics of El Salvador, Honduras and Guatemala, With the intention of promoting the economic development of their respective countries in order to improve the standard of living of their peoples ;

Being convinced of the necessity to consolidate and extend the present economic co-operation between the three countries and thus to contribute to Central American economic integration ;

Considering that the Presidents of the three Republics have declared it essential to hasten the integration and development of the economies of the region ;

Having as their aim the establishment in the near future of a common market in order to stimulate production and investment by joint action and the establishment of the necessary machinery to promote economic co-operation among them ;

Have decided to conclude the present Treaty of Economic Association and to that end have appointed as their plenipotentiaries :

The President of the Republic of El Salvador : Alfonso Rochac, Minister for Economic Affairs ;

The President of the Republic of Honduras : Jorge Bueso Arias, Minister for Economic and Financial Affairs ;

The President of the Republic of Guatemala : Eduardo Rodríguez Genis, Minister for Economic Affairs,

Who, having exchanged their respective full powers, found in good and due form, have agreed on the following :

CHAPTER I

BASIC PRINCIPLES

*Article I*

The Contracting Parties establish by the present Treaty an Economic Association guaranteeing free movement of persons, goods and capital between their territories.

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<sup>1</sup> Came into force on 27 April 1960, the date of the exchange of the instruments of ratification at Tegucigalpa, in accordance with article XXXI.

*Article II*

Nationals of any of the Signatory States shall have the right freely to enter and leave the territory of the other Signatory States without any limitations other than those laid down for nationals of those States.

Similarly, nationals of any of the Parties shall enjoy national treatment in the territory of the other Parties, in accordance with the domestic law of each State, in civil, commercial, tax and labour matters.

*Article III*

When the Customs Union referred to in chapter III is set up, there shall be free movement of goods between the territories of the Contracting Parties without distinction as to origin, immediate source or destination. Nevertheless, during the period of transition before the establishment of the Customs Union, there shall be freedom of movement only for natural products and manufactured articles originating in the territory of the Contracting Parties, such goods to be exchanged on the terms and under the conditions laid down below.

*Article IV*

The Contracting Parties shall endeavour to keep their currencies freely convertible. In no case may they establish exchange restrictions which discriminate against any one of them.

*Article V*

Each of the Parties shall extend national treatment to nationals of the other two Parties, whether individuals or bodies corporate, as regards capital investment and the right to organize, manage and participate in undertakings.

Each Party shall decide what rules are to govern investments by bodies corporate in which nationals of third countries participate.

*Article VI*

The Contracting Parties shall ensure that the free movement of persons, goods and capital between them is not unduly impeded by any provision of a legislative or administrative nature.

*Article VII*

In order to create a reasonable degree of equality in the trade relations between them, the Contracting Parties shall endeavour to achieve uniformity in the legislative or other provisions affecting the production of goods.

*Article VIII*

The Contracting Parties shall pursue a policy of co-operation and joint consultation in respect of trade between them and of their economic relations with countries outside Central America.

## CHAPTER II

## COMMON MARKET

*Article IX*

Subject only to the limitations specified in annex A<sup>1</sup> of this Treaty, there shall be free trade immediately in natural products originating in the territories of the Contracting Parties and in products manufactured in those territories. The said products shall accordingly not be subject to measures of quantitative control and shall be exempt from any kind of import or export charges, including consular fees.

The exemptions mentioned in this article do not extend to lighterage, wharfage, storage and handling charges for merchandise or to any other charges legally payable for harbour, storage or transport services.

For the purposes of this article, products manufactured in a third country which are merely packed, put into containers, cut or diluted in the exporting country shall not be considered products manufactured in one of the Contracting States.

*Article X*

The products listed in annex A shall be subject to special regimes and treatment as indicated in the said annex.

*Article XI*

Goods imported from any of the Contracting Parties shall be subject to such national or municipal taxes or dues on production, sale, distribution, trade or consumption as are in force or may be introduced in the importing country ; it being understood that such domestic taxes and dues shall not be different from or heavier than those which apply to national goods of the importing country.

If the articles subject to such domestic taxes are not produced in the importing country, it shall also tax similar goods imported from third countries.

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<sup>1</sup> See p. 40 of this volume.

*Article XII*

Articles which under the domestic law of any of the Contracting Parties at the date of the conclusion of this Treaty constitute a State monopoly shall remain subject to the relevant legal provisions of each country.

Before new monopolies are established and before the system under which existing monopolies operate is changed, the Parties shall hold consultations in order to establish a special regime for trade in the articles concerned.

*Article XIII*

Articles of which the export or import is governed by international agreements shall be subject to the provisions of those agreements.

*Article XIV*

The customs authorities of the Signatory States shall provide all possible facilities so that trade between the three countries may proceed with the utmost dispatch. Goods imported or exported between one Party and another shall be covered by a customs form signed by the exporter, which shall contain a declaration of their origin and shall be endorsed by the customs authorities of the exporting and importing countries in accordance with annex B<sup>1</sup> of this Treaty.

*Article XV*

If there is any doubt as to the origin of certain goods, the State which considers its interests affected shall submit the matter for consideration to the Executive Council established under this Treaty. The Council may, if it thinks fit, decide that the form mentioned in the preceding article must be accompanied by a declaration of origin signed by the producer of the goods exported or by a certificate issued by the Ministry of Economic Affairs of the exporting country.

*Article XVI*

None of the Signatory States shall grant export subsidies for goods destined for the territory of the other States or allow goods to be exported to the territory of the other States below the normal price.

If accusations are made of dishonest trade practices, the State which considers its interests affected shall submit the matter for consideration to the Executive Council established under the Treaty, which shall decide the matter.

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<sup>1</sup> See p. 62 of this volume.

CHAPTER III  
CUSTOMS UNION

*Article XVII*

The Contracting Parties undertake to equalize all import charges within a maximum of five years from the entry into force of this Treaty. The charges to be equalized shall include all taxes, duties and fees of whatever kind arising from importation.

The said equalization shall be carried out in accordance with the provisions of the Central American Agreement on the equalization of import duties and charges ; the process shall not, however, be held up if common Central American rates are not achieved within the above-mentioned five-year period.

*Article XVIII*

Once all import charges have been equalized, the Contracting Parties shall establish basic provisions for a joint customs authority, the revenue from which shall be distributed among them equitably.

The organization of the joint customs authority and the manner in which its revenue is to be distributed shall be the subject of a special protocol.

CHAPTER IV  
DEVELOPMENT AND ASSISTANCE FUND

*Article XIX*

The Contracting Parties agree to set up a Development and Assistance Fund as a body corporate under international law, its purpose being to contribute to the integration and economic development of the countries in the Association by facilitating public and private investment for productive purposes.

The Fund shall be governed by a statute and shall have the power to enter into agreements concerning and to carry out financial operations involving credits and liabilities. Its functions shall accordingly include the granting of loans and guarantees to the Governments of the Signatory States and to private undertakings established in their respective territories for the following purposes :

(a) The speedy establishment of a balanced economic infrastructure in the three countries ;

(b) The construction, extension and improvement of the roads linking the territories of the Contracting Parties and the execution of economic development projects of common interest ;

(c) The expansion or improvement of undertakings, particularly in order to mitigate any dislocation which may result from the establishment of the common market ; and

(d) The financing of any new undertakings which because of their size or nature, are set up within the framework of the common market.

*Article XX*

The Fund's resources shall consist of the following :

(a) The contributions or quotas paid by the Governments of the Contracting Parties, it being understood that such payments shall be related to the ability of each Signatory State to contribute ;

(b) Any credit it may obtain in the capital markets ; and

(c) Any income, under any legal heading whatever, from national, foreign or international institutions, whether public or private.

The form, amount and timing of the contributions from each of the Parties shall be fixed in an additional protocol. The said protocol shall include the Statute of the Fund and shall be signed within 120 days of the signing of this Treaty.

CHAPTER V

ORGANS OF THE ASSOCIATION

*Article XXI*

The Economic Association set up by this Treaty shall have the following organs :

(a) Governing Board ; and

(b) Executive Council.

*Article XXII*

The Governing Board shall consist of the Ministers for Economic Affairs of the Contracting Parties. It shall meet at least once a quarter or at the request of any of the Parties and its main function shall be to lay down the general policy to be followed in order to promote the economic integration of the three countries. Its resolutions shall be carried out by the Executive Council in accordance with the procedure indicated.

The Board shall decide what regulations are necessary for the execution of this Treaty.

*Article XXIII*

The Executive Council shall be responsible for all transactions and operations designed to give practical effect to the economic union of the Contracting Parties and shall make an annual report on its work to the Governing Board.

The Executive Council shall consist of one regular official and one alternate appointed by each of the Parties. It shall meet at least once a month or at the request of any of the Parties and its decisions shall be taken by a majority vote.

The Council shall draw up its own rules of procedure and shall submit them to the Board for consideration. Its functions shall be those laid down in the above-mentioned rules and those assigned to it by the Governing Board. It shall also assume the powers and duties of the Joint Commissions established by bilateral treaties.

*Article XXIV*

The Executive Council shall have a permanent secretariat and shall be authorized to appoint its staff. The administrative cost of maintaining and running the Council and the secretariat shall be defrayed from the Development and Assistance Fund. The amount of such costs and the way in which they are to be distributed shall be decided by the Board.

*Article XXV*

The Council shall be authorized to appoint committees and working groups, which shall act as advisory bodies.

CHAPTER VI

GENERAL PROVISIONS

*Article XXVI*

Questions relating to navigation, fishing in territorial waters, international traffic, transport routes, customs legislation, monetary problems and other matters for which express provision is not made in this Treaty shall be settled by additional protocols thereto. Such protocols shall be adopted on the recommendation of the Executive Council.

*Article XXVII*

Such provisions of the bilateral or multilateral treaties of Central American economic integration as do not conflict with the provisions of this Treaty shall remain in force after its adoption.

The present Treaty shall, however, have preference in application over any Central American bilateral or multilateral treaty in so far as it amplifies the provisions thereof.

*Article XXVIII*

Nothing in this Treaty shall obstruct or prejudice the conclusion of Central American agreements on economic integration.



*Article XXIX*

Any dispute which may arise concerning the interpretation or application of any clause of this Treaty shall be submitted to the Executive Council, which shall decide the matter.

If any of the Parties is not satisfied with the Council's decision, it may appeal to the Governing Board. If it does not agree with the Board's decision, it may submit the matter to an Arbitration Tribunal constituted as follows : each of the Contracting Parties shall submit to the Executive Council the names of three judges of their respective Supreme Courts of Justice. From the complete list of candidates the Council shall choose by lot three arbitrators, each of a different nationality, who shall constitute the Tribunal.

The awards of the Arbitration Tribunal shall require the concurring votes of two members ; they shall have the force of *res judicata* for all the Contracting Parties in respect of any question relating to the interpretation or application of the clauses of this Treaty.

*Article XXX*

In keeping with the spirit of Central-Americanism which has prompted the conclusion of this Treaty, the Contracting Parties shall jointly invite the other countries of Central America to join the Association, on terms to be decided by common agreement.

*Article XXXI*

The present Treaty is concluded for a period of twenty years and upon expiry of that period it shall be extended indefinitely, unless denounced upon five year's notice being given. It shall remain in force as long as at least two countries adhere to it.

The Treaty shall come into force on the date of the exchange of the instruments of ratification.

For the other Central American countries it shall come into force at the time of deposit of the instruments of ratification with the Ministry of Foreign Affairs of the country where the original exchange took place.

IN WITNESS WHEREOF the plenipotentiaries of El Salvador, Honduras and Guatemala have signed this Treaty, in three original copies, at Guatemala City on the sixth day of February, one thousand nine hundred and sixty.

A. ROCHAC  
J. BUESO ARIAS  
Eduardo RODRÍGUEZ G.

## ANNEX A

## GOODS SUBJECT TO SPECIAL REGULATIONS

## GENERAL NOTES

I. Where the description of an entry or name of a product is the same as that in the Standard Central American Tariff Nomenclature (NAUCA) corresponding to the group (three digits), item (five digits) or sub-item (seven digits) indicated in the left-hand column, it shall be understood that the entry or product in question includes everything in that group, item or sub-item of NAUCA and its Codification Manual. If the name given to an entry or product is more restrictive than the heading of the corresponding group, item or sub-item indicated in the left-hand column, it shall be understood that it includes only the article or articles specifically mentioned in this list provided they are classifiable in the group, item or sub-item to which they have been assigned.

II. When this annex refers to duties, it shall be understood that *ad valorem* duties are to be charged on the value of the goods c.i.f. place of entry. Specific duties are expressed in the equivalent of United States dollars per kilogramme gross.

III. If the treatment, given under any of the bilateral treaties in force between the Contracting Parties, to any of the commodities included in this annex, is more favourable than that provided for therein, the bilateral treatment shall apply to trade between the Parties concerned.

<i>NAUCA Code</i>	<i>Description</i>	<i>Treatment</i>
042	Rice	Free trade between Guatemala and Honduras and between El Salvador and Honduras. Between Guatemala and El Salvador, may be subject to import and export control. After the Treaty has been in force for five years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
044	Maize (corn), unmilled	In accordance with the bilateral treaties in force, maize shall be governed by the following arrangement: It may be subject to import and export control between Guatemala and El Salvador and to export control between Guatemala and Honduras.  Between El Salvador and Honduras, there shall be free trade except that during the first two years of the Treaty quotas of not less than 400,000 quintals a year may be established.  Any amount authorized in excess of the minimum quota shall be free.

NAUCA Code	Description	Treatment
		Within a period of not more than six years from the entry into force of the Treaty, the Contracting Parties shall sign a special protocol guaranteeing the widest freedom of trade.
046-01	Wheat flour	Subject to import control until such time as import duties on wheat are equalized.
061	Cane sugar, refined or not refined	Subject to minimum import quotas of 80,000 quintals between Honduras and El Salvador and 20,000 quintals between Honduras and Guatemala. If Honduras allows any imports in excess of the said minimum quotas, it shall grant equivalent quotas to Guatemala and El Salvador. The Government of Honduras shall announce the additional quotas mentioned in the preceding paragraph and inform the Governments of the other Parties thereof in the third quarter of each year. All authorized quotas shall enjoy free trade.
		Between Guatemala and El Salvador, sugar shall be subject to import control.
071-01	Coffee not roasted	Without prejudice to the provisions of article XIII of this Treaty, <sup>1</sup> shall be subject to the import and export duties in force in each of the Contracting States.
071-02-00	Coffee roasted in beans or ground	Subject to the import and export duties in force in each of the Contracting States.
71-03-00	Coffee extracts, coffee essences and preparations containing coffee (soluble coffee)	A minimum quota of 14,000 kilogrammes a year to be granted to each country, subject to an import tax of 30 cents per kilogramme gross. The same duty shall be paid on amounts authorized in excess of the quota.
081-02-00	Bran, pollard, sharps and other by-products from the preparation of cereals and cereal products	May be subject to export control.
081-03-00	Oil-seed cake and meal and other vegetable oil residues	May be subject to export control.
081-09	Food wastes and prepared animal feed, n.e.s.	May be subject to export control.

<sup>1</sup> See p. 24 of this volume.

NAUCA Code	Description	Treatment
091-02-02	Lard substitutes and similar edible fats of animal or vegetable origin, n.e.s.	Free trade between Guatemala and El Salvador and between Guatemala and Honduras. Between Honduras and El Salvador, a minimum quota of 30,000 kilogrammes a month. Any amount authorized in excess of the quota shall enjoy free trade. After the Treaty has been in force for three years there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
112-02-00	Fermented fruit juices (except cider)	Free trade between Guatemala and El Salvador. Between Guatemala and Honduras and between El Salvador and Honduras, subject to payment of the relevant import duties.
112-03-00	Beer and other fermented cereal beverages	Free trade between Guatemala and El Salvador. Between Guatemala and Honduras and between El Salvador and Honduras, the following preferential tariff shall be applied : First year of the Treaty : 80 per cent of the import duties. Second year of the Treaty : 60 per cent of the import duties. Third year of the Treaty : 40 per cent of the import duties. Fourth year of the Treaty : 20 per cent of the import duties. After the Treaty has been in force for four years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
112-04	Distilled alcoholic beverages (except spirits from sugar cane)	Between Guatemala and El Salvador, subject to the payment of 50 per cent of the import duties. Between Guatemala and Honduras and between El Salvador and Honduras, subject to the payment of the relevant import duties.
112-04-02	Spirits from sugar cane	In accordance with article XII of this Treaty, subject to the internal regulations of each country and to the relevant duties.
121-01-00	Tobacco unmanufactured, including scrap tobacco	Free trade between Honduras and El Salvador. Between Guatemala and El Salvador the customs regulations in force at the time of the signature of the Treaty shall remain in force for two years. Between Guatemala and Honduras there shall be minimum duty-free quotas of 10,000 quintals in the first year of the Treaty and 15,000 quintals in the second. After the Treaty has been in force for two years there shall be unrestricted free trade.

<i>NAUCA Code</i>	<i>Description</i>	<i>Treatment</i>
122-01-00	Cigars and cheroots	Free trade between El Salvador and Honduras.  Between Guatemala and El Salvador and between Guatemala and Honduras, subject to payment of 60 per cent of the import duties. After the Treaty has been in force for three years there shall be unrestricted free trade.
122-02-00	Cigarettes	Subject to payment of 60 per cent of the import duties. After the Treaty has been in force for five years there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
211	Hides and skins (except fur skins), undressed	May be subject to export control.
221-06-00	Cottonseed	May be subject to export control.
263	Cotton	Free trade between Guatemala and Honduras and between El Salvador and Honduras. Subject to export and import control between Guatemala and El Salvador.
272-05-01	Common or sea salt, not refined	Free trade between Honduras and El Salvador.  Between Guatemala and Honduras and between Guatemala and El Salvador, subject to payment of 50 per cent of the import duties in the first year of the Treaty ; 25 per cent in the second year ; and free thereafter.
282-01-00	Iron and steel scrap	Free trade between Honduras and El Salvador.  Between Guatemala and Honduras and between Guatemala and El Salvador, may be subject to export control.
313	Petroleum products	Free trade between Guatemala and Honduras.  Within a period of not less than five years the Contracting Parties shall agree on rules to govern trade between them in these articles.
412	Vegetable oils and fats	Trade between the Contracting Parties in unrefined oils and fats shall be free. Trade between Guatemala and Honduras and between Guatemala and El Salvador in refined oils and fats shall be free.  Between El Salvador and Honduras, refined oils and fats shall be subject to a minimum monthly quota of 15,000 kilogrammes, which shall be free of import duties. Amounts authorized in excess of the quota shall enjoy free trade.

NAUCA Code	Description	Treatment
		After this Treaty has been in force for two years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
512-02-00	Ethyl alcohol, de-natured or not	In accordance with article XII of this Treaty, subject to the domestic regulations of each country and to the appropriate duties.
552-01	Perfumery, cosmetics and other toilet preparations, except soaps (excluding sub-item 552-01-06)	<p>Free trade between Guatemala and El Salvador.</p> <p>Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following <i>ad valorem</i> import duties :</p> <p>First year of the Treaty . . . . . 16 %  Second year of the Treaty . . . . . 8 %  Third year of the Treaty . . . . . 4 %</p> <p>After the Treaty has been in force for three years there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.</p>
552-02-01	Toilet and bath soap	<p>Free trade between Guatemala and El Salvador.</p> <p>Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following <i>ad valorem</i> import duties :</p> <p>First year of the Treaty . . . . . 12 %  Second year of the Treaty . . . . . 8 %  Third year of the Treaty . . . . . 4 %</p> <p>After the Treaty has been in force for three years there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.</p>
552-02-03	Other soaps and washing and cleaning preparations, n. e. s., except soaps containing abrasives	<p>Free trade between Guatemala and El Salvador.</p> <p>Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following <i>ad valorem</i> import duties :</p> <p>First year of the Treaty . . . . . 12 %  Second year of the Treaty . . . . . 8 %  Third year of the Treaty . . . . . 4 %</p> <p>After the Treaty has been in force for three years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.</p>
599-01-03	Plastic cloths, not woven (excludes synthetic textile fibres and fabrics made from them)	<p>Free trade between Guatemala and El Salvador.</p> <p>Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following import duties per kilogramme gross :</p> <p>First year of the Treaty . . . . . 0.08  Second year of the Treaty . . . . . 0.04</p> <p>After the Treaty has been in force for two years, there shall be unrestricted free trade between Guatemala, Honduras and El Salvador.</p>

NAUCA Code	Description	Treatment	
652-01-01	Grey cotton fabrics (unbleached) weighing less than 80 grammes per square metre	Free trade between Guatemala and El Salvador. Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	0.30
		Second year of the Treaty . . . . .	0.20
		Third year of the Treaty . . . . .	0.10
		After the Treaty has been in force for three years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.	
652-01-02	Grey cotton fabrics (unbleached) weighing 80 grammes or more per square metre (except for grey canvas-weave cotton)	Free trade between Guatemala and El Salvador. Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	0.16
		Second year of the Treaty . . . . .	0.08
		Third year of the Treaty . . . . .	0.04
		After the Treaty has been in force for three years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.	
652-02-03	Cotton fabrics, bleached, dyed, etc., n.e.s., weighing less than 80 grammes per square metre	Free trade between Guatemala and El Salvador. Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following <i>ad valorem</i> import duties :	
		First year of the Treaty . . . . .	6 %
		Second year of the Treaty . . . . .	3 %
		After the Treaty has been in force for two years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.	
652-02-04	Cotton fabrics, bleached, dyed, etc., n.e.s., weighing from 80 to 150 grammes per square metre	Free trade between Guatemala and El Salvador. Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	0.18
		Second year of the Treaty . . . . .	0.12
		Third year of the Treaty . . . . .	0.06
		After the Treaty has been in force for three years, there shall be unrestricted free trade between Guatemala, Honduras and El Salvador.	
652-02-05	Cotton fabrics, bleached, dyed, etc., n.e.s., weighing more than 150 grammes per square metre	Free trade between Guatemala and El Salvador. Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	0.18
		Second year of the Treaty . . . . .	0.12
		Third year of the Treaty . . . . .	0.06

NAUCA Code	Description	Treatment
		After the Treaty has been in force for three years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
652-02-06	Fabrics, n.e.s., of cotton mixed with other textile fibres	Trade between Guatemala, El Salvador and Honduras shall be subject to the following import duties per kilogramme gross : First year of the Treaty . . . . . 0.30 Second year of the Treaty . . . . . 0.20 Third year of the Treaty . . . . . 0.10 After the Treaty has been in force for three years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
656-04-01	Sheets, pillow cases, cushion covers and similar articles of any textile fibre	Free trade between Guatemala and El Salvador.  Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following <i>ad valorem</i> import duties : First year of the Treaty . . . . . 8 % Second year of the Treaty . . . . . 4 % After the Treaty has been in force for two years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
656-04-02	Table cloths, napkins and other table linen of any textile fibre	Free trade between Guatemala and El Salvador.  Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following <i>ad valorem</i> import duties : First year of the Treaty . . . . . 6 % Second year of the Treaty . . . . . 3 % After the Treaty has been in force for two years there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
661-02-00	Cement	Free trade between Guatemala and El Salvador.  Between Honduras and Guatemala and between Honduras and El Salvador, each country shall have the following quotas : First year of the Treaty : 60,000 bags.  Second year of the Treaty : 90,000 bags.  Third year of the Treaty : 110,000 bags.  Fourth year of the Treaty : 130,000 bags.  After the Treaty has been in force for four years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
841-01-05	Stockings and socks	Free trade between Guatemala and El Salvador.



NAUCA Code	Description	Treatment	
	of 100 per cent cotton or cotton mixtures	Between Honduras and Guatemala and between Honduras and El Salvador, subject to the following <i>ad valorem</i> import duties :	
		First year of the Treaty . . . . .	10 %
		Second year of the Treaty . . . . .	5 %
		After the Treaty has been in force for two years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.	
841-02	Underwear and nightwear, knitted or crocheted or of knitted or crocheted fabrics (excluding shirts made of fabrics of any textile fibre and articles of 100 per cent cotton fabrics or cotton mixtures (sub-item 841-02-05), which shall have the treatment described below)	Between Guatemala and El Salvador, subject to 25 per cent of the import duties during the first year of the Treaty. Thereafter there shall be unrestricted free trade. Between Honduras and Guatemala and between Honduras and El Salvador, subject to import control, but free after the Treaty has been in force for four years.	
841-02	Shirts knitted or crocheted or made of knitted or crocheted fabrics of any textile fibre	Subject to the following <i>ad valorem</i> import duties :	
		First year of the Treaty . . . . .	8 %
		Second year of the Treaty . . . . .	4 %
		After the Treaty has been in force for two years there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.	
841-02-05	Underwear and nightwear knitted or crocheted, or made of knitted or crocheted fabric, of cotton or cotton mixtures (except shirts)	Between Honduras and El Salvador and between Honduras and Guatemala, subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	0.24
		Second year of the Treaty . . . . .	0.16
		Third year of the Treaty . . . . .	0.08
		After the Treaty has been in force for three years, there shall be free trade between Guatemala, El Salvador and Honduras.	
		Between Guatemala and El Salvador, subject to the following treatment :	
		First year of the Treaty . . . . .	25 %
		of the import duties.	
		After the Treaty has been in force for one year, there shall be unrestricted free trade between Guatemala and El Salvador.	
841-03	Outerwear knitted or crocheted or made of knitted	Free trade between Guatemala and El Salvador.	
		Between Honduras and Guatemala and between	

NAUCA Code	Description	Treatment
	or crocheted fabrics (except for outerwear of pure or mixed cotton fabric (sub-item 841-03-05), which shall have the treatment described below)	Honduras and El Salvador, subject to import control, but free from the fifth year of the Treaty.
841-03-05	Outerwear, knitted or crocheted, or made of knitted or crocheted fabrics, of 100 per cent cotton or cotton mixtures	<p>Free trade between Guatemala and El Salvador.</p> <p>Between Honduras and El Salvador and between Honduras and Guatemala, subject to the following <i>ad valorem</i> import duties :</p> <p>First year of the Treaty . . . . . 8 %</p> <p>Second year of the Treaty . . . . . 4 %</p> <p>After the Treaty has been in force for two years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.</p>
841-04	Underwear and nightwear, other than knitted or crocheted (excluding shirts made of fabric of any textile fibre and articles made of 100 per cent cotton or cotton mixtures (sub-item 841-04-05), which shall have the treatment described below)	Subject to import control. From the fifth year of the Treaty there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
841-04	Shirts, except those knitted or crocheted in any textile fibre (other than standard cotton fabrics)	<p>Between Guatemala and Honduras and between Guatemala and El Salvador, subject to the following import duties per kilogramme gross :</p> <p>First year of the Treaty . . . . . 2.50</p> <p>Second year of the Treaty . . . . . 1.50</p> <p>Third year of the Treaty . . . . . 1.25</p> <p>Fourth year of the Treaty . . . . . 0.75</p> <p>After the Treaty has been in force for four years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.</p> <p>Between Honduras and El Salvador, subject to the following import duties per kilogramme gross :</p> <p>First year of the Treaty . . . . . 0.60</p> <p>Second year of the Treaty . . . . . 0.45</p>

NAUCA Code	Description	Treatment	
		Third year of the Treaty . . . . .	0.30
		After the Treaty has been in force for three years, there shall be unrestricted free trade between Honduras and El Salvador.	
841-04-05	Underwear and nightwear, other than knitted or crocheted, of 100 per cent cotton or cotton mixtures (excluding shirts)	Between Guatemala and Honduras and between Guatemala and El Salvador, subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	2.50
		Second year of the Treaty . . . . .	1.50
		Third year of the Treaty . . . . .	1.25
		Fourth year of the Treaty . . . . .	0.75
		After the Treaty has been in force for four years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.	
		Between Honduras and El Salvador, subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	0.60
		Second year of the Treaty . . . . .	0.45
		Third year of the Treaty . . . . .	0.30
		After the Treaty has been in force for three years, there shall be unrestricted free trade between Honduras and El Salvador.	
841-05	Outerwear, other than knitted or crocheted (excluding that made from 100 per cent cotton fabrics or cotton mixtures (sub-item 841-05-06), which shall have the treatment described below)	Subject to import control. There shall be unrestricted free trade between Guatemala, El Salvador and Honduras from the fifth year of the Treaty.	
841-05-06	Outerwear, other than knitted or crocheted, of 100 per cent cotton or cotton mixtures (except for standard cotton fabrics)	Between Guatemala and Honduras and between Guatemala and El Salvador, subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	2.50
		Second year of the Treaty . . . . .	1.50
		Third year of the Treaty . . . . .	1.25
		Fourth year of the Treaty . . . . .	0.75
		After the Treaty has been in force for four years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.	
		Between Honduras and El Salvador, subject to the following <i>ad valorem</i> import duties :	
		First year of the Treaty . . . . .	8 %
		Second year of the Treaty . . . . .	4 %

NAUCA Code	Description	Treatment
		After the Treaty has been in force for two years, there shall be unrestricted free trade between El Salvador and Honduras.
841-19-06	Corsets, brassieres, false hair, etc., girdles, elastic stockings, suspensory bandages, dress shields, shoulder pads, elastic anklets, and similar articles, n. e. s., in any kind of material (except for belts, suspensory bandages, etc., intended specifically for invalids)	Subject to the following import duties per kilogramme : First year of the Treaty . . . . . 0.60 Second year of the Treaty . . . . . 0.40 Third year of the Treaty . . . . . 0.20
		After the Treaty has been in force for three years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.
851-02	Footwear of any kind made of leather, except for house footwear	Between Guatemala and El Salvador and between Guatemala and Honduras, subject to the following treatment : First year of the Treaty . . . . . 40 % of the import duties. Second year of the Treaty . . . . . 30 % of the import duties. Third year of the Treaty . . . . . 15 % of the import duties. Between El Salvador and Honduras, subject to the following <i>ad valorem</i> import duties : First year of the Treaty . . . . . 10 % Second year of the Treaty . . . . . 8 % Third year of the Treaty . . . . . 6 % After the Treaty has been in force for three years, there shall be free trade between Guatemala, El Salvador and Honduras.
851-09-01	Footwear of plastic materials, except for house footwear	Between Guatemala and El Salvador and between Guatemala and Honduras, subject to the following treatment : First year of the Treaty . . . . . 40 % of the import duties. Second year of the Treaty . . . . . 30 % of the import duties. Third year of the Treaty . . . . . 15 % of the import duties. Between El Salvador and Honduras, subject to the following <i>ad valorem</i> import duties : First year of the Treaty . . . . . 15 % Second year of the Treaty . . . . . 12 % Third year of the Treaty . . . . . 9 % After the Treaty has been in force for three years, there shall be free trade between Guatemala, El Salvador and Honduras.

<i>NAUCA Code</i>	<i>Description</i>	<i>Treatment</i>	
899-07	Table and other household — including hotel and restaurant — or decorative articles of plastics	Free trade between Guatemala and El Salvador. Between Honduras and El Salvador and between Honduras and Guatemala, subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	0.30
		Second year of the Treaty . . . . .	0.20
		Third year of the Treaty . . . . .	0.10
		After the Treaty has been in force for three years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.	
899-11-63	Piping and other construction materials, n.e.s., made of plastic	Free trade between Guatemala and El Salvador and Guatemala and Honduras. Between Honduras and El Salvador subject to the following import duties per kilogramme gross :	
		First year of the Treaty . . . . .	0.15
		Second year of the Treaty . . . . .	0.10
		Third year of the Treaty . . . . .	0.05
		After the Treaty has been in force for three years, there shall be unrestricted free trade between Guatemala, El Salvador and Honduras.	

## A N N E X B

## CUSTOMS PROCEDURE

## GENERAL NOTE

The declaration contained in the customs form must be signed and sealed by the central customs office or by the customs office of exit in the exporting country and verified by the registering customs authorities of the importing country.

The form shall be completed in triplicate. The original shall be delivered to the customs authority at the point of destination, one copy shall be kept by the person concerned, and the other copy shall be kept by the customs authorities of the country of origin which authorize the export of the goods.

CUSTOMS FORM

For use in connexion with the Treaty of Economic Association

Exporter . . . . . (Name and address)

Vendor . . . . . (Name and address)

Consignee . . . . . (Name and address)

Customs office of destination . . . . .

Place of shipment . . . . .

Means of transport . . . . .

Marking: letters and figures	Number and type of packages	Gross weight in kilogrammes	Units	Trade name of goods	NAUCA classi- fication	Value in national currency f.o.b.
TOTALS						
Freight						
Other expenses						
Insurance						
VALUE C.I.F.						
(in national currency)						

The undersigned exporter hereby DECLARES : that the goods specified above originated in . . . . . and that the value, transport costs, insurance and other particulars stated in this form are correct.

. . . . .  
(Signature of exporter)

The undersigned hereby CERTIFIES : that to the best of his knowledge the goods specified in this customs form originated in . . . . .

. . . . .  
(Signature and seal of authorized official of the Customs Administration or of the customs office of exit)