

**No. 26337**

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**ARGENTINA  
and  
COLOMBIA**

**Agreement on economic complementarity (with annexes).  
Signed at Bogotá on 28 April 1988**

*Authentic text: Spanish.*

*Registered by Argentina on 29 November 1988.*

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**ARGENTINE  
et  
COLOMBIE**

**Accord de coopération économique (avec annexes). Signé à  
Bogotá le 28 avril 1988**

*Texte authentique : espagnol.*

*Enregistré par l'Argentine le 29 novembre 1988.*

[TRANSLATION — TRADUCTION]

## AGREEMENT<sup>1</sup> ON ECONOMIC COMPLEMENTARITY BETWEEN THE REPUBLIC OF COLOMBIA AND THE ARGENTINE RE- PUBLIC

The Minister for Foreign Affairs of the Republic of Colombia and the Minister for Foreign Affairs and Worship of the Argentine Republic agree to sign this Agreement on Economic Complementarity, in accordance with the provisions of the Montevideo Treaty of 1980<sup>2</sup> and Resolution 2 of the Council of Ministers of the Latin American Integration Association. This Agreement shall be governed by the following provisions:

### CHAPTER I. PURPOSE OF THE AGREEMENT

#### *Article 1*

The purpose of this Agreement is to:

- (a) Intensify economic and trade relations between the signatory countries of the Montevideo Treaty of 1980;
- (b) Increase and diversify, to the greatest extent possible, reciprocal trade between the signatory countries, based on a reasonable and dynamic equilibrium, taking into account both quantitative and qualitative factors;
- (c) Attenuate the structural constraints on growth and diversification of bilateral trade, based on a reasonable equilibrium;
- (d) Coordinate and complement economic activities, especially industrial activities and related technologies, improving production systems and scales of operation;
- (e) Stimulate investment aimed at making the most of signatory countries' markets and their capacity to compete in international trade;
- (f) Facilitate the establishment and operation of regional multinational enterprises;
- (g) Promote integration and economic complementarity between the regions of the signatory countries.

### CHAPTER II. LIBERALIZATION PROGRAMME

#### *Article 2*

Imports of the products included in annexes I and II to this Agreement shall be governed by the preferences and other conditions recorded in the aforementioned annexes. These annexes show the percentage preferences and other conditions agreed on by the signatory countries for the import of negotiated products originating in and imported from their respective territories and classified in accordance with the Tariff Nomenclature of the Association (NALADI).

<sup>1</sup> Came into force on 1 August 1988, in accordance with article 33.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1329, No. 1-22309.

The preferences referred to in this article consist of percentage reductions *vis-à-vis* the levies in effect for third countries in their respective import tariffs.

### *Article 3*

For the purposes of this Agreement, the term "levies" shall mean customs duties and other equivalent charges of a fiscal, monetary or other nature which are imposed on imports. This definition does not include duties and charges relating to costs for services rendered.

The term "restrictions" shall mean any administrative, financial, foreign-exchange or other measure whereby a signatory country unilaterally impedes or hampers its imports. The foregoing does not apply to measures adopted regarding the situations referred to in article 50 of the Montevideo Treaty of 1980.

### *Article 4*

The signatory countries agree to reduce or eliminate non-tariff restrictions applied to the import of the products included in the liberalization programme established under this Agreement and its annexes, on the terms, to the extent and in the ways established herein.

### *Article 5*

In the event of legislation or administrative regulations of the signatory countries requiring licences, import permits or similar instruments, such licences, permits or instruments shall be processed and decided upon within no more than twenty (20) working days from the date of presentation of the import application.

### *Article 6*

If measures adopted by the signatory countries are found to hinder reciprocal trade, consultations shall be initiated at the request of the affected country for the purpose of resolving these problems. Such consultations shall be concluded within a period of no more than twenty (20) working days counting from the date of the request by the affected country.

### *Article 7*

Should unfair trade practices be found to exist in the trade of negotiated products, and should it be found that they are, or could be, harmful to domestic industry, the signatory countries may, following consultation, take the corrective measures needed to eliminate them. The signatory countries shall be informed immediately thereof.

### *Article 8*

Implementation of the liberalization programme referred to in this chapter shall be based on an acceptable reciprocity of results, and shall take into account that the Republic of Colombia is a country that has attained an intermediate level of development in the region, in accordance with the provisions of Resolution 6 of the Council of Ministers of the Association.

### *Article 9*

So far as taxes, charges and other internal levies are concerned, products originating in the territory of a signatory country shall be entitled, within the territory of

the other signatory countries, to treatment no less favourable than that applied to similar national products.

The signatory countries shall take the necessary steps, in accordance with their respective legislations, to implement the provisions set forth in the preceding paragraph.

#### INDUSTRIAL COMPLEMENTARITY

##### *Article 10*

The signatory countries shall promote reciprocal industrial complementary between public and/or private enterprises in order to allow for better use to be made of their productive resources, to obtain the benefits of better economies of scale, to increase bilateral trade and to allow for the export to third markets of goods produced with components from the signatory countries.

##### *Article 11*

The signatory countries shall determine, by mutual agreement, the sectors in which they are more interested in establishing industrial complementarity, granting priority to those sectors in which the best use can be made of their production and technological resources.

##### *Article 12*

The main sectors to be developed under the programme shall include the following:

- (1) Agro-industrial;
- (2) Energy;
- (3) Automobile;
- (4) Chemicals and petrochemicals;
- (5) Metallurgy and engineering;
- (6) Shipping;
- (7) Iron and steel.

##### *Article 13*

The signatory countries may grant percentage preferences on the import levies in force for third countries with respect to final goods, intermediate inputs, parts and pieces to be traded in the context of the implementation of the Industrial Complementarity Programmes.

Likewise, for the purposes of trade between the signatory countries, in calculations concerning product integration goods imported from the other signatory country may be considered as domestic goods.

The benefits to be granted under the Industrial Complementarity Programmes shall be available only to enterprises which participate in the programmes, and shall be applied on the terms established for each programme.

*Article 14*

The Industrial Complementarity Programmes may be channelled through the LAIA Agreement on Reciprocal Payment and Credit.

## MAINTENANCE OF AGREED PREFERENCES

*Article 15*

The signatory countries undertake to maintain the percentage preferences selectively granted for the import of the negotiated products listed in annexes I and II, irrespective of their tariff levels for the import of products from third countries.

*Article 16*

If a signatory country changes the tariff level for imports from third countries of any negotiated product listed in annexes I and II, thereby altering the effectiveness of the agreed concession, it shall consult, when so requested, with the signatory countries that consider themselves to be affected, for the purpose of restoring the negotiated terms.

*Article 17*

The provisions of this chapter shall not apply to preferences which the countries members of the Cartagena Agreement have granted, or may grant, one another.

*Article 18*

Should a signatory country find it necessary to temporarily alter the effectiveness of the agreed preferences, in order to deal with special situations in sectors that play a fundamental role in the overall economy, it shall grant the other signatory countries preferences for their purchases on equal terms in respect of price, quality, financing and timely delivery.

## CHAPTER III. RULES CONCERNING ORIGIN

*Article 19*

The signatory countries hereby adopt, for purposes of the implementation of this Agreement, the General Rules concerning origin approved by the Committee of representatives of LAIA in Resolution 78.

## CHAPTER IV. SAFEGUARD CLAUSES

*Article 20*

For purposes of the application of this Agreement, the signatory countries adopt the Regional Safeguard regulations approved by the Committee of representatives of LAIA in Resolution 70.

## CHAPTER V. WITHDRAWAL OF CONCESSIONS

*Article 21*

The signatory countries may withdraw any concessions they may have granted for the import of the products negotiated in this Agreement, provided that, prior to

so doing, they have applied safeguard clauses to the import of such products under the conditions stipulated in the preceding chapter.

#### *Article 22*

Where a signatory country resorts to the withdrawal of concessions, it shall initiate negotiations with the other signatory countries within thirty (30) days counting from the date on which it informs them of its decision.

#### *Article 23*

Where a signatory country resorts to the withdrawal of a concession, it shall, by means of negotiations, grant compensation ensuring the maintenance of a value equivalent to that of the trade flows affected by the withdrawal.

If no agreement is reached regarding the compensation referred to in the preceding paragraph, the affected signatory may withdraw, from the importing country, concessions equivalent in value to those which the latter has withdrawn.

#### *Article 24*

The exclusion of a concession as a consequence of negotiations for the revision of this Agreement does not constitute unilateral withdrawal.

### CHAPTER VI. DIFFERENTIAL TREATMENT

#### *Article 25*

This Agreement recognizes the principle of differential treatment established in the Montevideo Treaty of 1980 and reiterated in Resolutions 1 and 2 of the Council of Ministers.

This principle shall also be taken into account in any amendments made to this Agreement under the terms of article 34.

#### *Article 26*

Should any signatory country grant equal or greater percentage preference, in respect of one of the products negotiated in this Agreement, to a non-signatory country that is more highly developed than the country benefiting from the preference, that preference shall be increased for the signatory country in such a way as to maintain a differential margin with respect to the more highly developed country, thereby preserving the effectiveness of the preference. The size of this differential margin shall be agreed upon through negotiations between the signatory countries; such negotiations shall begin within thirty (30) days of the date of the complaint of the affected country and shall be concluded within sixty (60) days of the aforesaid date.

Differential treatment may be restored, in any case, through negotiation on any other item of the Agreement, if it is not possible to agree on the preference margin.

Should a non-signatory country in the same development category as the beneficiary of the preference be accorded more favourable treatment than that accorded to the latter, the signatory countries shall negotiate for the granting of equivalent treatment to the beneficiary within the time periods stipulated in the first paragraph of this article.

In the event that no agreement is reached through the negotiations stipulated in the preceding paragraphs, the signatory countries shall revise this Agreement in accordance with the terms of article 34.

#### CHAPTER VII. ECONOMIC COOPERATION

##### *Article 27*

Efforts to stimulate economic cooperation activities between the signatory countries shall take into account their respective national and sectoral development policies and plans, the objectives and programmes of the regional integration process and existing possibilities for complementarity, with a view to achieving a fair balance in bilateral relations reflecting the different degrees of development of their economies.

##### *Article 28*

The signatory countries shall support each other's trade promotion and dissemination programmes and efforts, and shall facilitate the activities of official and private missions and also the organization of fairs and exhibitions, information seminars, market research and other measures designed to take full advantage of the Liberalization Programme and of the opportunities provided by the agreed trade procedures.

##### *Article 29*

The Parties shall facilitate the adoption of measures to encourage coordination and complementarity of the industrial activities of both countries, to stimulate investment and the establishment of joint ventures, in order to meet the demands of signatories and third countries.

To that end, they shall do their utmost, within the framework of coparticipation, to encourage investments designed to promote economic complementarity in the public sector for the purpose of improving the production infrastructure, and in the private sector, for the purpose of promoting operations that take the fullest advantage of the Parties' production factors and technological resources.

##### *Article 30*

For the purpose of facilitating trade and consolidating the integration process between the signatory countries, the two Governments shall do their utmost to improve mutual communications, especially with respect to the shipment of goods.

##### *Article 31*

The signatory countries shall promote understandings for the purpose of coordinating actions to permit optimum and appropriate implementation of the LAIA Agreement on Reciprocal Payment and Credit, as well as the most efficient financing of trade resulting from this Agreement.

#### CHAPTER VIII. CONVERGENCE

##### *Article 32*

On the occasion of the sessions of the Evaluation and Convergence Conference referred to in article 33 of the Montevideo Treaty of 1980, the signatory countries

shall study the possibility of gradual multilateralization of the treatments included in this Agreement.

#### CHAPTER IX. PERIOD OF VALIDITY

##### *Article 33*

This Agreement shall enter into force on 1 August 1988 for a period of five (5) years, and its benefits shall extend to the signatory countries from the date on which they put it into effect, including its implementation at the administrative level, in their respective territories.

It shall be automatically renewed for another five-year period, unless a signatory country decides to end it, in which case the country shall communicate its intention to the other signatory countries and to the General Secretariat one hundred and eighty (180) days in advance of its expiry.

#### CHAPTER X. REVISION OF THE AGREEMENT

##### *Article 34*

With effect from the entry into force of this Agreement, the signatory countries shall evaluate its provisions and preferences, for the primary purpose of adopting measures designed to increase and diversify reciprocal trade flows in a balanced fashion.

The revisions referred to in this article shall be carried out biannually, or at any time, at the request of one of the Parties.

Any amendments or adjustments made to this Agreement by virtue of this article shall be recorded in additional or revised protocols signed by duly accredited plenipotentiaries of the Governments of the signatory countries.

##### *Article 35*

Where appropriate, when the evaluations referred to in the preceding article are made, the signatory countries shall conduct negotiations with a view to achieving a dynamic equilibrium in the trade flows resulting from the percentage preferences granted to each other by the signatory countries, whether by granting percentage preferences in respect of the products covered by this Agreement or any other that may be included herein, or by other measures agreed upon by the Parties.

#### CHAPTER XI. ACCESSION

##### *Article 36*

This Agreement is open to accession by all the other member countries of the Latin American Integration Association following negotiation.

Once the terms of accession have been negotiated between the signatory countries and the acceding country, accession shall be formalized by the signing of an Additional Protocol to this Agreement; this Protocol shall enter into force thirty (30) days following its deposit with the Secretariat of the Association.

For the purposes of this Agreement and of such Protocols as may be signed, each acceding country that has been admitted shall also be considered as a signatory country.



## CHAPTER XII. DENUNCIATION

*Article 37*

Once this Agreement has been in effect for one year any signatory country that decides to denounce it may do so, and must inform the other signatory countries of its decision one hundred and eighty (180) days prior to depositing the respective denunciation instrument with the General Secretariat of LAIA.

Once such denunciation is formalized, the rights acquired and obligations assumed under this Agreement shall automatically cease to apply for the denouncing country except in respect of the treatments received or granted for the import of the negotiated goods, which shall remain in force for a period of one (1) year counting from the date of the deposit of the respective denunciation instrument unless, on the occasion of the denunciation, the signatory countries agree upon a different time period.

## TRANSITIONAL PROVISIONS

A. The signatory countries shall immediately begin procedures for formalizing this Agreement on Economic Complementarity within the Latin American Integration Association (LAIA) in accordance with the provisions of the Montevideo Treaty of 1980 and the Resolutions of the Council of Ministers.

B. The signatory countries agree to render null and void, from the date of the entry into force of this Agreement, and in accordance with the provisions of article 33, Limited Scope Agreement No. 4, on renegotiation of preferences granted during the period 1962-1980, signed within the LAIA framework.

DONE at Bogotá on 28 April 1988, in two originals, both being equally authentic.

For the Republic  
of Colombia:

*[Signed]*

JULIO LONDOÑO PAREDES

For the Argentine Republic:

*[Signed]*

DANTE M. CAPUTO

## ANNEX I

PERCENTAGE PREFERENCES GRANTED BY THE ARGENTINE REPUBLIC<sup>1</sup>*Supplementary Notes*

Imports of the negotiated products shall be subject, without prejudice to such terms as may be established in each case, to fulfilment of the following provisions, when applicable:

1) To the regulations provided for by Decree No. 4070/84 of 28/XII/1984 and supplementary provisions, which provide that imports must be covered by certificates of sworn statements of import needs (*Declaraciones Juradas de Necesidades de Importación — DJNI*) on the terms provided for in the aforesaid Decree.

2) To the establishment of a bank deposit, to be regulated under the provisions of Ministry of Economic Affairs resolution No. 1325 of 28/XII/1984 and related and supplementary provisions thereto.

3) To payment of the consular tax established by Decree No. 1411/83, which amounts to 2 per cent applied on the value of the commercial invoice, which amount may be used to pay the relevant import duties.

4) To payment of a statistical tax established by Decrees Nos. 604 and 605/84, amounting to 3 per cent applied on the CIF value, to be paid at the same time as relevant import duties (Decree No. 223 of 6/XI/1985).

5) Payment of the FOB or CIF value of imports of negotiated products may be made only when at least 90 days have elapsed counted from the date of shipment (COPEX 1-45).

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<sup>1</sup> Not published herein, pursuant to the provisions of article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.

## ANNEX II

PERCENTAGE PREFERENCES GRANTED BY THE REPUBLIC OF COLOMBIA<sup>1</sup>*Supplementary Notes*

1) The import of negotiated products shall be subject, without prejudice to such terms as may be established for each case, to fulfilment of the following provisions, when applicable:

- A) To payment of prior deposits and of prior consignments whenever these are required, as well as of the 18 per cent tax established by article 95 of Act 75 of 1986.
- B) To prior authorization by the Colombian Agricultural Institute (Instituto Colombiano Agropecuario) for purposes of plant health protection.

2) The specific duty (\$) on NALADI item 37.07.1.19 (general treatment) shall be assessed on the basis of measurements in linear meters.

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<sup>1</sup> Not published herein, pursuant to the provisions of article 12 (2) of the General Assembly regulations to give effect to Article 102 of the Charter of the United Nations as amended in the last instance by General Assembly resolution 33/141 A of 19 December 1978.