

**No. 31873**

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**CHILE  
and  
COLOMBIA**

**Agreement on economic complementarity for the establishment of a greater economic area (with annexes). Signed at Santiago, Chile on 6 December 1993**

*Authentic text: Spanish.*

*Registered by Chile on 1 June 1995.*

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**CHILI  
et  
COLOMBIE**

**Accord d'intégration économique visant à la création d'un espace économique élargi (avec annexes). Signé à Santiago (Chili) le 6 décembre 1993**

*Texte authentique : espagnol.*

*Enregistré par le Chili le 1<sup>er</sup> juin 1995.*

## [TRANSLATION — TRADUCTION]

AGREEMENT<sup>1</sup> ON ECONOMIC COMPLEMENTARITY FOR THE  
ESTABLISHMENT OF A GREATER ECONOMIC AREA BE-  
TWEEN CHILE AND COLOMBIA

The Government of the Republic of Chile and the Government of the Republic of Colombia,

Considering:

The desirability of encouraging greater economic complementarity between our countries and promoting a more active involvement in the world economy,

The importance of strengthening the Latin American Integration Association (LAIA) and of achieving the objectives set out in the Treaty of Montevideo of 1980<sup>2</sup> by concluding the most comprehensive bilateral and multilateral agreements possible,

The participation of Colombia in the Cartagena Agreement and its commitments arising therefrom,

The common features of the trade policies of the two countries, both as regards tariffs and as regards the guiding principles of their economic policies,

The potential impact of effective cooperation in the areas of trade, industry and services on the development of both countries,

The desirability of increasing the involvement of both public and private actors, from both countries, in efforts to increase trade between them,

Agree:

To sign an Agreement on Economic Complementarity to establish a greater economic area, in accordance with the provisions of the Treaty of Montevideo of 1980 and Resolution 2 of the Council of Ministers of Latin American Integration Association (LAIA). This Agreement shall be governed by the aforementioned provisions and by the following provisions:

## CHAPTER I. PURPOSE OF THE AGREEMENT

*Article 1*

The purpose of this Agreement is to:

(a) Establish, in the shortest possible time, a greater economic area between the two countries to allow free movement of goods, services and factors of production;

(b) Increase economic and trade relations between the signatory countries by removing all levies and restrictions on imports originating therein;

<sup>1</sup> Came into force on 6 December 1993 by signature, in accordance with article 34.

<sup>2</sup> United Nations, *Treaty Series*, vol. 1329, p. 225.

(c) Encourage coordinated action in international economic forums, as well as in relations with the industrialized countries, with a view to improving access for products from the signatory countries to world markets;

(d) Coordinate and complement economic activities, especially in the areas of industry and services;

(e) Stimulate investment aimed at making the best use of the markets of the signatory countries and improving their competitiveness in international trade;

(f) Facilitate the establishment and operation of regional binational and multi-national enterprises.

## CHAPTER II. LIBERALIZATION PROGRAMME

### *Article 2*

The products included in the programme of tariff cuts established in Article 3 of this Agreement shall, as from 1 January 1994, be exempt from all non-tariff restrictions, except for those stipulated in Article 50 of the Treaty of Montevideo of 1980.

In addition, the signatory countries undertake not to introduce any new restrictions on trade between them.

### *Article 3*

The signatory countries agree to remove all levies on trade between them by 1 January 1999 at the latest. To that effect, they agree to:

(a) Apply, as from 1 January 1994, the following levies to trade between them:

#### *Programme of tariff cuts for Chile:*

For products for which the tariff applicable on the date of signature of this Agreement is 11%:

|                                          |      |
|------------------------------------------|------|
| From 1 January 1994 to 30 June 1994:     | 8.5% |
| From 1 July 1994 to 31 December 1994:    | 6.5% |
| From 1 January 1995 to 31 December 1995: | 4.5% |
| From 1 January 1996 to 31 December 1996: | 2.5% |
| As from 1 January 1997:                  | 0%   |

#### *Programme of tariff cuts for Colombia:*

For products for which the tariff applicable on the date of signature of this Agreement is:

|                                          | 20% | 15% | 10% | 5% |
|------------------------------------------|-----|-----|-----|----|
| From 1 January 1994 to 30 June 1994:     | 15% | 12% | 8%  | 4% |
| From 1 July 1994 to 31 December 1994:    | 11% | 9%  | 6%  | 3% |
| From 1 January 1995 to 31 December 1995: | 7%  | 6%  | 4%  | 2% |
| From 1 January 1996 to 31 December 1996: | 3%  | 3%  | 2%  | 1% |
| As from 1 January 1997:                  | 0%  | 0%  | 0%  | 0% |

(b) The products listed in Annex 1 shall be subject to tariff cuts which will begin on 1 January 1994 and be completed on 1 January 1999, according to the following timetable:

*Programme of tariff cuts for Chile:*

For products for which the tariff applicable on the date of signature of this Agreement is 11%:

|                                          |      |
|------------------------------------------|------|
| From 1 January 1994 to 31 December 1994: | 8.5% |
| From 1 January 1995 to 31 December 1995: | 7.5% |
| From 1 January 1996 to 31 December 1996: | 6.5% |
| From 1 January 1997 to 31 December 1997: | 4.5% |
| From 1 January 1998 to 31 December 1998: | 2.5% |
| As from 1 January 1999:                  | 0%   |

*Programme of tariff cuts for Colombia:*

For products for which the tariff applicable on the date of signature of this Agreement is:

|                                          | 20% | 15% | 10% | 5% |
|------------------------------------------|-----|-----|-----|----|
| From 1 January 1994 to 31 December 1994: | 15% | 12% | 8%  | 4% |
| From 1 January 1995 to 31 December 1995: | 13% | 11% | 7%  | 3% |
| From 1 January 1996 to 31 December 1996: | 11% | 9%  | 6%  | 3% |
| From 1 January 1997 to 31 December 1997: | 7%  | 6%  | 4%  | 2% |
| From 1 January 1998 to 31 December 1998: | 3%  | 3%  | 2%  | 1% |
| As from 1 January 1999:                  | 0%  | 0%  | 0%  | 0% |

(c) If at any time a signatory country should reduce its customs levies for third countries, for one or more of the products covered by this Agreement, it shall adjust the duty applicable to reciprocal trade in accordance with the scale set out in subparagraphs (a) or (b) as appropriate.

*Article 4*

The products listed in Annex 2 of this Agreement that are covered by Limited Scope Agreement No. 14 between Chile and Colombia within the framework of LAIA shall benefit from the preferential tariffs shown in that Annex under the conditions stipulated therein.

*Article 5*

The programme of tariff cuts established in Article 3 of this Agreement shall not apply to the products referred to in Chapter IV and in Annex 3.

*Article 6*

The signatory countries may agree on special programmes to include the products listed in Annex 3 in the Liberalization Programme of this Agreement. Likewise, they may, at any time, speed up the programme of tariff cuts for such products or groups of products as they jointly agree on.

*Article 7*

For the purposes of the trade covered by this Agreement, the term “levies” shall mean customs duties and any other equivalent charges of a fiscal, monetary, foreign-exchange or other nature which are imposed on imports or exports. This definition does not include duties and charges that amount to costs for services rendered.

The term “restrictions” shall mean any administrative, financial, foreign-exchange or other measure whereby one of the parties unilaterally impedes or hampers its imports or exports.

### CHAPTER III. ORIGIN

#### *Article 8*

The signatory countries shall apply to imports covered by the Liberalization Programme of this Agreement the General Rules concerning Origin of LAIA, established by Resolution 78 of the LAIA Committee of Representatives.

Goods that transit through a third country when shipped from one signatory country to the territory of the other signatory country shall, irrespective of whether or not they are transhipped or temporarily stored under the supervision of the competent customs authority in such countries, be considered as being shipped directly, provided that:

(a) They are not intended for trade, use or application in the country of transit; and

(b) They are not subject, during transport or warehousing, to any operation other than loading or unloading or handling to keep them in good condition or to ensure their preservation.

Besides the documentation required under Resolution 78, Article 7, certificates of origin issued for the purpose of enjoying the tariff cuts in this Agreement must contain a sworn statement by the final producer or exporter of the merchandise to the effect that they comply fully with the provisions on origin in the Agreement.

#### *Article 9*

Notwithstanding the above, the Administrative Committee established pursuant to Article 33 of this Agreement shall be authorized to set and modify rules on origin for products or specific sectors that differ from those established in this Chapter.

### CHAPTER IV. AUTOMOTIVE SECTOR

#### *Article 10*

Imports of the products listed in Annexes 4 and 5 originating in the signatory countries shall be exempt from levies and restrictions as from 1 January 1994. The marketing of these products, in the territory of the country importing them, shall be carried out without restriction other than the domestic taxes applied in each country.

#### *Article 11*

The automobiles and vehicles for the transport of goods or persons mentioned in Annex 4 shall be considered as originating in the signatory countries if the CIF value at port of destination of the materials used in their assembly or construction, originating in countries that are not parties to this Agreement, does not exceed 60 per cent of the FOB export value of the vehicle. This percentage shall be calculated on the basis of procedures established by LAIA.