

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

W.11/24

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CONTRACTING PARTIES  
Eleventh Session

## CENTRAL AMERICAN FREE-TRADE AREA

### Draft Decision proposed by the Chairman

TAKING NOTE of the communication dated 31 July 1956 by which the Government of Nicaragua has notified the CONTRACTING PARTIES, in accordance with the provisions of paragraph 7 of Article XXIV of the General Agreement on Tariffs and Trade, of its decision to conclude a treaty leading to the formation of a Central American free-trade area with the Governments of Costa Rica, El Salvador, Guatemala and Honduras, as well as of the information regarding the proposed free-trade area which has been made available by the Government of Nicaragua,

TAKING NOTE of the determination of the Government of Nicaragua (a) to complete the formation of the free-trade area within a period of ten years as from the date of the entry into force of the Central American Free-Trade and Economic Integration Treaty, and of its intention to propose an amendment to the Treaty to that effect, and (b) to seek agreement of the parties to the Treaty to draw up a definite plan and schedule for the completion of the free-trade area for submission by the Government of Nicaragua to the CONTRACTING PARTIES not later than 1 September 1960,

TAKING NOTE FURTHER of the undertaking of the Government of Nicaragua to furnish to the CONTRACTING PARTIES, not later than 1 September in each year, a report on the progress achieved towards the elimination of tariffs and other restrictive regulations of commerce within the free-trade area;

The CONTRACTING PARTIES

DECIDE, in accordance with the provisions of paragraph 10 of Article XXIV, that the Government of Nicaragua is entitled to claim the benefits of the provisions of Article XXIV relating to the formation of free-trade areas, and

DECIDE to review this decision by 1 January 1961 and at any time thereafter if, after study of reports and of the plan and schedule submitted by the Government of Nicaragua, they find that the establishment of a free-trade area in the sense of Article XXIV is unlikely to result within ten years of the entry into force of the Treaty.