

The products included in the lists of exceptions shall be completely free of levies and other restrictions and covered under the Minimum Common External Tariff or the Common External Tariff, whichever is appropriate, through a process that shall include three stages of 44, 44 and 87 items, the first of which shall be liberalized on December 31, 1993; the second on December 31, 1994, and the final one on December 31, 1995.

Colombia, Peru, and Venezuela may maintain, after December 31, 1995, a set of residual exceptions that shall contain products that are included in no more than 75 items of the NABALALC.

Article 86. A Member Country ^{incorporation} incorporation of a product in its list of exceptions shall prevent it from enjoying the benefits deriving from the Agreement for that product.

A Member Country may withdraw products from its list of exceptions at any time. In that case, the products shall comply with the Tariff Reduction Program and the External Tariff in effect for such products, in the ways and levels that are appropriate, and they shall simultaneously begin to enjoy the respective benefits.

In duly qualified cases, the General Secretariat may authorize a Member Country to incorporate in its list of exceptions products that, having been reserved for Industrial Integration Programs and Projects, were not programmed.

In no case shall the incorporation involve an increase in the number of corresponding items.

Article 87. The General Secretariat shall consider the possibility of incorporating the products Member Countries included in their lists of exceptions and in their lists of administered trade, to the Industrial Integration modes.

For purposes of the previous section, interested countries shall inform the General Secretariat of their intention to participate and once the respective mode of industrial integration is agreed upon, shall withdraw the product from its list of exceptions or from its list of administered trade.

Member Countries shall enter into negotiations in order to seek formulas that may allow for the liberalization of the products included in the lists of exceptions or the elimination of quotas on the products incorporated in the lists of administered trade, prior to the expiration of the corresponding deadlines.

Article 88. The inclusion of products in the lists of exceptions shall not affect the exportation of goods originating in Bolivia or Ecuador which have been the subject of significant trade between the respective country and Bolivia or Ecuador over the last three years or which show a strong likelihood of significant trade in the immediate future.

The same shall be the case in the future for those products from Bolivia or Ecuador which appear in the lists of exceptions of any of the Member Countries and which show clear and immediate prospects of being exported from Bolivia or Ecuador to the country which has exempted them from the reduction of trade restrictions.

It shall be the responsibility of the General Secretariat to determine when significant trade exists or when there is a clear likelihood that it will exist.

Article 89. The Member Countries shall seek to jointly reach partial-scope trade agreements, agreements of economic complementation, agricultural agreements, and trade promotion agreements, with the other Latin American countries in those sectors where it is feasible, according to the provisions of Article 98 of this Agreement and of the Montevideo Treaty of 1980.

Chapter VI: Common External Tariff

Article 90. Member Countries commit themselves to implementing a Common External Tariff within the time limits and in the manner established by the Commission.

Article 91. The Commission, at the General Secretariat ^{proposal} proposal, shall approve a Common External Tariff that must provide adequate levels of protection in favor of subregional production, taking into account the Agreement ^{objective} objective of gradually harmonizing the different economic policies of the Member Countries.

On the date indicated by the Commission, Colombia, Peru, and Venezuela will begin the process of approximating their levies, that apply under their national tariff schedules to the importation of

products not originating within the Subregion, to the Common External Tariff, in an annual, automatic, and linear manner.

Article 92. Before December 31, 1970, the Commission, at the proposal of the General Secretariat, shall approve a Minimum Common External Tariff, whose objectives shall be primarily the following:

- a. To establish adequate protection for subregional production;
- b. To progressively create a subregional margin of preference;
- c. To facilitate the adoption of the Common External Tariff; and
- d. To further the efficiency of subregional production.

Article 93. On December 31, 1971, the Member Countries shall begin approximating their levies, that apply to imports from outside the Subregion, to the Minimum Common External Tariff, in those cases in which the former are lower than the latter, and they shall carry out this process in an annual, linear, and automatic manner, so that it is fully implemented by December 31, 1975.

Article 94. Notwithstanding the provisions of Articles 91 and 93 the following rules shall be applied:

- a. With respect to products that are subject matter of the Industrial Integration Programs, the rules established by said Programs regarding the Common External Tariff shall govern; and with respect to products that are the subject-matter of Industrial Integration Projects, the Commission, whenever appropriate, may determine, when approving the respective Decision, the levels of levies that apply to third countries and the corresponding conditions; and
- b. At any time, in fulfilling the Tariff Reduction Program, a product is freed of levies and other restrictions, it shall be subject to the full and simultaneous application of the levies established in the Minimum Common External Tariff or in the Common External Tariff, as the case may be.

For goods not produced in the Subregion, each country may defer the application of the common levies until the General Secretariat verifies that its production has begun in the Subregion.

Nevertheless, if in the General Secretariat's judgment the new production is insufficient to normally meet the needs of the Subregion, it shall propose to the Commission the necessary measures to reconcile the need to protect subregional production with that of ensuring a normal supply.

Article 95. The Commission, at the General Secretariat's proposal, shall be able to approve subregional margins of preference with respect to the products that are still not required to comply with the Tariff Reduction Program and the Minimum Common External Tariff, providing in the corresponding Decision the conditions and terms for its application, until they are surpassed by the rules of the Tariff Reduction Program and the Minimum Common External Tariff or the Common External Tariff.

Article 96. The Commission, at the General Secretariat's proposal, may modify the common tariff levels to the extent and at the time it deems advisable in order to:

- a. Adjust them to the Subregion's needs; and
- b. Provide for the special situation of Bolivia and Ecuador.

Article 97. The General Secretariat may propose to the Commission the measures which it considers essential to ensure normal conditions of supply in the Subregion.

Any Member Country undergoing temporary supply shortages may present the problem to the General Secretariat, which shall verify the situation within a period commensurate with the urgency of the case. Once the General Secretariat verifies the existence of the problem in question and so informs the country adversely affected, the latter may take steps, such as to reduce or temporarily suspend the External Tariff duties, within the necessary limits for correcting the disturbance.

In the cases referred to in the previous section, the General Secretariat shall call a special meeting of the Commission, if such is in order, or shall inform it of the action taken at its following regular

meeting.

Article 98. The Member Countries commit themselves not to alter unilaterally the levies set in the various stages of the External Tariff. They also commit to hold the necessary consultations in the Commission before taking on obligations of a tariff nature with countries outside the Subregion. The Commission, at the General Secretariat's proposal and through a Decision, shall state its opinion regarding said consultations, and shall set the terms with which commitments of a tariff nature must comply.

Chapter VII: Agricultural Development Programs

Article 99. With the purpose of promoting common agricultural and agroindustrial development and attaining greater subregional food security, the Member Countries shall carry out an Agricultural and Agroindustrial Development Program, harmonize their policies, and coordinate their national plans in the sector, bearing in mind, among others, the following objectives:

- a. An improvement in the living standards of the rural population;
- b. Taking care of the food and nutritional requirements of the population on satisfactory terms, to achieve the lowest possible dependence on supplies coming from outside the Subregion;
- c. The appropriate and adequate supply of the subregional market and the protection against food shortage risks;
- d. An increase in the production of staple foods and in productivity levels;
- e. Subregional complementation and specialization of production with a view to improving the use of its inputs and to increase trade of agricultural and agroindustrial products; and
- f. Subregional substitution of imports and the diversification and growth of exports.

Article 100. To fulfill the objectives stated in the previous article, the Commission, at the proposal of the General Secretariat, shall take the following steps, among others:

- a. To create an Andean System and National Systems of Food Security;
- b. Joint policies for agricultural and agroindustrial development by products or groups of products;
- c. Joint programs for agricultural and agroindustrial technological development, including policies for research, training, and the transfer of technology;
- d. Promotion of intra-subregional agricultural and agroindustrial trade and entering into agreements for supplying agricultural products;
- e. Joint programs and policies regarding agricultural and agroindustrial trade with third countries;
- f. Common rules and programs about vegetable and animal health;
- g. Creation of subregional funding mechanisms for the agricultural and agroindustrial sector;
- h. Joint policies for the use and preservation of the natural resources of the sector; and
- i. Joint cooperative policies in the fields of research and transfer of technology in areas of common interest for the Member Countries, such as genetics, floriculture, fishing, forestry, and those that the Commission determines in the future.

Article 101. The Commission and the General Secretariat shall adopt the necessary steps to hasten the agricultural and agroindustrial development of Bolivia and Ecuador as well as their participation in the enlarged market.