

CENTRAL AMERICAN COMMON MARKET (CACM)

In Dec. 1960, El Salvador, Guatemala, Honduras and Nicaragua concluded the General Treaty of Central American Economic Integration under the auspices of the Organization of Central American States (ODECA) in Managua. Long-standing political and social conflicts in the area have repeatedly dogged efforts to establish integration towards the establishment of a common market. *Members.* Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama.

A protocol to the 1960 General Treaty signed by all 6 members in Oct. 1993 reaffirmed an eventual commitment to full economic integration with a common external tariff of 20% to be introduced only voluntarily and gradually.

A Treaty on Democratic Security in Central America was signed by all 6 members at San Pedro Sula, Honduras in Dec. 1995, with a view to achieving a proper 'balance of forces' in the region, intensifying the fight against trafficking of drugs and arms, and reintegrating refugees and displaced persons.

In addition, the CACM countries signed a new framework co-operation agreement with the EC in Feb. 1993, revising the previous (1985) failing agreement between them, to provide support to CACM's integration plans.

Headquarters: 4a Avda 10-25, Zona 14, Apdo 1237, Guatemala City, Guatemala.
Secretary-General: Haroldo Rodas Melgar.

LATIN AMERICAN INTEGRATION ASSOCIATION (LAIA)

The LAIA was established to promote freer trade among member countries in the region.

Members. (11) Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela.

Observers. (17) China, Commission of the European Communities, Costa Rica, Cuba, Dominican Republic, El Salvador, Guatemala, Honduras, Inter-American Development Bank, Italy, Nicaragua, Organization of American States, Panama, Portugal, Spain, UN Development Programme, UN Economic Commission for Latin America and the Caribbean.

Headquarters: calle Cebollati 1461, Casilla de Correo 577, 11000 Montevideo, Uruguay.

THE ANDEAN COMMUNITY

On 26 May 1969, an agreement was signed by Bolivia, Chile, Colombia, Ecuador and Peru establishing the Cartagena Agreement (also referred to as the Andean Pact or the Andean Group). Chile withdrew from the Group in 1976. Venezuela, which was initially actively involved, did not sign the agreement until 1973. In 1997, Peru announced its withdrawal for 5 years; and Panama joined.

The Act of Caracas signed at the Group's 5th meeting in May 1991 established a free trade zone between member states to come into effect on 1 Jan. 1992 as the first step towards the creation of a common market. There is a common external tariff in 4 bands from 5% to 20%. Tariffs between Bolivia, Colombia and Ecuador were abolished in Oct. 1992.

In Mar. 1996 at the Group's 8th summit in Trujillo in Peru, member countries (Bolivia, Colombia, Ecuador, Peru, Venezuela) signed a reform protocol to the Agreement, according to which the Group would be superseded by the Andean Community, in order to promote greater economic, commercial and political integration between member countries under a new Andean Integration System (SAI).

Organization. The Group's Presidential Council, composed of the presidents of the member states, provides the political leadership of the Community. The Commission,