

## THE ANDEAN COMMUNITY

*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.

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*Secretary-General:* Haroldo Rodas Melgar.

## LATIN AMERICAN INTEGRATION ASSOCIATION (ALADI/LAIA)

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

*Members.* (12) Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, Venezuela and Cuba, subject to the receipt by ALADI of the Instrument of Ratification.

*Observers.* (23) China, Commission of the European Communities, Costa Rica, 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 (ECLAC), Romania, Russia, Switzerland, Inter-American Institute for Cooperation on Agriculture (IICA), Andean Development Corporation (CAF), Latin-American Economic System (SELA).

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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 Feb. 1993 as the first step towards the creation of a common market. Bolivia, Colombia, Ecuador and Venezuela have fully liberalized the trade among them, while Peru is still implementing its liberalization process, due to end by 2005. A Common External Tariff for imports from third countries has been in effect since 1 Feb. 1 1995.

In March 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).