COMMUNICATION FROM EL SALVADOR, GUATEMALA, HONDURAS AND NICARAGUA

Conditional and Provisional Offer of El Salvador, Guatemala, Honduras and Nicaragua Concerning Initial Commitments on Trade in Services

The following communication is circulated at the request of the permanent delegations of El Salvador, Guatemala, Honduras and Nicaragua to the members of the Group of Negotiations on Services.

The preliminary offers of El Salvador, Guatemala, Honduras and Nicaragua concerning initial commitments on trade in services appear below. These offers are conditional upon the adoption of a satisfactory General Agreement on Trade in Services and the achievement of balanced global results in the Uruguay Round negotiations. The above implies:

1. The adoption of an Agreement on Trade in Services and Sectoral Annexes promoting in a balanced manner the interests of all participants on a mutually advantageous basis, as well as the development of the less-developed parties, which necessarily entails the inclusion of provisions granting special and differential treatment for developing countries;

2. That the Agreement on Trade in Services allows compliance with the laws, rules and provisions applied in El Salvador, Guatemala, Honduras and Nicaragua, as well as their national development priorities; the import of services into El Salvador, Guatemala, Honduras and Nicaragua, whatever the mode of delivery used, must also comply with the international conventions, agreements and treaties signed by the Governments of the Central American countries, as well as their undertakings in the framework of Central American integration and its restructuring, improvement and revival;

3. That the offers of its trade partners include areas of services and modes of delivery of interest to service exporters of El Salvador, Guatemala, Honduras and Nicaragua, particularly as regards labour mobility;

4. The achievement of substantive liberalization in areas of particular interest for El Salvador, Guatemala, Honduras and Nicaragua, such as market access, textiles and clothing, tropical products and agriculture, among others;

GATT SECRETARIAT
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5. That El Salvador and Guatemala receive adequate credit for the tariff bindings and reductions they have made during their negotiations for accession to GATT, as set out in the annexes to their Protocols of Accession, and that recognition is granted for the autonomous liberalization measures undertaken by the Central American countries since the beginning of the Uruguay Round;

6. That the exchange of concessions is carried out on the basis of the individual levels of development of the various participants.

El Salvador, Guatemala, Honduras and Nicaragua therefore reserve the right to modify, expand, reduce or withdraw their offer at any time.

Imports of services into Central American countries, as well as the various modes of delivery, are subject to each country's political constitution and legislation deriving therefrom, including *inter alia* the laws and regulations on immigration, urban development, fiscal and monetary policy, capital movements and the territorial sovereignty of the State.

The offers transmitted herein are understood as valid solely for the services and modes of delivery mentioned in the attached individual lists and to the extent indicated. The commitments on market access and national treatment are subject to the national laws and regulations in force.

**EXPLANATORY NOTES**

For the purposes of the commitments specified in the attached offers, the Governments of El Salvador, Guatemala, Honduras and Nicaragua construe the expressions listed below as follows:

1. **No limitations:** no condition, qualification or limitation restricting market access or granting more favourable treatment to nationals than to foreigners is applied. This does not mean that there are no laws or regulations governing the activity in question.

2. **Bound:** this means that existing regulations on market access and national treatment are bound only in relation to the laws and provisions explicitly mentioned in the offer.

3. **Not bound:** this means that the government concerned reserves the right to introduce new regulations concerning modes of delivery relating to market access and national treatment.

4. **Not applicable:** this means that normally the mode of delivery is not available for this service sector or sub-sector, which does not mean that the government concerned is committing itself to binding the situation as regards any future applicability of the mode of delivery to the sub-sector.
INITIAL COMMITMENTS OF EL SALVADOR

1. Cross-border trade
2. Movement of consumers
3. Commercial presence
4. Movement of personnel

CONDITIONS

<table>
<thead>
<tr>
<th>SECTOR: TOURISM</th>
<th>MARKET ACCESS</th>
<th>NATIONAL TREATMENT</th>
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<tbody>
<tr>
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This offer of initial commitments by El Salvador concerning the tourism sector is set in the framework of the following laws governing activities in that sector:

1. Law on the El Salvador Tourism Institute
2. Law for the Development of the Tourism Industry
3. Transitional Law for the Recovery of the Tourism Industry
4. Law for the Promotion and Guarantee of Foreign Investment
5. Law on Migration
7. Law Governing the Exercise of Activities in Trade and Industry
8. Law on the Régime Governing Free Zones and Fiscal Warehouses
9. Law on Banks and Finance Institutions
INITIAL COMMITMENTS OF GUATEMALA

1. Cross-border trade
2. Movement of consumers
3. Commercial presence
4. Movement of personnel

CONDITIONS

MARKET ACCESS

SECTOR: TOURISM

SUB-SECTOR: ESTABLISHMENTS OFFERING ACCOMMODATION

1. Not applicable
2. No limitations.
   Bound
3. No limitations.
   Bound for 4 and 5-star hotels
4. Government Decision 24.12.57:
   only technical personnel, required to train local counterparts.

   Ministerial Decision 1-71:
   only management personnel with prior authorization.
   Bound

SUB-SECTOR: TRAVEL AGENCIES

1. Not applicable
2. No limitations.
   Bound
3. No limitations.
   Not bound
4. Government Decision 24.12.57:
   only technical personnel, required to train local counterparts.

   Ministerial Decision 1-71:
   only management personnel with prior authorization.
   Bound

NATIONAL TREATMENT

1. Not applicable
2. No limitations.
   Bound
3. No limitations.
   Bound for 4 and 5-star hotels
4. Not bound
SUS-SECTOR: TOURIST MARINA OPERATORS

1. Not applicable
2. No limitations.
   Bound
3. No limitations.
   Not bound
4. Government Decision 24.12.57:
   only technical personnel,
   required to train local
   counterparts.
   Ministerial Decision 1-70:
   only management personnel
   with prior authorization.
   Bound

SECTOR: COMPUTER SERVICES

SUB-SECTOR: CONSULTANCY SERVICES RELATED TO COMPUTERS AND DATA PROCESSING

1. No limitations.
   Bound
2. No limitations.
   Bound
3. Article 213 of the Commerce
   Code bars activities of foreign
   companies engaged in the provision
   of professional services for which
   a professional degree is required.
   Bound
4. Government Decision 24.12.57:
   only technical personnel,
   required to train local
   counterparts.
   Not bound
   Ministerial Decision 1-71:
   management personnel subject
   to authorization.
   Bound

SECTOR: SOFTWARE DEVELOPMENT

1. No limitations.
   Bound
2. No limitations.
   Bound
3. Article 213 of the Commerce Code bars activities of foreign companies engaged in the provision of professional services for which a professional degree is required. Not bound

4. Ministerial Decision 1-7: management personnel subject to authorization. Bound

**SUB-SECTOR: SYSTEMS ANALYSIS SERVICES**

1. No limitations. Not bound
2. No limitations. Bound
3. Article 213 of the Commerce Code bars activities of foreign companies engaged in the provision of professional services for which a professional degree is required. Bound
4. Ministerial Decision 1-7: management personnel subject to authorization. Bound

**SUB-SECTOR: SYSTEMS INTEGRATION SERVICES**

1. No limitations. Bound
2. No limitations. Bound
4. Ministerial Decision 1-7: only management personnel with prior authorization. Bound
The provisional conditional offer of Guatemala on the Tourism sector is set in the context of the Strategic Plan for the Development of the Tourism Sector: Touristic Guatemala Year 2000. The basic objective of this plan is to attain a balanced and sustainable tourism sector that will contribute to the country's economic, cultural and social progress and its international stature. As far as data processing and computer services are concerned, it is hoped that this sector will become an effective instrument to support the country's economic and social development.

In line with these objectives, Guatemala's initial commitments are conditional upon the achievement of the following development objectives:

(a) at the economic level: achieving viable tourism and informatics sectors through the retention of a growing proportion of value added, foreign exchange, skilled jobs, transfer of technology and increasing participation in the direct marketing of the products of these sectors;

(b) at the social level: making the optimum contribution to the country's social and cultural advancement by enhancing the quality of life of the population; creation of skilled jobs; optimization of utilization of the country's economic resources; and preservation, enhancement and development of its natural and cultural heritage;

(c) improvement of Guatemala's international stature by improving its international image; encouraging regional and international relations and co-operation and incorporating local communities into Guatemala's sustainable development, to the benefit of political stability in the country.

Guatemala's commitments on market access and national treatment will be subject to the existing national laws and regulations, which include:

- Organic Law of the INGUAT, Decree 1701 of Congress, as amended by Decrees 22-71 and 23-73;

- Law on the Promotion of Tourism and regulations thereto, Decree No. 25-74 and Government Decision No. M de E 23-74;

- Regulations governing the registration and operation of travel agencies, Decision No. 23-89;

- Regulations governing the registration and activities of tourist guides, Decision No. 219-87;

- Regulations governing tourist marina operators, Decision 300-90.
INITIAL COMMITMENTS OF HONDURAS

1. Cross-border trade
2. Movement of consumers
3. Commercial presence
4. Movement of personnel

CONDITIONS

MARKET ACCESS

SECTOR: TOURISM

SUB-SECTOR: HOTELS

1. Not applicable
2. No limitations.
   Bound
3. No limitations.
   Bound for first-class hotels
   in "priority tourism areas"
4. Subject to immigration and
   labour regulations.
   Not bound

REESTAURANTS

1. Not applicable
2. No limitations.
   Bound
3. No limitations.
   Bound
4. Subject to immigration and
   labour regulations.
   Not bound

CAR RENTAL SERVICES

1. Not applicable
2. No limitations.
   Bound

NATIONAL TREATMENT

1. Not applicable
2. Not bound
3. No limitations for
   joint investment.
   Bound for first-class
   hotels
4. Not bound
3. No limitations. Bound

4. Subject to immigration and labour regulations. Not bound

This offer of initial commitments by Honduras concerning the Tourism sector is set in the framework of the national objectives for that sector as set out in the Tourism Law, currently in the process of adoption, and the regulations thereto. Under the existing laws and regulations the Honduras Tourism Institute is responsible for identifying and developing "priority tourism areas". Consequently, the conditions for market access and national treatment specified here are valid only as mentioned and in the context of the existing legislation.

The laws and regulations governing activities in the Tourism sector are as follows:

1. Decree Law No. 968 "on the identification, planning and development of tourism areas";

2. Law for the acquisition of urban property in the areas delimited by Article 107 of Constitution of the Republics;

3. Decree No. 2, Law on the Honduras Tourism Institute;

4. Decree No. 93-91, law on resident pensioners;

5. Decree No. 488, law on casinos and games of chance or hazard (by a Decree adopted by Congress in 1990, entry to casinos was limited solely to foreigners.)
INITIAL COMMITMENTS OF NICARAGUA

1. Cross-border trade
2. Movement of consumers
3. Commercial presence
4. Movement of personnel

CONDITIONS

MARKET ACCESS

SECTOR: TOURISM

SUB-SECTOR: HOTELS

1. Not applicable
2. No limitations. Bound
3. No limitations. Bound for 3, 4, 5-star hotels
4. No limitations. Bound for management staff, conditional upon training of local managerial staff

RESTAURANTS

1. Not applicable
2. No limitations. Bound
3. No limitations. Bound
4. Not bound

CAR RENTAL SERVICES

1. Not applicable
2. No limitations. Bound

NATIONAL TREATMENT

1. Not applicable
2. Not bound
3. No limitations. Bound for 3, 4, 5-star hotels
4. Not bound
3. No limitations. Bound
4. Not bound

**TRAVEL AGENCIES**

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This offer of initial commitment by Nicaragua concerning the Tourism sector is set within the framework of laws and regulations governing the tourism industry. As far as investment, management and control of firms and activities in the Tourism sector are concerned, the Nicaraguan Tourism Institute (INT) is responsible for taking the necessary steps to protect the national interest. INT may refuse an application for authorization when it does not consider it beneficial to the national economy.

In this offer, the expression "no limitations" in the columns relating to market access and national treatment is confined to the existing laws and regulations.

The laws and regulations governing tourism activities are as follows:

1. Decree No. 161, "Law on the creation of the Nicaraguan Tourism Institute";
2. Regulations governing tourism firms and activities of Nicaragua;
3. Regulations governing travel agencies of Nicaragua;
4. Decree on investment in hotels, leisure centres and hospitals;
5. Law on resident pensioners.