

**NICARAGUA – MEASURES AFFECTING IMPORTS
FROM HONDURAS AND COLOMBIA**

Request for the Establishment of a Panel by Colombia

The following communication, dated 27 March 2000, from the Permanent Mission of Colombia to the Chairman of the Dispute Settlement Body, is circulated pursuant to Article 6.2 of the DSU.

On 7 December 1999, the Government of Nicaragua enacted Law 325 or "Establishing a Tax on Goods and Services Coming from or Originating in Honduras and Colombia".¹ Article 1 of the Law establishes a tax applicable to any good or service imported, manufactured or assembled, coming from or originating in Honduras or Colombia. The tax of thirty-five per cent (35%) is calculated on the basis of the sum of the c.i.f. value plus pre-existing tariffs.

Subsequently, on 13 December 1999, the Government of Nicaragua issued Decree 129-99 establishing the regulations to Law 325, and on 15 December it issued Ministerial Order 041-99 cancelling the fishing licences of all fishing vessels under Colombian and Honduran flags.

Taking into account the discriminatory nature of the measures applied by the Government of Nicaragua and their inconsistency with the multilateral disciplines, on 17 January 2000 the Government of Colombia requested consultations² under GATT Article XXII and Article 4 of the Understanding on Rules and Procedures Governing the Settlement of Disputes (DSU). The consultations were held in Geneva on 4 February 2000 but did not lead to a satisfactory settlement.

Colombia considers that the adopted measures are incompatible with the Nicaraguan Government's obligations under the GATT 1994, in particular Articles I and II, and with Articles II and XVI of the General Agreement on Trade in Services (GATS), and nullify or impair benefits accruing to Colombia under those Agreements. Accordingly, the Government of Colombia requests that a panel be established pursuant to Article XXIII of the General Agreement on Tariffs and Trade 1994 (GATT 1994), Article XXIII of the GATS and Article 6 of the DSU.

Colombia requests that the Panel consider and find the following:

1. That Law 325 of 1999 and Decree 129-99 are inconsistent with Articles I and II of the GATT 1994, and that they, together with Ministerial Order 041-99, are inconsistent with Articles II and XVI of the GATS;
2. that these measures nullify or impair benefits accruing directly or indirectly to Colombia under the GATT 1994 and the GATS;

¹ Published in *La Gaceta de Nicaragua* No. 237 of 13 December 1999.

² See document WT/DS188/1.

3. that the Government of Nicaragua should bring these measures into conformity with its WTO obligations.

The Government of Colombia requests that the panel set up to examine this matter be established with the standard terms of reference as set out in Article 7 of the DSU.

The Government of Colombia requests that this request for the establishment of a panel be included in the agenda of the Dispute Settlement Body meeting scheduled for 7 April 2000.
