

WORLD TRADE ORGANIZATION

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MEMORANDUM OF UNDERSTANDING ON CLOSER RELATIONS BETWEEN BOLIVIA AND MERCOSUR

Communication from the Republic of Bolivia

The following communication, dated 14 August 1995, has been received from the Permanent Mission of the Republic of Bolivia.

The Permanent Mission of Bolivia to the United Nations Office and Other International Organizations at Geneva presents its compliments to the Director-General of the World Trade Organization (WTO) and has the pleasure to transmit herewith a copy of the "Memorandum of Understanding on Closer Relations between Bolivia and MERCOSUR", signed by the Presidents of the MERCOSUR member countries and Bolivia during the Eighth Summit of MERCOSUR Presidents, held in Asunción on 4 and 5 August 1995.

The Permanent Mission of Bolivia considers this a major effort in that it embodies the intensification of trade relations, attraction of investment and strengthening of joint projects between Bolivia and MERCOSUR.

MEMORANDUM OF UNDERSTANDING ON CLOSER RELATIONS
BETWEEN BOLIVIA AND MERCOSUR

The Governments of the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay, the Eastern Republic of Uruguay, being the States Parties of MERCOSUR, and the Government of the Republic of Bolivia,

Convinced of the significance of the regional integration process for obtaining a better insertion of their economies into the hemispheric and international economies;

Recognizing the importance of trade liberalization within the region and the hemisphere in the context of open regionalism,

Stressing the importance and dynamism of subregional agreements in the Latin American integration process;

Aware of the physical, geographical and economic links between Bolivia and the countries of the Continents Southern Cone;

Taking into account the wish expressed at the highest level for closer relations between Bolivia and MERCOSUR,

Agree as follows:

Article 1. To establish the foundations for the development of relations between the Republic of Bolivia and MERCOSUR.

Article 2. To form a Free Trade Area between the Republic of Bolivia and MERCOSUR within a maximum period of 10 years.

The negotiations for the Free Trade Agreement shall include the renegotiation of the existing agreements by 15 December 1995, as a first stage, in order to attain the objective of concluding the said Agreement during 1996, and if possible by 30 June 1996;

Article 3. To establish a legal framework for the promotion and protection of reciprocal investments.

Article 4. To continue implementing road, river and land infrastructure projects in order to strengthen the physical integration of the region's markets as well as its external influence. They shall also facilitate integration among the parties in energy matters.

Article 5. To analyse, as an initial step, the progressive liberalization of river and road transport and measure to facilitate border operations relating to such transport.

Article 6. It is recommended that negotiations between MERCOSUR and Bolivia be included in the Mandate of Asunción - MERCOSUR Programme of Action to the year 2000 - in accordance with Article 2 of this Agreement.

(Signed) For the Argentine Republic

(Signed) For the Republic of Bolivia

(Signed) For the Federative Republic of Brazil

(Signed) For the Republic of Paraguay

(Signed) For the Eastern Republic of Uruguay