

EFTA-Central America Free Trade Agreement set to enter into force

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Following its ratification by all parties, the free trade agreement (FTA) between the EFTA States – Iceland, Liechtenstein, Norway and Switzerland – and the Central American States of Costa Rica and Panama will become operational in the coming weeks.

The FTA was signed in June 2013. Its entry into force will occur in three stages: on 19 August 2014 between Norway and the Central American States; on 29 August between Liechtenstein and Switzerland and the Central American States; and on 5 September between Iceland and the Central American States.

Notably covering trade in goods, trade in services, investment, competition, protection of intellectual property, sustainable development, cooperation and government procurement, the FTA will create new opportunities for economic operators on both sides.

Over the last four years, two-way merchandise trade between the EFTA and Costa Rica has increased by more than 80%, reaching a value of USD 265 million in 2013. Between EFTA and Panama, two-way merchandise trade reached a value of USD 546 million in 2013, representing an increase of 40% since 2009.

The agreement foresees that other Member States of the Central American Economic Integration System may accede to the FTA. Not

counting their agreements with the European Union, the EFTA States currently have 25 FTAs with a total of 35 partner countries worldwide.