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CARICOM AND COSTA RICA SIGN FREE TRADE AGREEMENT

The Caribbean Community (CARICOM) concluded its second free trade agreement with a country in the wider Caribbean with the signature of the CARICOM-Costa Rica Free Trade Agreement today in Jamaica. Prime Minister P.J. Patterson on behalf of CARICOM and President Abel Pacheco of Costa Rica signed the Agreement in the presence of a gathering, which included members of the Costa Rican and Jamaican cabinets, private sector representatives of both countries, and the Secretary-General of CARICOM, Mr. Edwin Carrington.

In remarks to a gathering which included a former President of Costa Rica Dr. Miguel Angel Rodriguez, private sector representatives of Costa Rica and Jamaica and the media, Prime Minister Patterson stated that the free trade agreement will create opportunities to build new markets for CARICOM products, promote investment, create jobs and bring new and exciting opportunities for growth and development to the peoples of the Region.

Prime Minister Patterson called on CARICOM farmers, manufacturers, entrepreneurs and workers to ensure that the Agreement lives up to its promise of stimulating growth and development. Noting that it is firms not Governments that trade, the Prime Minister emphasized that in the final analysis it was an agreement for the productive sectors. He urged the CARICOM and Costa Rica private sectors to spread the word about the agreement and prepare to take full advantage of the opportunities that it provides.

In his remarks President Pacheco highlighted the fact that in Costa Rica, the Caribbean Community would have access to a national market of four million inhabitants that could also serve as a gateway to Central America, a region little explored by Caribbean producers. The Agreement also allows for the parties to trade without affecting sensitive productive sectors in the respective countries. The President closed by expressing his hope that the Agreement would lead to an alliance that not only strengthens trade but also stimulates social, political, cultural and environmental cooperation between the Caribbean Community and Costa Rica.

The CARICOM-Costa Rica Free Trade Agreement creates a combined market of ten million, with CARICOM exporters from all Member States having access to the four million Costa Rican market, for a wide range of products. CARICOM MDCs - Barbados, Guyana, Jamaica, Suriname and Trinidad and Tobago, in turn, will provide duty free access to most products from Costa Rica. CARICOM less developed countries - OECS and Belize, while enjoying duty free access to Costa Rica are not required to grant similar access to Costa Rican products. A limited number of products will continue to attract duty when traded under the Agreement and the duty on some others will be phased out by January 1, 2007. Goods subject to preferential treatment will have to satisfy Rules of Origin requirements and Customs Procedures. CARICOM products covered by the Region's Oils and Fats Agreement will continue to be protected and will not be subject to free trade. The Agreement also provides for the Settlement of Disputes.

In addition to trade in goods, the Agreement provides for the application of Anti-Dumping Measures and for the Parties to enhance their Sanitary and Phytosanitary Measures. Within two years of the date of entry into force of the Agreement, CARICOM and Costa Rica will review developments in relation to Trade in Services, Investment, Competition Policy and Government Procurement and consider the need for further disciplines in those areas.

The Free Trade Agreement will enter into force as soon as the Parties have advised each other of the completion of necessary internal procedures. Pending the full entry into force of the Agreement, it can be provisionally applied as soon as Costa Rica and any CARICOM Member State have completed the necessary procedures to give effect to the Agreement.

Following the first free trade agreement which was signed with the Dominican Republic in 1998, the CARICOM-Costa Rica Free Trade Agreement marks another step in the widening process of trade and economic relations

between CARICOM and the countries in the wider Caribbean. It should also be seen as an essential element of the response of the Region to the trend towards greater trade liberalization and the conclusion of bilateral trade agreements within the hemisphere. Within a week of the signature of the Agreement, a trade mission from Trinidad and Tobago will be visiting Costa Rica to explore possibilities, including those for joint ventures.