

Trade Ministers of Colombia and Costa Rica will sign FTA on may 22



Cali, Valle, May 3, 2013.- The Minister of Trade, Industry, and Tourism, Sergio Diaz-Granados, announced that on May 22, Colombia and Costa Rica will sign the free trade agreement (FTA) that has been negotiated between the two countries. The Minister added that he and his Costa Rican counterpart, Anabel Gonzalez, will see to its signing during the VII Summit of the Pacific Alliance.

The signing will take place in Cali, within the margins of VII Summit of the Pacific Alliance.

The Minister pointed out that this FTA comes at a moment when Costa Rica has made much progress towards becoming a member of the Pacific Alliance. Currently, the country has Observer status with the organization, and it will participate as such at the upcoming summit.

Minister Diaz-Granados said that Costa Rica is one of the most dynamic and stable economies in Latin America, which a market that has high purchasing power, over 20% more that of Colombians. Moreover, he added that Costa Rica is an import oriented market, in terms of industrial goods. "This, coupled with its proximity and Colombia's market knowledge, make it an attractive destination for exports and investment," he reiterated.

After four rounds of negotiations and two ministerial meetings, the negotiations concluded for this FTA on March 6th. It covers key items such as services, investment, government procurement, and more importantly, market access for goods, which will open major opportunities for Colombian exports of industrial and agribusiness products.

In terms of industrial goods, which form Colombia's main export interests, Costa Rica will liberalize over 98% of its tariffs, with around 74% receiving immediate duty free access. The remaining 24% will be liberalized in periods of 5, 10, and 15 years, while the remaining 2% will continue to deepen through arrangements with the Pacific Alliance, which Costa Rica seeks to enter soon.

For the agricultural sector, Costa Rica will liberalize 81% of the tariff lines, with 60% of this being immediate, as of the FTA's entry into force. This will include products such as candy, cocoa, chocolates, and cookies, which are currently exported to that market.

In 2012, bilateral trade with Costa Rica reached USD 480 million, while in 2002, it was just USD 191 million. However, there was a peak in 2010, which reached USD 563 million. The trade balance has historically been in favor of Colombia, which reached USD 465 million in 2010.

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PHOTO 1: The Minister of Trade, Industry, and Tourism, Sergio Diaz-Granados, announced the signing of the FTA with Costa Rica, which will occur on May 22, in Cali, with int the margins of the VII Summit of the Pacific Alliance.

(Photos courtesy of the Ministry of Trade, Industry, and Tourism)