European Commission
Directorate-General for Trade

Press release

CENTRAL AMERICA Brussels, 29 November 2013

EU trade deal with Guatemala becomes operational

As of 1 December 2013, trade barriers will be lifted between the European Union and Guatemala, when the trade pillar of the EU–Central America Association Agreement will be applied. With Guatemala joining, the whole region of Central America can now benefit from the agreement, as the deal is already implemented with the other five member countries - Costa Rica, El Salvador, Nicaragua, Honduras and Panama. This ambitious trade partnership will open up new markets and simplify rules which will boost trade and investments on both sides.

"This trade agreement will bring our regions closer together by giving our companies privileged access to each other's markets", said EU Trade Commissioner Karel De Gucht. "I am glad that all Central American countries are now part of it. It is an important stepping stone in our relations and paves the way for truly closer integration between the European Union and the whole of Central America, and should also facilitate regional economic integration in Central America."

The Agreement will open up markets for goods, public procurement, services and investment on both sides. This will create a stable business and investment environment based on predictable and enforceable trade rules which, in many instances, go further than the commitments the parties have made in the World Trade Organisation (WTO).

As a result, the Agreement will facilitate economic integration of the region while at the same time providing for new market opportunities for European economic operators, exporters and investors. The Central American economy is expected to grow by over €2.5 billion per year now that the Agreement applies to the entire region.

The trade deal has been applied with Honduras, Nicaragua and Panama since 1 August 2013 and with Costa Rica and El Salvador since 1 October 2013. The implementation of the Agreement with Guatemala was delayed to allow the finalisation of internal procedures.
Background

The EU–Central America Association Agreement will substantially improve market access for EU and Central American exporters. The main benefit of the new regime will be the improved trading and investment conditions established by the agreement. This is expected to create significant new opportunities for businesses and consumers on both sides.

The deal also includes far-reaching provisions on the protection of human rights and the rule of law, as well as commitments to effectively implement international conventions on labour rights and environmental protection. Civil society organisations will be systematically involved in the work to monitor the implementation of these commitments.

The agreement also aims at fostering regional economic integration among the six Central American countries.
The Trade pillar of the EU-Central Association Agreement is one of three - political dialogue, development co-operation, and trade. Its overall objective is to support economic growth, democracy and political stability in Central America. Pending the completion of ratification procedures by the 28 EU Member States, the trade pillar of the Association Agreement can be provisionally applied. During this provisional application period, companies can already receive all the trade preferences set out in the agreement.

For more information

Full text of the Trade Agreement

Highlights of the trade pillar of the Association Agreement between Central America and the European Union, 20 June 2011 - MEMO/11/429

EU trade deal with Costa Rica and El Salvador becomes operational, 27 September 2013 - Press Release IP/13/881

EU Trade deal with Honduras, Nicaragua and Panama becomes operational, 31 July 2013 - Press Release IP/13/758

On EU-Central America trade relations

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