

CENTRAL AMERICA AND THE UNITED KINGDOM SIGN TRADE AGREEMENT



On July 18th the Ministry of Foreign Trade announced the signing of the Association Agreement between Central America and the United Kingdom (AACRU). The negotiating teams of the Central American region and the United Kingdom have been working for several months to close the negotiation, seeking the best agreement to maintain the trade preferences of the Association Agreement between Central America and the European Union (AACUE); this signing comes as a solution to the imminent exit of the United Kingdom from the EU - BREXIT.

During the past months, importers, exporters and investors have monitored the negotiation hoping it will be approved before Brexit. The separation of the United Kingdom from the EU involved the use of the terms established by the World Trade Organization (WTO) and the non-application of the terms preferences for the products of both parties; it also generated doubts about other issues such as investment, cooperation, recognition of sanitary and phytosanitary measures, among many other topics that are today rules by ACCUE.

In Costa Rica, the private sector is particularly interested in the approval of this agreement due to the positive trade balance with the United Kingdom. Trade between the country and the United Kingdom goes up to a total of USD \$ 326 million in 2018, this amount has grown 6.4% compared to 2009.. The main export products are melon, banana and pineapple and the most imported products are whiskey, me-

dicines and intermediate iron and steel products, according to The Foreign Trade Corporation of Costa Rica (PROCOMER by its acronym in Spanish) statistics.

Now the agreement must go through an approval process in Congress, the private sector expects the Government to move fast and have the agreement dully published before BREXIT.

If you are interested in Trade regulations our team can gladly support, you with this matter by providing a regulatory tracker service.

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