

Press release 47/2003

(20 March 2003)

CARICOM AND COSTA RICA INITIAL FREE TRADE AGREEMENT

After three rounds of negotiations CARICOM and Costa Rica concluded a Free Trade Agreement which holds the promise of significantly increasing trade between thirteen CARICOM countries and Costa Rica, a market of some 4 million persons. The negotiations were concluded in San José, Costa Rica, on 15 March 2003, with the initialling of the Agreement by the CARICOM negotiating spokesperson, Mr. Byron Blake, Assistant Secretary General of the Caribbean Community Secretariat and Mr. Fernando Ocampo, Director General of Foreign Trade of Costa Rica.

Under the Agreement a wide range of products will be traded freely or at preferential rates although some sensitive products will be excluded from free trade. The duty on other products will be phased out over a four year period beginning 1 January 2005. The Agreement also provides for the seasonality of agricultural products to be taken into account in the trade between CARICOM and Costa Rica. One innovative element introduced into the Agreement with a view to maximising trading opportunities was a special list of products which would be subject to differentiated market access between Costa Rica and each of the CARICOM MDC's.

The Region's manufacturing sector can take advantage of greater levels of access to the Costa Rican market while consumers can look forward to certain products from Costa Rica at competitive prices. Over the years CARICOM has supplied the Costa Rican market with products including glass containers, medicines, toiletries and liquid gas, while Costa Rica has been selling high tech and agricultural products to CARICOM. Costa Rica enjoys a positive trade balance with the Region.

The negotiating process coordinated on behalf of the Caribbean Community by the CARICOM Secretariat commenced in Trinidad and Tobago in October 2002.

A meeting of legal experts of the Parties will be convened shortly to finalise the text of the Draft Agreement which should enter into force on 1 January 2004.