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Deborah Tyroler
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by Deborah Tyroler
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In a Nov. 1 letter to Panamanian Vice President Guillermo Ford, Costa Rican counterpart German Serrano requested that Panama City seek a permanent solution to trade problems between the two countries before "matters get out of the control." The request came in response to Panama's recent suspension of Costa Rican milk imports averaging 10,000 liters per day. The Costa Rican government asserts that the move violated a bilateral trade agreement. Serrano said the Panamanian government's move to extend restrictions to sausage and other foodstuffs only served to exacerbate the situation, and endanger trade relations. According to the Costa Rican vice president, a truckload of merchandise from Gerber of Central America, headquartered in Costa Rica, was detained for 10 days at the border by order of Panama's Economy Ministry. Panamanian shipments have been detained for up to 20 days in Costa Rican customs stations. The Panamanian government suspended milk imports on grounds that Costa Rican dairy producers were attempting to market processed milk products in Panama that are not covered by the trade agreement. Costa Rican dairy producers have requested that the Costa Rican Economy Ministry suspend import of Panamanian evaporated and condensed milk and cheese products. According to Costa Rican dairy industry spokespersons, Panamanian counterparts are using Costa Rican milk to manufacture food products which are then re-exported to Costa Rica. Gonzalo Cubero, director of the Costa Rican National Milk Producers Chamber, said that transnational corporations based in Panama, such as Kraft and Nestle, import over 200,000 liters of subsidized milk from Europe and the US which are used in products exported to Costa Rica. According to Costa Rican dairy producers, dairy product imports from Panama total US$5 million per year, compared to a mere US$180,000 annually in Panamanian imports of Costa Rica. ACAN-EFE cited unidentified official statistics estimating bilateral dairy product trade at US$5.2 million per year. Of the total, Costa Rican imports from Panama account for US$4.8 million. (Basic data from Inter Press Service, 10/25/91; ACAN-EFE, 11/01/91)

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