

2-7-1992

# Central American Free Trade Initiatives: Summary Of Recent Developments

Deborah Tyroler

Follow this and additional works at: <https://digitalrepository.unm.edu/noticen>

---

## Recommended Citation

Tyroler, Deborah. "Central American Free Trade Initiatives: Summary Of Recent Developments." (1992).  
<https://digitalrepository.unm.edu/noticen/7055>

This Article is brought to you for free and open access by the Latin America Digital Beat (LADB) at UNM Digital Repository. It has been accepted for inclusion in NotiCen by an authorized administrator of UNM Digital Repository. For more information, please contact [amywinter@unm.edu](mailto:amywinter@unm.edu).

## Central American Free Trade Initiatives: Summary Of Recent Developments

by Deborah Tyroler

Category/Department: General

Published: Friday, February 7, 1992

Jan. 18: Under a recently formalized trade agreement, 311 Central American products, including textiles and agricultural inputs, will enter the Venezuelan market duty-free beginning in mid-1992. Of the total, 130 are Salvadoran exports. Jan. 30-31: In San Pedro Sula (Honduras), foreign ministers of the Caribbean Community (Caricom), Central America and Panama met to discuss the potential of forming a combined common market. The aggregate GDP of the 19 nations of Central America and the Caribbean is US\$43.4 billion, with exports totaling about US\$7.7 billion, and import spending, around US\$7.2 billion. According to economists, the last time Central America experienced a trade surplus was in 1950. Attempts to introduce new exports were limited in the United States and Europe, and blocked in Asia. In 1960, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua formed the Central American Common Market (CACM). After a growth period, CACM collapsed in the 1970s, and by the 1980s was inactive. At a summit in Antigua (Guatemala) in 1990, the five presidents agreed to reactive the CACM and invite Panama to join. During the December 1991 summit in Honduras, leaders voted to unite with Caricom in order to improve their bargaining position with the European Community, Canada as member of the North American Free Trade Agreement (NAFTA), the US, and Asia. Established in 1973, Caricom soon accepted the Organization of East Caribbean States. Member-nations include Anguilla, Antigua, Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts & Nevis, St. Lucia, St. Vincent, and Trinidad and Tobago. In 1989, only 45% of Central American exports, and 47% of Caribbean products, were allowed to enter the US and Canadian markets. European market access was permitted for 21% of Caribbean exports and 26% of Central American products. A total of 8% of Central American exports are sold to other Latin American and Caribbean nations. Central America accounts for 6% of Caricom exports. Both regions trade with individual nations, but overall trade with Asia is minimal. Japan accounts for only 8% of the region's foreign trade. Feb. 3: Rafael Rodriguez, top official of the Central American Economic Integration Secretariat (Secretaria de Integracion Economica de Centroamerica-SIECA), told reporters that the six regional governments had reached agreement on most elements of a customs union arrangement, scheduled to go into effect June 30, 1993. Under the new system, the region's maximum and minimum tariff will be 20% and 5%, respectively. Feb. 7: In Tegucigalpa, Honduran Economy Minister Ramon Medina Luna told reporters that the first phase of a free trade agreement among Costa Rica, Guatemala, Honduras and Nicaragua will soon be implemented. He added that approval from El Salvador is expected at the last minute. Medina said the agreement is aimed at preparing the region for similar arrangements with Mexico, the Caribbean Basin and Venezuela. [Basic data from ACAN-EFE, 01/18/92, 02/07/92; Prensa Latina (Cuba), 01/22/92; Inter Press Service, 01/31/92; Spanish news service EFE, 02/07/92]

-- End --