

UK and Central America sign continuity agreement

- The UK government has signed a trade and political continuity agreement with Central America.
- Trade between the UK and Central America was worth £1bn in 2018.
- Agreement ensures British businesses and consumers benefit from continued access to the region after we leave the EU.

The UK and Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama have signed the UK-Central America Association Agreement.

Ambassador Ross Denny signed the agreement in Managua, Nicaragua together with Trade and Economic Ministers from each of the six Central American countries.

The Agreement will ensure British businesses and consumers benefit from continued trade with Central America after we leave the European Union. It provides tariff-free trade of industrial products together with liberalisation of trade in agricultural food production and fisheries products.

Consumers in the UK will continue to benefit from lower prices on goods imported from Central American countries party to this agreement, such as prawns from Honduras and Costa Rican fruit. Consumers in Central America will continue to benefit from lower tariffs on products such as drinks and cars produced in the UK.

Trading on these preferential terms rather than on World Trade Organization terms will deliver significant savings and help to support British jobs. It will also help further strengthen the trading relationship between the UK and Central America, which was worth £1 billion in British exports and imports in 2018.

The Agreement provides a framework for cooperation and development through political dialogue, increased economic ties and our work on important issues like the environment and human rights, reaffirming Britain's commitment to a close relationship with Central America.

Welcoming the new Agreement, Foreign Secretary Jeremy Hunt said:

This agreement is of real importance as we prepare to leave the European Union and strengthen our ties with the rest of the world. It will help provide the certainty business need to be thrive and help turbocharge our economy into the future.

It has also been achieved thanks to the hard work of UK diplomats and I thank them for their work.

We look forward to building on our political and economic ties, with exporters and consumers having the certainty they need to continue trading freely and in confidence abroad.

This agreement replicates the existing EU-Central America trading relationship as far as possible and will ensure continuity in the trading relationship between the UK and Central America when the UK ceases to be a member of the EU.

The British Government is continuing to work intensively on securing continuity with other countries. We have secured agreements – either signed or agreed in principle – that account for 64% of the UK's trade with all the countries with which the UK is seeking continuity, should we leave the EU without a deal.

Wilson Del Socorro, Global Director of Government Affairs for Diageo PLC added:

Diageo warmly welcomes the news of a Central America-UK Association Agreement.

The free flow of international trade is vital to Diageo as it gives us the opportunity to reach more consumers and markets. Central America is an important export market for Diageo and for Scotch whisky.

We look forward to enhanced bilateral ties that support the future growth of trade in goods, services and cultural exchanges.

The UK-Central America Association Agreement will come into effect when the current Agreement between Central America and the EU ceases to apply. This will take place either following an implementation period if the UK leaves the EU with a deal, or on 31 October 2019 if the UK leaves the EU without one.

Notes to Editors

- This agreement will now be subject to the domestic parliamentary procedures of all countries party to the agreement before it can be brought into force.
- The UK will continue to be covered by the EU Central America Agreement while the UK is a member of the EU, and during an Implementation Period. This agreement is designed to take effect when the EU-Central America agreement ceases to apply to the UK.
- The UK has signed or agreed in principle 13 trade continuity agreements with 38 countries, these include some of our biggest trading partners. A

regularly updated list of all signed agreements is available on GOV.UK.

- Total exports from the UK to Central American Countries party to this agreement were worth £346m in 2018. Total trade was worth £1bn.
- Source of trade statistics: ONS: UK total trade: all countries, non-seasonally adjusted October to December 2018 release.