

UK and Guatemala celebrate the first anniversary of the implementation of the Association Agreement

The Association Agreement between Central America and the UK entered into force on 1st January 2021. To mark the first year of its implementation, the Business Commission for International Negotiations and Trade (CENCIT), the Ministry of Economy and the British Embassy held a virtual event.

Guatemalan companies actively exporting to the British market and British companies exporting to Guatemala were present to share their experiences and success stories in the framework of this bilateral trade. Especially during a first year in which trade faced unprecedented challenges and consequences of the Covid-19 pandemic.

Guatemalan exporters of fruits and vegetables and a British exporter of alcoholic beverages participated in the event. These companies represented the users of the agreement and commented on its correct implementation, which has been received positively by the private sector as it guaranteed commercial continuity between Guatemala and the UK, when the latter completed its exit from the European Union.

The Vice Minister of Integration and International Trade, Edith Flores de Molina, participated on behalf of the Ministry of Economy. The Ministry's key objectives are; to conduct negotiations of multilateral and bilateral trade agreements, follow up on the Central American economic integration process, negotiate free trade and investment treaties, and support the promotion of Guatemalan exports.

Bilateral trade between Guatemala and the UK, from July 2020 to June 2021, was £199m (approximately USD 260m), 1.4% more than the same period of the previous year, showing a positive trend to continue increasing. The main products exported from Guatemala to the UK were: fruits and vegetables, coffee, sugar, beverages and oilseeds; while the main British products exported to the Guatemalan market were: vehicles, beverages, chemicals, plastics and pharmaceuticals. 95% percent of the goods are currently free of tariffs and 1.2% are under tariff reduction and/or quota.

The UK and Guatemala are committed to keep working together to make efficient use of the agreement and encourage companies to utilise it, with a view to further increasing bilateral trade. Additionally, to take advantage of the framework provided by the agreement to enhance the collaboration of best and innovative sustainability practices.

To mark the event, the Deputy Head of Mission of the British Embassy, Barbara Amono-Oceng, stated:

We are very pleased to hear that the implementation of the Association Agreement has gone smoothly. The British Government has worked closely with its trading partners to ensure business continuity and provide certainty for companies. We are confident that trade with Guatemala will continue to increase, bringing greater opportunities for prosperity and development.

The Agreement promotes trade, investment and economic cooperation between the UK and Central American countries. By 2027, the vast majority of British goods will enter Central America at zero tariff.