

## **Chambers address obstacles to EU-Central America economic co-operation**

On the occasion of the second round of negotiations for an Association Agreement between the European Union and Central America (CA), Chambers of Commerce from both regions join forces to address the main obstacles that hinder businesses from fully exploiting EU-Central America trade and investment potential.

### **Transport, infrastructures and corruption make business life difficult**

According to a survey\* carried out in 2007 on 550 EU and Central American companies, transport costs and ineffective logistic services are the main issues affecting EU-CA trade and investment (for 69% of interviewees). 58% of SMEs complain about poor infrastructures, hindering the movement of goods, and 58% of them – especially on the EU side – see corruption as a major barrier to commercial relations.

At the other end of the ranking, the respect of Intellectual Property Rights, the stable political environment in Central America, and cultural aspects are perceived as elements having a very positive impact on EU-CA economic relations.

### **The Association Agreement: a valuable but unknown opportunity**

When asked about the possible effects of a future EU-Central America Association Agreement (AA), companies show a very positive attitude. Almost 80% of Central American businesses believe the AA will enhance investment flows between the two regions, increase trade (58%) and simplify customs procedures (56%). This view is shared by EU companies as well.

Yet, respondents suffer from an overall lack of information on EU-CA co-operation initiatives: half of Central American companies do not have an understanding of the General System of Preferences, and 2 out of 3 SMEs do not know how to lodge a trade-related complaint.

### **Chambers launch EU-Central America Platform to make the most of the AA**

*“The results of our survey show the need to create more and better awareness among enterprises on EU-Central America economic potential. This is why business organisations from both sides are launching the EU-Central America Chamber Platform, a web-based portal which will start gathering position papers and together organising high level events that will help the private sector make the most of the future Association Agreement,”* said Arnaldo Abruzzini, Secretary General of EUROCHAMBRES.

The European Institutions can play their part by setting up more EU-Central America economic cooperation programmes, perceived by companies as the most effective tool to favour EU-CA economic cooperation.

In this respect; it is worth mentioning the successful experience of the programme 'AL-Invest', which helps Latin American SMEs to internationalise and co-operate in the global markets with EU counterparts. *"Contributing to the reduction of poverty through enhanced trade is our ultimate goal,"* remarked Mr Abruzzini. *"More than 58,000 SMEs have joined one of the 700 projects in the last 10 years of the programme, generating more than 500 mo. EUR in business, creating growth, decent employment and long term sustainable development,"* concluded Mr Abruzzini.

\* The results of the survey referring specifically to Central America will be presented at a EUROCHAMBRES conference in Brussels today. The entire survey, investigating all Latin American regions, will be presented in the fringes of the EU-Latin America Summit, in Lima later this year.

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