



Introduction by  
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of Westwell CH CBE PC  
Chairman of the FIRST  
Advisory Council

It gives me great pleasure to introduce this official FIRST report to mark the SICA High-Level Business Conference under the *pro-tempore* Presidency of the Dominican Republic. We at FIRST would particularly like to thank HE Federico Alberto Cuello Camilo, the Dominican Republic Ambassador, for his help and guidance in the preparation of this significant publication. We are especially grateful to HE Danilo Medina Sánchez, President of the Dominican Republic, for contributing such an important article to this official report.

The System for Integration in Central America (SICA) was created in December 1991 and has helped establish an institutional framework for the process of regional integration. SICA's objectives include the formation of a free zone and common market with the long term aim of political union. SICA member states include Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Belize, Panama and the Dominican Republic. Meetings of the Heads of State of member countries serve as the main decision-making body of SICA and the Foreign Ministers also meet regularly to provide policy direction to the process of integration. The General Secretariat is based in San Salvador.

SICA benefits from an interesting array of internal structures including the Central American Parliament, the Central American Court of Justice – which considers treaty disputes within the regional integration system – and the Central American Bank of Economic Integration – established to promote economic integration and balanced regional economic development.

The establishment of SICA has resulted in a number of economic benefits including economies of scale, the attraction of foreign

investment, increasing intra-regional trade and developing intercontinental trade – the latter underlined by the Common External Tariff (CET). This process of regional economic integration has created an important market of over 40 million consumers and a combined GDP of some US\$170 billion. The aim of tariff harmonisation, removal of trade obstacles, the formation of a common customs administration and the promotion of an external trade policy must be applauded and the UK government supports this process.

In May 2013, the United Kingdom became an Extra-Regional Observer of SICA at a ceremony held at SICA Headquarters in El Salvador. This status has strengthened the UK's commitment to the region and has enabled an even closer working relationship with SICA and its member states. The welcome decision to re-open the British Embassy in El Salvador in 2012 has further underlined these close ties.

This steady progress towards trade integration is very encouraging and the EU-Central America Association Agreement (EU-CAAA) which was signed in 2012 will further promote trade and investment flows as well as further strengthening cooperation on the political level. It is to be hoped that the UK will ratify this agreement at some point later this year. The outlook for the region is very positive with opportunities for international investors in banking, education, agriculture, energy, retail, chemicals, consumer products and minerals.

We at FIRST are delighted to have been asked to produce this official publication and hope that it contributes to the further development of the United Kingdom's relationship with SICA, especially in the spheres of trade and investment **E**