

New opportunities for business

By RT HON HUGO SWIRE MP

MINISTER OF STATE, FOREIGN AND COMMONWEALTH OFFICE



HUGO SWIRE is the Minister of State at the Foreign & Commonwealth Office, with responsibilities for relations with Latin America, Southern Asia, Australia and the Commonwealth. He has been Member of Parliament for South Devon since 2001. Before moving to the FCO in 2012, he was previously Minister of State for Northern Ireland. He attended the University of St Andrews, and before entering parliament served in the Grenadier Guards, and as a director of the auction house Sotheby's.

Rt Hon William Hague MP, Secretary of State for Foreign Affairs meets Luis Fernando Carrera, Guatemala's Foreign Minister, in London

I am delighted that Otto Pérez Molina is the first Guatemalan President to be paying an official visit to the United Kingdom this week. His three day visit, accompanied by senior members of his cabinet, is designed to showcase the significant opportunities in his country for British business and is testament to the fact that our efforts to rejuvenate bilateral relationships in Latin America are working.

Guatemala once sat at the heart of Central America's Mayan civilisation and still boasts a rich cultural ancestry. Today, the country maintains Central America's largest economy and population. The challenges each Guatemalan government has faced since democratic elections resumed in 1986, following 36 years of civil war, have been well documented. On taking office in January 2012, President Pérez Molina immediately set out three overarching priorities to tackle them: improving the security situation, eradicating rural malnutrition and financial reforms to improve the business environment.

Closer partnership between the UK and Guatemala can provide important, mutual benefits for both countries, providing jobs and growth, as well as combating poverty and exclusion. And the opportunity is there – not least because Guatemala is

becoming an increasingly easy place to do business; it was recently labelled most improved in the world by the World Bank. In pursuing its policy of improving the business environment, President Pérez Molina's Government has streamlined bureaucracy, boosted competitiveness and exploited the benefit of regional trade deals – through the US-Dominican Republic-Central America Free Trade Agreement, and (importantly for the UK) the EU-Central America Association Agreement.

While in London, President Pérez Molina will formally open the 4th Latin America Investment Forum (LAIF), showcasing the diverse range of opportunities in his country and across the region, to a British and Latin American business audience. Last year bilateral trade with Guatemala grew by 15 per cent, moving ever closer to the £100m mark, as the benefits of implementing the 2011 EU-Central America Association Agreement start to be felt. From Guatemala, the UK imports mainly agricultural produce – President Pérez Molina is also in London to honour the outgoing Executive Director of the International Sugar Organisation and welcome in his Guatemalan successor – with spirits, medical and pharmaceutical products, and vehicles traded in



the other direction. The UK is already the largest European investor in Guatemala: British firms Actis, Perenco and Ashmore have large interests in the energy sector, the latter stretching back decades. It is significant that the Guatemalan Minister for Energy and Mines, Erick Archila, will also accompany President Pérez Molina to the Investment Forum.

Looking ahead, we calculate that an infrastructure sector with associated supply chain contracts worth up to £1.14bn will represent the most valuable area of opportunity for British business. In March, representatives from the Guatemalan Interior Ministry were in the UK investigating technology in a bid to modernise the police and security sectors. Demand in the retail sector, primarily in clothing and accessories, has grown rapidly, with British brands like Ben Sherman, Clarks shoes, Jimmy Choo and Burberry increasing in popularity with the emerging middle class. Appetite for British Education and British English is growing at a rapid rate.

It has been this government's policy that commercial opportunities overseas are not the preserve of large corporates and multinationals, and I believe we are readier than ever to support British businesses of all shapes and sizes as they explore exciting prospects in Guatemala and across Latin America. In the last four years, the Foreign and Commonwealth Office has opened four new posts across the region, including in Guatemala's southern neighbour, El Salvador.

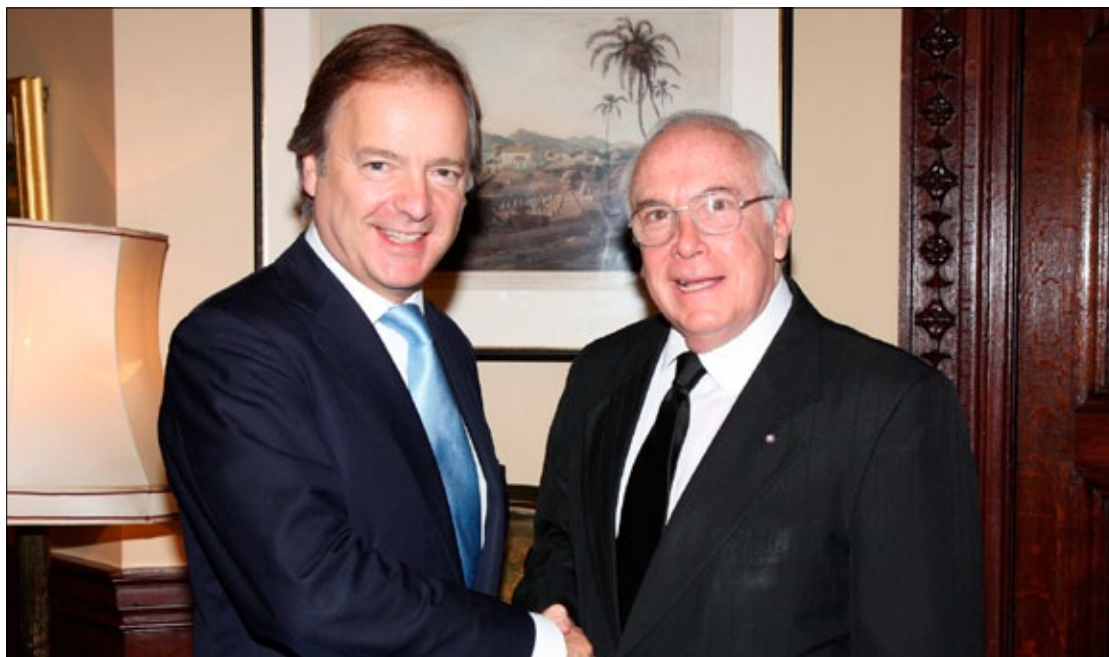
Guatemala's approach to free trade is evidence of a broader set of values our countries share, including across the themes of the UK's 2013 presidency of the G8: trade, tax and transparency. During President

Molina's first two years in office, his government has joined international initiatives on transparency on extractives (EITI) and construction (CoST) and is now working to implement their recommendations. Tax reform also remains high on the agenda.

We also worked closely together on global issues, including during Guatemala's recent membership of the UN Security Council. I hope we can work equally closely on the post-2015 development goals to which I know President Pérez Molina's government attaches great importance, as do we. Guatemala's Foreign Minister, Fernando Carrera, who will also accompany the President, will return to London in June for the Global Summit to End Sexual Violence in Conflict, chaired by the Foreign Secretary. As a country with firsthand experience of the suffering caused by sexual violence, Guatemala's engagement will be a very important element in global efforts towards achieving peace, reconciliation and fighting impunity. I hope that we can continue to learn from each other's experience and respective areas of expertise across the board.

I was appointed British Minister of State for Latin America in 2012, the same year that President Pérez Molina took office in Guatemala. Over that time, I have supported the deepening of our relations with the region for the benefit of the UK's security and our economy, while the President has worked to continue Guatemala's trajectory towards stability and sustainable growth. His visit to the UK will show where the complementarities lie. I hope to uncover more when I meet President Pérez Molina and his team this week and visit Guatemala later this year.

Guatemala is becoming an increasingly easy place to do business; it was recently labelled most improved in the world by the World Bank



Rt Hon Hugo Swire MP with HE Acisclo Valladares Molina, Guatemala's Ambassador to the United Kingdom