

India In Final Stage Of Negotiating FTA With SICA

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The Central American country intends to improve trade and investment ties with India in pharmaceuticals, auto and auto-components

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India and the Central American Integration System (SICA) are in the final stages of negotiating the free trade agreement (FTA), said Omar Lisandro Castaneda Solares, Guatemala's Ambassador to India on Thursday.

"We are at the final stage of negotiating this agreement and I expect this to be implemented in the coming months, even before the implementation of the proposed India-EU trade agreement," the ambassador of the Central American country said.

He was speaking at an interactive meeting organised by MVIRDC World Trade Center Mumbai and All India Association of Industries (AIAI).

Formed in 1993, SICA is the regional bloc of eight Central American countries— Belize, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and Panama, with its general secretariat based in El Salvador.

Recently, India's External Affairs Minister S Jaishankar visited Panama and held a discussion on the proposed FTA with SICA, the ambassador informed.

"Guatemala prefers to improve economic relations with India and it is seriously exploring ways to achieve this. Our bilateral trade volume is hardly USD 486 million and I expect this to triple in the next few years," the ambassador said.

Welcoming Indian companies to explore trade and investment opportunities in Guatemala with a stable macroeconomic environment, he said that it can be a gateway to the USA and EU as we have trade agreements with these jurisdictions. We wholeheartedly welcome Indian companies to do business in our market.

He added, "Guatemala has a young demographic profile as the majority of the population fall in the age group of 25-35 years and they are highly skilled, similar to the demographic profile of India."

Notably, the Central American country intends to improve trade and investment ties with India in pharmaceuticals, auto and auto-components as the latter is a reliable supply partner in terms of quality.

There are also emerging trade and investment opportunities in IT, telecom and energy between both the countries, the ambassador said, adding that Guatemala's two apex industry chambers are planning to visit India in the coming months to explore the Indian market and areas of mutual collaboration.

The ambassador invited Indian companies to invest in manufacturing of eco-friendly consumer products such as compostable and biodegradable handbags.

He informed, "Guatemala is an ideal destination for the manufacture of eco-friendly bags using bagasse, which is a byproduct of the sugar industry. Bagasse is abundantly available in our country as it is a byproduct of sugar manufacturing, a prominent industry in our economy. Our country is seriously looking for alternatives to single-use plastics to protect the environment."

Meanwhile, Vijay Kalantri, Chairman, MVIRDC WTC Mumbai highlighted that the current trade volume between India and Guatemala is below the true potential. AIAI and WTC Mumbai will take efforts to enhance mutual trade and investment by signing MoUs with the Embassy of Guatemala and exchanging frequent trade delegations.

"We are also planning to organize India-Latin America Economic Conclave in the course of time to create awareness about areas of mutual collaboration," Kalantri added.

Kalantri suggested Indian industry to consider Guatemala as a gateway to Latin America and USA because of its strategic location.