



Cluster of Chambers for Pacific Alliance & Central America



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INFORMATION

The new Cluster of Chambers for the Pacific Alliance & Central America set up headquarters in BECI premises

BECI has developed a policy to attract bilateral Belgian Chambers of Commerce with Latin American countries in order to establish their activities inside BECI. This policy offers an effective win-win game to these Chambers and to BECI by creating interesting synergies in mutual information, organization and actions. An important deal was recently made with four Chambers covering 11 countries and are regrouped now inside BECI into a single “*Cluster of Chambers for the Pacific Alliance and Central America*”.

This Cluster deals with 2 main groups of economies belonging to 2 different regional integration schemes, regrouped in 4 Belgian-Latin American Chambers. The first group covers 3 of the 4 members of the **Pacific Alliance** (PA) represented in Brussels through 3 bilateral Chambers: Chile, Colombia and Peru. The second group is represented in a single Chamber, Euracen, covering the 8 economies forming the **Central American Integration System** (SICA in Spanish) i.e. the 7 economies of the Central American isthmus plus the Dominican Republic. The common feature among this big group of 270 million of persons with a total GDP of more than 3 billion US dollar, is that both groups of economies benefit from association Treaties with the European Union that include free trade agreement. These 11 economies are the most opened of Latin America and precisely the reason for creating the Cluster of Chambers is to join efforts in order to provide to Belgian firms with the best information and services to address these markets on the process to form the future single market of the whole region. We believe Belgian firms have to look more to these markets with a view to form strategic alliance or joint-ventures with local counterparts in these economies which are also a springboard for presence on the Pacific Rim.

The Pacific Alliance (PA) was officially created in 2011 with the Lima Declaration, between Chile, Colombia, Peru and Mexico (all of them benefitting from association agreements with the EU) but implemented in 2015. This initiative gave new life to regional integration in Latin America and the Caribbean (LAC). With more pragmatic, market-oriented expectations and a more functional architecture than prior agreements, the PA offers a clear way out of the obstacles that blocked the other integration initiatives in the region. PA has broken new ground by embracing issues that have traditionally been neglected by trade negotiations, and adopting more realistic approaches.



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Dubbed the “Pacific Pumas” for a better economic performance, the four member States of this Alliance continuously show the ability to work together to solve tough issues, with a pragmatic approach to integration that has quickly caught the world’s attention.

Alliance members have quickly achieved remarkable success: tariff elimination on a wide range of products, the integration of four national stock markets (the MILA representing the largest bourse in Latin America in terms of capitalization (\$1.1 trillion), the removal of inter-Alliance visa restrictions, the opening of joint international trade missions, ambitious plan for digital development and higher education cooperation. Its outward-looking economic approach prioritizes private sector cooperation, announcing to the world that the bloc is open for business. These 4 economies collectively represent already the world’s eighth largest economy—all rank in the World Bank’s top sixty for “ease of doing business.”

The second group – SICA - with 12 economies and a single Chamber in Brussels belongs to a regional integration scheme which reached an Association Treaty with the EU as a single bloc. This regional bloc was initially created in 1960 but has suffered many difficulties due to the civil war in the 1980s. In 1993 the SICA integration system relaunched the process with several supranational institutions, such as the Central American Parliament, the Central American Bank for Economic Integration and the Central American Common Market (plus the previous Central American Court of Justice). The Central America trade bloc is governed by the General Treaty for Economic Integration (the Guatemala Protocol), which was signed on October 29, 1993. The CACM has removed duties on most products throughout the member countries, and has unified external tariffs and increased trade within its members. This region has recently made significant integration progress allowing in 2012 to become the first bi-regional free trade agreement with the EU.

This is why the Belgium business community wanted to react positively to the most advanced schemes of open regionalism and the most reliable partners. First, a cooperation agreement was signed between the three Chambers of Commerce dealing with Pacific Alliance members, Second, the agreement was extended to the Chamber for Central America, Euracen. Third the four Chambers bargained with BECI their join-installation inside the BECI premises.

The purpose of the event organized by the Cluster with BECI and its Export Club on 19 April is to show to Belgian firms the strategic interest to increase the Belgian presence on these dynamic and integrating markets. The present threat of a renewal of the protectionist monster makes this orientation a priority for the Belgian interests.

The Cluster is especially grateful to the CEO of BECI, Olivier Willocx and his team for the nice cooperation and welcome in BECI. The four Chambers enjoy now a common secretariat and single entry information contact point that will offer support services to all members while our Chambers are available to any member of BECI. Thanks to our partnership with BECI, members and members-to-come of all four Chambers will have access to the performance services and information systems of BECI which will make intelligence gathering even more simpler.