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Ending 4-year battle, Costa Rica approves CAFTA

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SAN JOSE, Costa Rica -- Costa Rica is finally ready to join the Central American Free Trade Agreement.

The country signed the accord in 2004 along with the rest of Central America, the United States and the Dominican Republic.

But its implementation has been stalled for four years by opposition lawmakers who didn't want to open Costa Rica's powerful state-run telecommunications and insurance industries to competition. Others felt the required intellectual-property laws dictating jail time for violators were too strict.

Costa Ricans voted for the trade deal in a national referendum a year ago, moving it forward. But then it became stalled again as congress squabbled over the enabling legislation dealing with 13 different aspects of the deal.

On Tuesday, lawmakers overcame the final intellectual-property hurdle by allowing schools and universities to copy some materials and by reducing prison time for those guilty of selling pirated goods.

President Oscar Arias said his office will quickly finalize the paperwork needed for CAFTA to take effect in Costa Rica on Jan. 1.

"After more than four and a half years of debate, two extensions and one historic referendum in which the majority said they agreed with the free trade accord, we are finally closing this chapter," said the president's spokesman and brother, Rodrigo Arias.

Costa Rica's agriculture sector stands to benefit the most from the new agreement, particularly specialized fruits and vegetables such as pineapple and yucca. Costa Ricans are also hoping competition in the cellular phone industry will lower costs and offer more services.

Under the state-run monopoly, it was difficult to even get a new line.

While several telecommunications companies have expressed interest in starting up businesses in Costa Rica after Jan. 1, there hasn't been the same level of interest in the insurance industry, mostly because of the global financial crisis.

Chamber of Commerce President Manuel Rodriguez said the accord "opens a window of opportunities for small businesses."

The pending deal has mobilized large protests in Costa Rica in the past, but Tuesday's news came with no public opposition.

U.S. President-elect Barack Obama has opposed CAFTA, arguing it "did not contain the sorts of labor provisions and environmental provisions that should have been embedded and should have been enforceable in those agreements."