



## Honduras and Guatemala Launch Historic Customs Union

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This week, Honduran President Juan Orlando Hernández and Guatemalan President Jimmy Morales launched a customs union predicted to boost both their countries' economies by over one percent. They kicked off the union at the Corinto border post connecting their nations.

“We believe this union will spur a new era of economic growth and cooperation to our region,” said President Hernández. “We are excited to open up avenues for trade, travel and cultural exchange with our Guatemalan neighbors.”

Under the new agreement, Guatemala and Honduras will allow 80 percent of exports and travelers to cross their borders free of charge. Ten access points along the border, built under regulations agreed to by both nations, will facilitate easy passage.

The customs union is expected to raise tax revenue by about \$40 million a month, according to the Economic Commission

for Latin America and the Caribbean (CEPAL).

Since Honduras and Guatemala comprise 42 percent of Central America's population and 46 percent of its GDP, the customs union will also attract investment and grow the entire regional economy.

Camilo Atala, president of the Latin American Business Council, praised the union as the first customs partnership on the continent. “The customs union will increase the flow of trade between both nations and set an example for Latin America,” he stated. By fostering economic growth, he noted, the union “will create more and better jobs in both countries.”

“Central America has sought economic unity for over 50 years,” said Hernández. “We believe that this unprecedented agreement will allow us to make progress toward that goal.”