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Zoellick to Visit the Dominican Republic January 14 as Free Trade Negotiations Begin

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WASHINGTON -- United States Trade Representative Robert B. Zoellick will travel to the Dominican Republic January 14 during the first of three negotiating rounds of free trade talks with the Dominican Republic. The negotiations will be in Santo Domingo from January 12-16 and are designed to integrate the Dominican Republic into the recently completed negotiations with El Salvador, Guatemala, Honduras, and Nicaragua on a U.S.-Central American Free Trade Agreement (CAFTA).

"An FTA with the Dominican Republic will promote economic opportunities for farmers, workers, consumers and businesses in the United States, the Dominican Republic and our Central American trading partners. I look forward to meeting with President Mejia and his team to discuss how the U.S. and the Dominican Republic will work to negotiate a top-notch FTA that can be integrated into the just completed CAFTA," said Zoellick. "I will also be meeting with legislators, members of civil society and the business community in the Dominican Republic, to hear their perspectives and to understand how they see the agreement complementing the Dominican Republic's economic reform and growth strategy."

The markets of the Dominican Republic and Central America combined would create the second largest U.S. export market in Latin America (after Mexico.) In addition to his meetings, Zoellick will tour the port of Caucedo, a major trade access point for the Dominican Republic.

"Working with the United States to achieve shared goals in the Free Trade Area of the Americas and the Doha Round of the World Trade Organization (WTO) negotiations, the Dominican Republic has really stepped up to the plate, and demonstrated a strong desire to leverage its economic strengths and take full advantage of open markets," added Zoellick.

The U.S. trade agenda involves working to open markets globally (Doha WTO trade negotiations); regionally (the FTAA); and bilaterally (such as the recently concluded CAFTA). Many developing countries such as the Dominican Republic already enjoy duty free access to the United States for their products through preference programs such as the Caribbean Basin Initiative (CBI). Slashing tariffs and reducing other trade barriers will open opportunities for U.S. exporters as well as lower barriers that Dominican goods face.

With only six current FTA partners (not counting CAFTA, which still must be enacted), FTAs with the U.S. are relatively rare and attractive to countries seeking to expand their economies. FTAs with the U.S. can boost economic growth by promoting the rule of law, regulatory transparency and other positive reforms that attract investment and help create efficient and more modern economies.

Costa Rica also participated in the CAFTA negotiations, but needed further time to negotiate, and so was not part of the completion of CAFTA. Costa Rica continues to work with the U.S. to complete its membership in the new CAFTA.

To achieve integration into the CAFTA, the Dominican Republic and the United States will

negotiate market access for government procurement, investment, services, financial services, textiles, industrial and agricultural goods. The United States will also establish a Trade Capacity Building Working Group for the U.S.-Dominican Republic negotiations. This Working Group will enjoy participation by representatives of international institutions, the private sector, and non-governmental organizations. Total U.S. funding for trade capacity building activities in the Dominican Republic was \$5.3 million in fiscal year 2003.

The Dominican Republic is the largest economy in the Caribbean Basin region. An FTA will expand U.S. access to the Dominican Republic's market, which already receives \$4.3 billion in U.S. exports annually and approximately \$1.4 billion in U.S. investment. The United States imports approximately \$4.2 billion from the Dominican Republic annually. The Dominican Republic also enjoys strong trade and business ties with Puerto Rico, which will be enhanced by the FTA.

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