

As Delivered
US-Oman FTA Closing Announcement
U.S. Trade Representative
Rob Portman
October 3, 2005

Statement

Well, good afternoon to everyone here and to our friends in Oman. As I said a moment ago, you are part of something historic this afternoon, which is our first closing of a trade agreement via video conference.

I am very pleased to be here – and via video conference – with my colleague, Omani Minister of Commerce and Industry Maqbool Bin Ali Sultan.

We are today very proud to announce the successful completion of our negotiations on a Free Trade Agreement between the United States and Oman.

I'm also pleased, again, we could all be present to experience the first virtual closing of a trade agreement thanks to our new state of the art technology, which has made us all more efficient.

It's appropriate for me that we use this high-quality medium for what we sign today is a high-quality, comprehensive free trade agreement that will contribute to the economic growth and trade between both of our countries.

Oman's decisive embrace of open trade and free markets paved the way for these negotiations to close so quickly and so successfully.

This Agreement will support and accelerate the market liberalization that Oman started as part of its accession to the World Trade Organization in 2000.

Since that time, our two way trade has expanded to nearly \$750 million in 2004, and U.S. foreign direct investment in Oman has grown to \$358 million as of 2003.

As a result of these negotiations we will now have a free trade agreement that will bolster that trade and those investments and will benefit both our peoples.

BENEFITS FOR U.S GOODS / SERVICES

The Agreement will generate export opportunities for U.S. companies, farmers, ranchers, service providers, help create jobs in the United States, and help American consumers save money while offering them more consumer choices.

On the first day the Agreement enters into force, 100% of bilateral trade in consumer and industrial products will become duty-free. In addition, Oman will provide immediate duty-free access for U.S. agriculture exports in 87% of agricultural tariff lines.

In 2004, U.S. exports were \$330 million. This new trade opening will expand opportunities for exports of machinery, automobiles, optic and medical instruments, and electrical machinery. U.S. farmers will be able to expand their existing exports of vegetable oils, and sugars, sweeteners, and beverage bases.

This agreement will also provide new opportunities for U.S. service firms involved in banking and securities, telecommunications, express delivery, distribution, healthcare, construction, architecture and engineering.

In addition to Oman's decision to eliminate its tariffs on U.S. products, and providing substantial market access across its entire services regime, this agreement will also ensure a secure, predictable legal framework for U.S. investors operating in Oman, provide for effective enforcement of labor and environmental laws, and protect intellectual property.

BUILDING TOWARDS MEFTA

The Free Trade Agreement with Oman builds on our existing agreements with Jordan, Israel, Morocco and Bahrain. The Jordan and Israel FTAs are in force, of course, Morocco has been voted out of Congress and we expect it to be in place by January 1st of next year, and the Bahrain FTA is now working its way through Congress. We are also negotiating an FTA with the United Arab Emirates and have signed eight Trade and Investment Framework Agreements, TIFAs, with other Middle East nations. This map besides me shows how the President's vision of a Middle Eastern Free Trade Agreement is taking shape.

All of these efforts are important steps on the path to implementing the President's initiative to advance economic growth and democracy in the Middle East – an area of almost 350 million people and a \$70 billion trading relationship with the United States. Again the vision is to create the U.S.-Middle East Free Trade Area by 2013.

These U.S. free trade agreements in the Middle East are consistent also with the 9/11 Commission Report. One of their recommendations urged the United States to expand trade with the Middle East. And I'll quote from the Report, as a way to "encourage development, more open societies and opportunities for people to improve the lives of their families."

COMPARISON TO JORDAN / ECONOMIC OPPORTUNITY

Our FTA with Jordan might be a good example of the economic potential of these agreements. Jordan's exports to the United States have increased from \$16 million in 1998 to \$1.1 billion in 2004. U.S. exports to Jordan have increased 92% from 1994 to \$552 million last year.

In addition, U.S. Direct Investment in Jordan has increased from \$627 million in 1995 to \$2.4 billion in 2002.

BUSINESS COMMUNITY SUPPORT

I appreciate the leaders of the U.S.-Oman Business Coalition being here with us today. We depend on them, their workers, and those businesses to tell their stories of free trade and the benefits to American workers.

For decades, the United States and Oman have shared an interest in peace and stability in the Middle East. Now we embark on a new chapter in our relationship. As we deepen our relationship with a new level of economic openness, we put forward this agreement – and this friendship – as an example for others to follow.

Thank you very much. And now we look forward to hearing directly from the Minister of Commerce and Industry Maqbool Bin Ali Sultan.