



CAFTA Facts

Office of the United States Trade Representative
CAFTA Policy Brief – February 2005

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Broad Support For CAFTA

Business Groups:

“This agreement should pave the way for a substantial expansion of business ties between the U.S. and Central America.”

-United States Chamber of Commerce

“The Roundtable believes that this agreement can serve as a model of how developing and industrial nations can work together to find consensus on trade liberalization.”

-The Business Roundtable

“This is an enormous step forward in our 20-year policy of economic engagement with Central America.”

-Business Coalition for U.S.-Central America Trade

“...[T]he rules that have been agreed in the U.S.-Central America FTA appear to be strongest and highest-quality that have ever been incorporated into a trade accord. From investment to intellectual property and from services to government procurement, this agreement appears to be the new gold standard that future trade negotiations must try to meet or surpass.”

-National Association of Manufacturers

“This agreement becomes part of an expanding network of open markets that is being created in the Western Hemisphere. We see today’s achievement as a significant step towards the goal of a hemisphere-wide trade and investment pact....”

-Council of the Americas

“This agreement contains provisions that are comprehensive in scope, and that will open markets and maximize trade and investment opportunities for U.S. suppliers across the spectrum of service industries.”

- Coalition of Service Industries

“This is a very positive agreement, not only for U.S. business, but also because it will encourage growth in the economies of Central America. Insurance plays a key role in a country’s economic development....”

-American Insurance Association

“This was a difficult and complicated agreement and the U.S. government negotiators have worked tirelessly to get a critical mass of our priorities in the four markets that signed on...”

-American Council of Life Insurers

“The travel goods provisions in the final agreement ensure that the FTA is a win-win for both the U.S. travel goods industry and Central America... This is a huge victory for the U.S. travel goods industry.”

-Travel Goods Association

“This agreement recognizes express delivery services as a unique service sector and includes important commitments to maintain market access for our industry... The agreement includes important new provisions that should ensure fair competition between public and private providers of express delivery services....”

-The Air Courier Conference of America

“We also support this Agreement for demonstrating yet again that trade agreements can be achieved while embracing both trade liberalization and the promotion of cultural diversity. This historic Agreement will go a long way in protecting and promoting the creative industries of all our countries.”

-Motion Picture Association

“This new agreement is another important milestone in [the effort] to significantly improve protection of the intellectual property rights of America’s composers, performers and sound recording producers in other countries.”

-Recording Industry Association of America

“...[W]e are pleased with the strong commitments in the areas of services, intellectual property, regulatory transparency, e-commerce and investments. The U.S.-Central American Free Trade Agreement also addresses dealer protection laws, which had hindered U.S. business development in the region.”

-Information Technology Industry Council

“The work...[on this agreement]...led to an outcome of which the entire telecommunications industry can be proud.”

-Telecommunications Industry Association

“By securing high levels of obligations on copyright protection and enforcement, the United States has signaled that it seeks the widest dissemination of copyright-based enabling technologies and entertainment products among our neighbors...”

-International Intellectual Property Alliance

“The spirits industry toasts the efforts of the U.S. negotiators and their Central American counterparts and urges other nations in the region to take part in the agreement...the elimination of trade barriers between the U.S. and our Central American allies is a win-win situation for consumers in all countries and represents good economic policy.”

-Distilled Spirits Council of the United States

“DR-CAFTA provides a critically needed foundation to improve workplace protections and advance economic development in this region...DR-CAFTA should be viewed as the first essential step to achieving economic and social improvement in Central America.”

-United States Hispanic Chamber of Commerce

“We are extremely pleased with the inclusion of measures that will facilitate trade by improving customs regulations and practices in these four Central American countries. This agreement will not only improve business and create jobs, but will also enhance the critical infrastructure necessary to realize the full benefits of free trade...”

-Latin American Association of Express Companies

Agriculture Groups:

“The U.S.-Central American Free Trade Agreement will provide a substantial competitive advantage to U.S. agriculture... When the trade agreement is fully implemented, tariffs on U.S. agriculture products imported by CAFTA nations will decrease from between 15 and 43 percent to zero percent. The Farm Bureau estimates CAFTA will result in nearly \$900 million in increased U.S. agricultural exports.”

-American Farm Bureau Federation

“This is a great deal for the U.S. cattle industry. We asked the U.S. government to fight for trade initiatives that reduce barriers to access for U.S. beef, and that’s exactly what we are getting with this new agreement.”

-National Cattlemen’s Beef Association

“The Central America nations wanted to exclude pork from the CAFTA but Ambassador Zoellick and Ambassador Johnson, supported completely by President Bush and Members of Congress on both sides of

the aisle, did not let us down... [W]e are very excited about the CAFTA agreement because it will provide significant new opportunity to our producers.”

-National Pork Producers Council

“...[This] agreement that will not only bring more stability to U.S. poultry exports but provides a positive framework for growth in exports in the years ahead.”

-National Chicken Council

“On the whole, this agreement is a win for the U.S. rice industry. While Central America has been one of our biggest customers, we now have guaranteed market access for rough and milled rice, which is something we did not have before.”

-USA Rice Federation

“The [Central America] region has become in the last few years a very good market for U.S. poultry, and the agreement means that this trend will continue.”

-USA Poultry and Egg Export Council

“The U.S./Central American Free Trade Agreement is a victory for the principles of free and open trade, and it should turn out to be a very positive deal for the turkey industry, for all agriculture in the United States and for all the nations involved in the agreement.”

-National Turkey Federation

“U.S. dairy product suppliers will see substantially greater success in these markets for cheese, ice cream, whey proteins, and milk powder.”

-U.S. Dairy Export Council

“The agreement is a good deal for corn growers and the grains industry overall.”

-National Corn Growers Association

“The agreement will offer immediate duty free access for more than 1 million metric tons of U.S. corn, with tariffs dropping to zero in all four countries within 15 years. The market potential for U.S. feed grains is extremely high and demand will grow due to this historic agreement.”

-U.S. Grains Council

“The Bush administration has reached a monumental milestone for fair trade opportunities for U.S. apples with our neighbors in Central America.”

-U.S. Apple Association

“We are pleased to have the grape tariff elimination included in the agreement and urge Congress to ratify the agreement... This tariff elimination is just the latest example of how the industry works together for the benefit of every fresh grape grower in the state.”

-California Table Grape Commission

“This agreement, if approved by Congress, would allow for additional market access for U.S. potato products to these markets... The reduction of tariffs on fries was a high priority for the potato industry.”

-National Potato Council

“On behalf of U.S. soybean producers, I congratulate the Bush Administration for a job well done. This agreement will solidify our position as the preferred supplier of soybeans and soybean products to these Central American nations. For that we are grateful.”

-American Soybean Association

“It’s going to make it much easier to compete... [T]ariffs range from 14 percent to 28 percent [on apples]... That equates to an additional \$2.25 to \$4.50 per carton that importers have to pay on our product that they don’t have to pay on the Chilean product.... [S]o we believe that if Congress ratifies this free trade agreement, which is the next step, that this will get us back on competitive footing.”

-Northwest Horticultural Council

“Overall, CAFTA will benefit the food, beverage and consumer products industry. However, if the United States is to maintain its commitment to free trade, it should not create special exceptions that will insulate select commodities such as sugar from free trade.”

-Grocery Manufacturers Association

“The markets in Central America are of growing importance to our members. CAFTA will level the playing field for everyone doing business there and for those Central American companies wanting to do more business in the United States.”

-Pet Food Institute