Joint Statement from the Meeting of the Dominican Republic-Central America-United States Free Trade Commission

The following joint statement was released today at the closing of the Dominican Republic-Central America-United States Free Trade Commission meeting in Miami, Florida.

Anabel González, Minister of Foreign Trade of Costa Rica; Yahaira Sosa representing the Minister of Industry and Trade of the Dominican Republic; Mario Roger Hernández, Vice Minister of Economy for El Salvador; María Luisa Flores, Vice Minister of Economy for Guatemala; José Francisco Zelaya, Secretary of State, Office of Industry and Commerce for Honduras; Cristian Martínez, representing the Minister of Development, Industry and Commerce of Nicaragua; and Ambassador Miriam Sapiro, Deputy United States Trade Representative for the United States; are pleased to release the following Joint Statement, highlighting the work accomplished at the second meeting of the Dominican Republic-Central America-United States (CAFTA-DR) Free Trade Commission held on January 23, 2012, in Miami, Florida.

Increasing Trade and Investment under CAFTA-DR

At the CAFTA-DR Free Trade Commission (FTC) meeting today, as we approach the six-year anniversary since the first set of countries implemented the Agreement, we again reaffirm our obligation and shared goal of effective implementation of the Agreement. We recognize that opportunities for our businesses, farmers, ranchers, and workers are enhanced by full and accurate implementation and ongoing review of the commercial and institutional provisions contained in the CAFTA-DR Agreement (Agreement). Full implementation of the Agreement will serve to foster job creation and increase the economic prosperity of all of our citizens.

We reviewed trade and economic flows within the CAFTA-DR region. The Agreement continues to yield positive results and contribute to significant increases in trade among our countries. Trade between the United States and the Central American partners and the Dominican Republic experienced significant growth since we met last year in El Salvador, growing from $44 billion in the first eleven months of 2010 to $54 billion in the equivalent period during 2011, a 23 percent increase. Meanwhile, intra-regional trade among Central American countries and the Dominican Republic reached $3.8 billion in the first half of 2011, which represented a growth rate of 18 percent in relation to the same period in 2010. We recognize the importance of continuing to promote economic growth and prosperity and commit to intensify our efforts toward regional integration. We firmly believe the Agreement is key to facilitating sustainable, broad-based economic growth throughout our region and look forward to the implementation of trade facilitation projects that will promote our region’s competitiveness.

The Agreement has been an important catalyst in facilitating our competitiveness in the global environment. By working together to identify and address ways to facilitate trade we can improve efficiencies of business operations, enhance competitiveness, generate new opportunities and expand and broaden the benefits of the Agreement.

Focusing on Implementation and Strengthening the Agreement

At our last meeting we agreed to a series of changes to the Agreement’s rules of origin for textiles and apparel goods. We determined that it is timely to consider possible modifications and updates to the Agreement’s rules of origin for non-
textiles and non-apparel goods. We established an ad hoc working group under Article 4.14 to consider modifications of the CAFTA-DR rules of origin and we instructed it to meet within 60 days to initiate its work.

We reviewed the progress made on updating the CAFTA-DR rules of origin to correspond to the 2012 changes in the Harmonized System (HS) nomenclature and thanked the technical experts for their work. We recognized the importance of this project in easing customs administration for our customs authorities, producers, and exporters and instructed our technical teams to conclude this update for our signature within 60 days.

We commended the experts for the work being undertaken to update the special rules of origin provided for in Appendix 3.3.6 to correspond to the changes in the HS nomenclature. We encourage the conclusion of this work as soon as possible in accordance with paragraph 6 of the Annex. Once consultations are concluded and the work is finalized we look forward to promptly adopting these changes.

With respect to the remuneration of panelists, assistants, experts, and the payment of their expenses, we will meet by video conference on or before February 15, 2012, to reach an agreement, recognizing the importance of an effective dispute settlement procedure that ensures each country’s rights and benefits under the Treaty.

We reviewed the status of the implementation of the modifications to the textile and apparel product rules of origin and look forward to their implementation as soon as possible.

We recognize the importance of transparency and maintaining communication with stakeholders. As we move forward, we will continue to promote an open dialogue and use mechanisms for receiving meaningful public comment, as part of our commitment to public engagement.

Broadening and Deepening the Benefits and Trade Facilitation

To broaden and deepen the benefits of the Agreement and create new jobs in our respective countries, at our last meeting we agreed to cooperate on new initiatives. We received a report from the Inter-American Development Bank (IDB) on progress under the CAFTA-DR Trade Facilitation Initiative, thanked them for their valuable support and expressed our desire to continue this partnership. We look forward to the CAFTA-DR Public-Private Sector Dialogue on Trade Facilitation to be held tomorrow here in Miami. This event will help identify the challenges that the private sector faces to the efficient flow of trade and to exchanging views on priorities and best practices in the areas of Customs and Trade Facilitation, Logistics and Supply Chains, and Technical Standards. We thank the IDB for its role in planning and organizing this important event and also thank the Association of American Chambers of Commerce in Latin America (AACCLA) for its cooperation. We have instructed our senior officials to meet by the end of the second quarter of 2012 to consider the adoption of three concrete projects and their roadmap for implementation and express our interest in continuing to receive IDB’s support in their identification and implementation. We recognized the work carried out so far by our technical Committees on the priorities identified in the Technical Barriers to Trade (TBT) and Customs areas, in particular the successful TBT workshop with private sector participants held in Costa Rica in early December 2011. We urge continuation of these efforts and look forward to identifying further cooperative endeavors and to receiving a report on progress at the next Free Trade Commission meeting.

To further our support for the vital role that small- and medium-sized enterprises (SMEs) play in creating jobs in all of our countries, we reviewed ongoing work to help them take advantage of opportunities under the Agreement. We appreciated the update from the Center for the Promotion of the Micro and Small Enterprise in Central America (CENPROMYPE) on the region-wide sharing of country best practices for supporting small businesses which seek to engage in trade and on joint efforts to establish Development Centers (SBDCs) for Micro- and Small-Businesses throughout the region with the goal of linking to an online trade assistance and information portal for SBDC centers and small businesses in the United States at http://www.SBDCglobal.com. We recognized the intensified interaction among the entities responsible for SMEs in each of our countries and the strides in regional projects and approaches to advance this initiative.

We thank the IDB for its support and assistance in developing a CAFTA-DR textile and apparel Sourcing Directory to enhance communication and sourcing between buyers and manufacturers within the region and its presentation on the
sourcing directory. This collaborative effort has already been instrumental in encouraging integrated supply chains, growing regional textiles trade, assisting producers in capitalizing on the benefits of the Agreement, and overall in increasing the competitiveness of our regional industry.