



For Immediate Release
Office of the Press Secretary
January 16, 2002

Fact Sheet -- U.S. - Central America Free Trade Agreement

 [en Español](#)

Today I announce that the United States will explore a free trade agreement with the countries of Central America. My Administration will work closely with Congress towards this goal. Our purpose is to strengthen the economic ties we already have with these nations 'to reinforce their progress toward economic, political, and social reform ... and to take another step toward completing the Free Trade Area of the Americas.

President George W. Bush,
January 16, 2002

Today's Presidential Action

President Bush announced an important next step in effort to expand trade and create jobs. The Bush Administration is prepared to explore the possibility of negotiating a U.S.-Central America Free Trade Agreement with Central American leaders.

This exploration will entail close consultations with the U.S. Congress, as well as with leaders in the Central American region.

Background on U.S. - Central America Free Trade Agreement

✍ The United States is committed to proceeding with trade initiatives globally, regionally and with individual nations.

These free trade arrangements will strengthen our economy at home -- benefiting American farmers, businesses, workers, and consumers. At the same time, these agreements will promote economic development and democratic governance among our trading partners.

✍ By moving on multiple fronts simultaneously, this strategy will enhance America's world leadership on trade by strengthening our economic ties, promoting fresh approaches to international economic problems, and leveraging American influence to improve the quality of life at home and abroad.

✍ The Administration has already made key progress toward expanding trade with Central America. During 2001, the Bush Administration discussed with Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua their interest in a free trade agreement with the United States.

These countries met in Managua in September 2001 to explore ways to forge closer economic relations and advance free trade. On the basis of the interchanges, the five Central American countries have expressed interest in pursuing a free trade agreement with the United States as a group, and have indicated their readiness for negotiations.

A U.S. - Central America Free Trade Agreement would:

✍ Promote U.S. Exports: The United States exported \$8.8 billion to Central America in 2000 -- more than we sold to Russia, Indonesia, and India combined. Mexico and Canada -- our NAFTA partners -- have already recognized the potential of the Central American market and the need to support Central American reforms by pursuing their own free trade agreements with countries in the region. Chile has done the same.

The U.S. should not be left behind in North America's economic engagement with Central America. A U.S.-Central America free trade agreement would ensure that American workers and companies are not disadvantaged, build on the \$4 billion of U.S. investment in the region, and avoid erosion of U.S. competitiveness.

U.S. duties for the region are already low, as these countries are beneficiaries of the Caribbean Basin Initiative. U.S. imports from Central America totaled \$11.8 billion in 2000.

⚡ Support Democracy and Economic Reform: During the past decade, Central American countries have established democratic systems of government and begun implementing economic reforms to promote privatization, competition, and open markets.

The United States has supported the development of democracy, enhanced economic growth, and security for human rights through the Caribbean Basin Initiative, including the Caribbean Basin Trade Partnership Act.

The proposed free trade agreement with the United States would commit these countries to even greater openness and transparency, which would deepen the roots of democracy, civil society, and the rule of law in the region, as well as reinforce market reforms.

These reforms, coupled with the increased trade and investment flows, would promote expanded growth and openness in the region, as well as support common efforts to achieve stronger environmental protection and improved working conditions.

Furthermore, trade negotiations would lead to close cooperation among the Central Americans, thereby advancing Central America's integration and contributing to greater peace, economic cooperation, and stability in the region.

A free trade agreement would be reciprocal, and without a limited term, unlike current statutory trade preference laws, assuring all partners of a long-term outlook that will strengthen North American cooperation with Central America.

⚡ Advance FTAA: This negotiation will complement the United States' goal of completing the Free Trade Area of the Americas (FTAA) no later than January 2005 by increasing the momentum in the hemisphere toward lowering barriers, opening markets, and achieving greater transparency. The United States already has a free trade agreement with Mexico and Canada, and the Administration expects to complete our negotiation for a free trade agreement with Chile this year.

Furthermore, by working together on common disciplines and trade objectives through bilateral negotiations, the United States will enhance the ability of all parties to forge consensus in other multilateral trade negotiations, especially the FTAA.

For more information on the President's initiatives, visit www.whitehouse.gov

Return to this article at:

<http://www.whitehouse.gov/news/releases/2002/01/20020116-11.html>



CLICK HERE TO PRINT