The Office of the United States Trade Representative

United States and Oman Sign Trade and Investment Framework Agreement

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WASHINGTON - U.S. Trade Representative Robert B. Zoellick and Omani Minister of Commerce and Industry Maqbool Bin Ali Sultan today signed a Trade and Investment Framework Agreement (TIFA), providing a forum for Oman and the United States to examine ways to expand bilateral trade and investment. Oman is the final Gulf country to sign a TIFA with the United States.

"Today's agreement will provide a vehicle for strengthening our trade and investment relationship with Oman," said Zoellick. "The United States supports the significant changes and reforms that Oman has already undertaken and its continued efforts to promote economic diversification and trade liberalization. A TIFA with Oman, the FTA signing with Morocco, the completion of FTA negotiations with Bahrain, and the other TIFAs we have recently signed, are concrete signs that we are on the path to achieve the President's initiative of a Middle East Free Trade Area (MEFTA) by 2013."

The TIFA establishes a United States-Oman Council on Trade and Investment in which high level officials from each country will meet to advance trade and investment issues. The Council will be chaired by the Office of the U.S. Trade Representative and the Omani Ministry of Commerce and Industry. TIFAs have proven useful in supporting the economic reform efforts and negotiation of Free Trade Agreements (FTAs) with other countries in the region, such as Bahrain and Morocco. The U.S. has TIFAs with Algeria, Egypt, Kuwait, Qatar, Saudi Arabia, Tunisia, United Arab Emirates and Yemen.

The President's MEFTA initiative seeks to promote free trade throughout the region and between the region and the United States. The United States recognizes the differing levels of development across the region and will take a graduated step-by-step approach to creating a free trade area with countries interested and willing to open their economies and liberalize their trade regimes.

U.S. goods exports to Oman in 2003 were $323 million, including machinery, aircraft, vehicles, and electrical machinery. U.S. exports of agricultural products to Oman were $13 million, including sugars, sweeteners and beverage bases, and vegetable oils. U.S. goods imports from Oman in 2003 were $695 million, including mineral fuel, woven apparel, repaired products, precious stones, and knit apparel. U.S. imports of agricultural products to Oman were $2 million.

Background:

In May 2003, the President announced his initiative to create a Middle East Free Trade Area by 2013. The initiative is designed to deepen U.S. trade relationships with all countries of the region, through steps tailored to individual countries' level of development. Since that announcement, the United States has concluded FTA negotiations with Morocco and Bahrain, signed TIFAs with Saudi Arabia, the United Arab Emirates, Kuwait, Qatar and Yemen, and now with Oman. The U.S. already has TIFAs with Egypt, Algeria, and Tunisia. The United States recently held its first TIFA Council meetings with the UAE, Kuwait, and Qatar. In addition, the U.S. has made progress with the WTO accessions of Saudi Arabia and Algeria, and in the case of Algeria, extended GSP benefits.

The United States is working to open markets globally in the Doha World Trade Organization (WTO) negotiations; regionally through APEC and the Free Trade Area (FTAA) of the Americas negotiations; and bilaterally, with FTAs. The Bush Administration has completed FTAs with eleven countries – Chile, Singapore, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Australia, Morocco, and now Bahrain – in the last two years. Negotiations are under way or about to begin with ten more countries: Panama, Colombia, Peru, Ecuador, Thailand, and the five nations of the Southern African Customs Union (SACU). New and pending FTA partners, taken together, would constitute America's third largest export market and the sixth largest economy in the world.