



# Trade Facts

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## **CAFTA: Opportunity to Reduce Poverty Support from Key Development Institutions**

*"The DR-Central America Free Trade Agreement (DR-CAFTA) offers opportunities for increasing trade and investment that will boost long-term growth and reduce poverty in Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua."*

**James D. Wolfensohn**  
**President**  
**World Bank**

*"This is a commitment of historic proportions. Better access for goods and services from the U.S., implementation of an open, rules-based framework for U.S. investment and technology and strengthened intellectual property rights protection will all serve to enhance these countries' productivity, international competitiveness and ability to generate growth and employment, the two most important factors for poverty reduction."*

**Enrique V. Iglesias**  
**President**  
**Inter-American Development Bank**

*"Analysis shows that the vast majority of the population in Central America is likely to experience welfare gains from implementation of DR-CAFTA, even in the short run."*

*"DR-CAFTA should...promote greater levels of foreign and domestic investment, by improving the certainty of these countries market access with the U.S., solidifying the broad economic reforms of recent years and spurring further reform efforts. Investors should respond positively to the modernization of key regulations in such areas as trade in services, government procurement and intellectual property rights, – including provisions for greater transparency in government regulations – which will be made more credible under DR-CAFTA commitments."*

*"Moreover, there is evidence that FTAs offer better market access opportunities to the U.S. than unilateral preferential programs, such as the Caribbean Basin Initiative (in spite of its recent modifications)."*

**C. Felipe Jaramillo and Daniel Lederman**  
**Excerpts from "Challenges and Opportunities of DR-CAFTA for Central America"**  
**The World Bank**