

USTR NEWS

UNITED STATES TRADE REPRESENTATIVE

www.ustr.gov

Washington, D.C. 20508

202-395-3230

For Immediate Release:

February 27, 2008

Contact:

Sean Spicer/Gretchen Hamel (202) 395-3230

USTR Announces Agreement on Extension of Time for Costa Rica to Join the CAFTA-DR

Washington, D.C. – U.S. Trade Representative Susan C. Schwab made the following statement today on a multi-party agreement that will provide more time for Costa Rica to join the Dominican Republic – Central America – United States Free Trade Agreement (CAFTA-DR):

“I am pleased to announce that the United States and its five CAFTA-DR partners (the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) have agreed to provide additional time for Costa Rica to complete the legislative and regulatory steps required to join the CAFTA-DR. We look forward to welcoming Costa Rica as a full member of this important regional free trade agreement in the next few months.

“The people of Costa Rica approved the CAFTA-DR in a national referendum in October 2007. The referendum demonstrated strong public support for the trade agreement. Since then, Costa Rica has been working hard to adopt the measures required to carry out its obligations under the CAFTA-DR. While it has already made considerable progress, the Costa Rican government needs more time to complete its legislative and regulatory process before the CAFTA-DR can enter into force. Today’s agreement will give Costa Rica until October 1, 2008, although we hope that Costa Rica will complete its implementing process before that date. We look forward to Costa Rica joining its Central American partners and the Dominican Republic in seizing the economic opportunities provided by the CAFTA-DR.

“The Administration is committed to ensuring that our free trade agreement partners take the steps necessary to meet their obligations. We will continue to work closely with the Costa Rican government to complete the appropriate implementing measures.”

Background:

Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, and the United States signed the CAFTA-DR on August 5, 2004. The CAFTA-DR is now in force for all signatories, except Costa Rica. The United States and El Salvador put the CAFTA-DR into force on March 1, 2006. The agreement entered into force for Honduras and Nicaragua on April 1, 2006, for Guatemala on July 1, 2006, and for the Dominican Republic on March 1, 2007.

The CAFTA-DR establishes a two-year period for signatory countries to join the agreement after it first takes effect. A country may join after the two-year deadline, but only if the countries that have already joined agree. The CAFTA-DR first took effect on March 1, 2006. Therefore, the two-year period closes on March 1, 2008. Today's agreement grants Costa Rica until October 1, 2008 to join the CAFTA-DR.

Trade and commercial opportunities have grown under the CAFTA-DR. The total volume of trade between the United States and its current CAFTA-DR partners have increased by 17 percent since 2005, rising from \$27.9 billion in 2005 to \$32.6 billion in 2007.

###