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Statement of U.S. Trade Representative Susan C. Schwab Regarding Entry into Force of the CAFTA-DR for Costa Rica

WASHINGTON, DC – U.S. Trade Representative Susan C. Schwab made the following statement today regarding the entry into force of the Dominican Republic-Central America-United States Free Trade Agreement **(**CAFTA-DR) for Costa Rica:

"With the President's issuance of a proclamation to implement the CAFTA-DR for Costa Rica as of January 1, 2009, I am very pleased to be able to celebrate the entry into force of this important multi-country agreement.

"We have worked closely with Costa Rica, as we have with our other CAFTA-DR partners, to ensure they meet their obligations and responsibilities under the agreement. Costa Rica is now ready to join the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua in putting the agreement into force, ensuring that the benefits of this agreement continue to spread. U.S. trade with CAFTA-DR partners – and among CAFTA-DR partners – has increased as the countries have put the agreement into force.

"I greatly appreciate the diligent effort by President Arias and his government to adopt legislation and regulations to implement Costa Rica's commitments under the CAFTA-DR. This step marks an important milestone in our relationship with Costa Rica, building on our strong economic and political partnership. With the addition of Costa Rica, this important regional free trade agreement will be in effect – as of January 1, 2009 – for all of the countries that signed the agreement."

Background

The United States, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua signed the CAFTA-DR in August 2004. Implementing legislation for the CAFTA-DR passed the U.S. Senate in June 2005 and the House of Representatives in July 2005. It was signed by the President in August 2005.

The CAFTA-DR entered into force for El Salvador on March 1, 2006, for Honduras and Nicaragua on April 1, 2006, for Guatemala on July 1, 2006, and for the Dominican Republic on March 1 2007.

Trade and commercial opportunities have grown since the CAFTA-DR first took effect in early 2006. The total value of trade between the United States and its current CAFTA-DR partners – the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua – increased 16.7 percent in 2007 as compared to 2005, jumping to $32.6 billion. U.S. exports to all six CAFTA-DR countries were at record levels in 2007, reaching $22.4 billion.

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