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EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C.
20508**

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**For Immediate Release:
October 24, 2002**

**02 - 102
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**United States and Dominican Republic
Hold Trade and Investment Council Meeting**

Countries Agreed to Continue Dialogue on Deepening Bilateral Relations

WASHINGTON - The United States and the Dominican Republic today discussed ways to enhance their bilateral economic relations and pledged to work together to advance trade and economic development regionally through the Free Trade Area of the Americas (FTAA) and in ongoing global trade negotiations in the World Trade Organization (WTO).

“The Dominican Republic is our largest trading partner in the Caribbean region and an important voice in the FTAA and global trade negotiations,” said U.S. Trade Representative Robert B. Zoellick. “I am encouraged by the direction that President Hipolito Mejía is taking Dominican trade policy. We both seek to expand trade liberalization, spur economic development, and extend hope, opportunity, and prosperity throughout the region. We would like to reinforce that progress, and work together to meet the critically important FTAA and WTO deadlines.”

In July, Zoellick met with the President Mejía, to discuss economic reforms in the Dominican Republic and ways to make progress in the bilateral relationship through the U.S.-Dominican Republic Trade and Investment Council (TIC).

The U.S.-Dominican Republic TIC delegations were led by Regina Vargo, Assistant U.S. Trade Representative for the Americas, and Sonia Guzman de Hernandez, Secretary of Industry and Commerce. They reviewed a number of bilateral issues including Dominican efforts to resolve problems affecting U.S. telecommunications companies and U.S. investors in the energy sector.

Today’s meeting will be followed on October 25 by a technical discussion led by intellectual property rights experts on ways the Dominican Republic can strengthen its intellectual property rights regime. Recognizing the importance of this bilateral partnership, the two sides agreed to meet in the Spring of 2003 to take stock of progress on all of the issues discussed and to continue exploratory talks on ways to further deepen U.S.-Dominican economic relations.

Vargo and Secretary Guzman also discussed their mutual interest in advancing FTAA negotiations

and the Doha Development Agenda through increased cooperation between the countries. The United States and Dominican Republic underscored their support for the proposed FTAA Hemispheric Cooperation Program, an initiative to strengthen participation in the FTAA. The U.S. provided nearly \$4 million in trade capacity assistance to the Dominican Republic last year alone.

In the Doha trade negotiations, the Dominican Republic joined the United States and other WTO Members in co-sponsoring two position papers on geographical indications (a type of intellectual property or trademark provided for foods and other products) submitted in September to the WTO.

On July 25, the United States became the first WTO member to put forward a comprehensive agricultural trade reform proposal, calling for elimination of export subsidies, cuts of \$100 billion in annual allowed global trade-distorting domestic subsidies, and lowering the average allowed global tariffs from 62 percent to 15 percent. The United States is the only WTO member with a proposal that calls for reductions in its own farm program. The United States intends to continue working with its trading partners to build a coalition in the WTO in support of agricultural trade liberalization and is pleased that the Dominican Republic has signaled its support for these objectives.

Both the FTAA and Doha negotiations are scheduled to be completed by January 2005. Each has important interim deadlines for agreement on various topics and sectors. For example, the agricultural negotiations in the WTO have important deadlines in March of 2003 for agreement on the specific methods and timetables (modalities) with which to reduce agricultural subsidies, and lower agricultural barriers, in the run-up to the next WTO Ministerial in Cancun, Mexico in September 2003.

On November 1 there will be an FTAA Ministerial in Quito, Ecuador in which Ministers from 34 western hemisphere nations will meet to advance negotiations aimed at completing the FTAA, for example, on issues such as market access commitments.

The Dominican Republic is currently the United States' 32nd largest goods trading partner, with \$8.6 billion in two-way trade. In 2001, U.S. goods exports to the Dominican Republic were \$4.4 billion, up nearly 60% from 1994 prior to the Uruguay Round. Top U.S. exports include electrical machinery (\$485 million), woven apparel (\$408 million), knit apparel (\$368 million), and cotton, yarn and fabric (\$226 million). U.S. goods imports from the Dominican Republic were \$4.2 billion in 2001, resulting in a goods trade surplus of \$253 million. U.S. foreign direct investment in the Dominican Republic was \$1.1 billion in 2000.

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