

**Remarks by Ambassador Rob Portman
United States Trade Representative
Signing of U.S. - Oman Free Trade Agreement
National Society of the
Daughters of the American Revolution Building
January 19, 2006
Washington, DC
As Prepared for Delivery**

Thank you all for being here today. To members of the diplomatic corps, congressional representatives, USTR negotiators and supporters from the private sector, I extend a warm welcome.

This is a great day for the people of both of our countries. With our signatures today, we cement our long-standing friendship and growing commercial ties, and create new economic opportunities for our citizens.

This agreement will also help promote the advance of political and economic freedom in other countries in the Middle East.

We began talks only last spring and concluded them by October of last year. This is a sign of Oman's enthusiasm for open trade and free markets. We welcome that spirit and we are pleased to have Oman as a partner in our efforts to raise living standards and promote peace through trade.

I want to thank the able negotiators from my office and from the government of Oman, who worked so hard in putting this excellent agreement together.

I also want to thank our friends in the Congress and in the U.S.-Middle East Free Trade Coalition for their support and input, as well as others in the business community. We look forward to working to your continued assistance as we bring the agreement to Congress for approval this spring.

This agreement will generate new opportunities for U.S. farmers, ranchers, businesses and service providers. On the first day it is in force, 100 percent of bilateral trade in industrial goods will flow duty-free. In addition, Oman will provide immediate duty-free access for 87 percent of agricultural products.

This will mean new opportunities for U.S. companies that produce machinery, automobiles, optical and medical instruments. And it will mean new opportunities for U.S. producers of vegetable oils, sugars and sweeteners for beverages.

In the area of services, which is constantly growing in importance, the agreement will provide new opportunities for U.S. companies that provide banking and securities products and firms that provide services in telecommunication, express delivery, distribution, health care, construction, architecture and engineering.

The United States and Oman had a two-way trade relationship of over \$1 billion in 2005 – up a quarter of a million from 2004. With this agreement, that relationship will grow as new opportunities become available for the people of our both countries.

What is more, this agreement is a state-of-the-art accord, appropriate for two dynamic countries. I had the great pleasure of announcing the conclusion of talks with Commerce Minister Maqbool Bin Ali Sultan last October via video conference. The sophisticated technology of that virtual press conference was symbolic of the high-quality nature of the agreement.

This agreement will ensure a secure and predictable legal and regulatory environment in Oman that foreign investors want to see in 21st century commerce. Oman will also provide effective enforcement of labor and intellectual property laws. This will help make Oman a more attractive place for investors and create new opportunities for the Omani people.

Similar steps Jordan has taken to create a stable business climate since entering in to a free trade agreement with the United States five years ago has resulted in hundreds of millions of dollars worth of investment flowing into that country. The government of Jordan estimates 45,000 new jobs have been created thanks to our trade relationship. In turn, U.S. exports to Jordan have grown by more than 75 percent since we established a free trade relationship.

We would like to see additional signs of economic growth and hope from other countries in the Middle East. The agreement we sign today, along with pacts with Jordan, Israel, Bahrain and Morocco, is an important step in the effort to establish a Middle East Free Trade Area by 2013.

The agreement with Morocco went into effect the first of the year. President Bush signed legislation to implement the agreement with Bahrain just last week and Saudi Arabia became a member of the World Trade Organization in December.

And here we are today –we have made significant progress since President laid out a vision for promoting economic growth and democracy in the region just two and half years ago.

The embrace of trade will benefit the people of the Middle East as they strengthen ties with countries outside the region and with each other. The more nations trade with one another, the better the chances for ending political instability and economic stagnation.

For decades, Oman and the United States have shared a desire for peace, stability and economic opportunity in the Middle East. Today we take an important step in our partnership.

So let's maintain the speed and energy that brought us here today and work toward approval by Congress this spring.

It is now my pleasure to introduce Minister of Commerce and Industry Maqbool bin Ali Sultan who has so ably represented his country in completing this historic agreement.

Thank you.