



CAFTA Facts

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Central American Trade Agreement Advancing Small Business

- CAFTA represents the second largest market for U.S. small business exports in Latin America, consuming over \$4 billion dollars in consumer and industrial goods alone.
- U.S. small businesses create more than 37% of the value of U.S. exports to the CAFTA region, higher (as a percentage) than exports to the rest of the world.
- NAFTA has shown that free trade has been beneficial for U.S. small business exporters. From 1992 to 2002, U.S. small business share of total exports to the NAFTA countries grew by over 6%.
- For U.S. small businesses, CAFTA builds on that success and addresses areas of vital concern, such as:
 - Creating a level-playing field by reducing tariffs on U.S. exports. The CAFTA countries already get mostly duty free access to the U.S. market. By removing tariffs in the region, U.S. small business exporters will be able to compete more effectively in the region.
 - Requiring a clear and transparent customs regime. Countries in the region will be required to promptly publish customs measures (including on the internet), solicit public comments before amending regulations, give written advance rulings on request, give access too both administrative and judicial decisions, and guarantee prompt and expeditious clearance of express shipments.
 - Establishing new access for U.S. small business to government procurement in the region as well as requiring the countries to publish their procurement laws and regulations, to publish notices of procurement opportunities in advance, to set deadlines on “tendering”, to require that all requests for procurement must list all the technical specifications required to fulfill the procurement, to publish information of the award, to create

mechanism for independent review of challenges. Additionally, the agreement contains strong anti-corruption provisions.

- Access in E-Commerce is greatly improved including duty free treatment for digital products transmitted electronically and special non-discriminatory treatment for certain products and services provided on-line.
- For intellectual property rights protections, CAFTA creates a high standard of protection for trademarks, copyrights, patents, and other intellectual property. The agreement includes substantial enforcement provisions including damages based on lost value of legitimate goods as well as infringer's profits.