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EL SALVADOR

Free trade to begin in March

By Martin Crutsinger

Associated Press

WASHINGTON - A free-trade agreement with El Salvador will take effect on March 1, the Bush administration announced, initially leaving behind five other Latin American nations that are supposed to be part of the Central American Free Trade Agreement.

U.S. Trade Representative Rob Portman praised El Salvador for the strides it has made in revising laws and regulations necessary to meet commitments it made in CAFTA.

After meeting with President Bush at the White House, Salvadoran President Tony Saca told journalists his country was "absolutely prepared" for CAFTA and that the pact was generating more investor interest in his country.

El Salvador was one of the most enthusiastic proponents of CAFTA, and its economy depends heavily on remittances Salvadoran migrants send to their relatives.

Saca also said Bush told him El Salvador will be named a major non-NATO U.S. ally in "a few days." The designation is reserved for Washington's closest allies like Israel, Australia and Jordan and allows the country to cooperate on research projects with the Department of Defense on a shared cost basis, among other benefits. El Salvador is the only Latin-American country to continue to contribute troops to Iraq.

The legislation to implement CAFTA was signed into law by Bush in August after a heated congressional battle. It won House passage by only two votes last July.

It had been expected that the agreement would take effect Jan. 1, but it has run into obstacles as different countries have had trouble passing legislation needed to implement CAFTA commitments.

Portman predicted the trade agreement would soon go into effect with additional CAFTA countries, but he did not give a specific timetable of when that would occur.

U.S. trade with El Salvador last year included U.S. exports of \$1.85 billion putting the country in 50th place as a market for U.S. goods. .

Miami Herald Staff Writer Pablo Bachelet contributed to this report.

DOMINICAN REPUBLIC

READY TO JOIN CAFTA IN JULY

SANTO DOMINGO - The Dominican Republic will be ready to join the Central American Free Trade Agreement in July, its president said Monday.

The Dominican Republic is one of six Latin American signatories to CAFTA-DR, the U.S. free-trade agreement approved in 2005. The agreement was supposed to take effect Jan. 1, but ran into a series of obstacles.

In his annual Independence Day address, President Leonel Fernández told a joint session of Congress that joining the treaty was, "a question of survival," to join other Latin American countries in the treaty.

Costa Rica, Guatemala, Honduras and Nicaragua are also yet to join. El Salvador is expected to enter the treaty alone on March 1.

Fernández said the treaty is essential for the Dominican Republic to compete against China in exporting goods to the United States.