

**Press Availability with U.S. Trade Representative Robert B. Zoellick
National Palace – Santo Domingo, Dominican Republic
1/14/04**

Zoellick: First, I am very pleased to be here this morning in the Dominican Republic. And, I very much appreciated the President's generosity, not only spending time with me this morning, but having many members of his cabinet meet with me as well. As I mentioned in that meeting, President Mejia has shown a great sense of vision and also persistence in working the idea of a Free Trade Agreement with the United States and we already have done a great deal of preparatory work under the excellent leadership of Secretary Guzman.

As many of you know, the purpose of my visit is to help launch Free Trade Agreement negotiations so we can integrate the Dominican Republic into our recently concluded agreement with Central America. During all of this week, my team, which represents 8 different departments of the U.S. Government, will be working with Secretary Guzman and her team to try to deal with the many customized areas of the work with the Dominican Republic. In addition to launching the negotiations, there is a second very important purpose of my visit. And that is to have a chance to listen and to learn from many different communities within the Dominican Republic about how they see the economy and the trade agreement. So in addition to the President and the Government, I will be meeting key members of the legislature from different parties. I'll meet with a diverse group of business leaders. The Monsignor has organized a meeting of members of non-governmental organizations for me to talk to, and I am also going to visit the Port. I also am delighted that I have been joined on this trip by an important member of the U.S. Congress, Mr. Weller from Illinois. He is on the key committee that deals with trade issues and he will be with me during all of the meetings this afternoon.

Part of our key message is that for the United States and for me personally this agreement is about much more than trade. It's part of a larger effort for development and opportunity and hope. We know that last year was a particularly difficult one for the people of the Dominican Republic. You are good friends of the United States. So we want to help lay a foundation for recovery from the problems of 2003 and growth and development in the future. The United States and the Dominican Republic already have a strong economic relationship. We have about 9 billion dollars in trade. U.S. investment here is about 1.4 billion dollars. The majority of the investors that are creating jobs in the free trade zones are U.S. companies. The Dominican Republic has very good economic ties with Puerto Rico where the Ambassador is from. And it's part of the reason why we agreed to have one of the negotiating rounds in Puerto Rico. Just to conclude, one of the points that I talked about with the President and the Cabinet, is how we hope this trade agreement can be part of a package to help the Dominican Republic deal with the challenges of the future. We know that the government, the legislature and the people are making sacrifices with the new budget. The effort to reach a new agreement with the IMF, which can provide some additional financial support, which the United States is seeking to help with. We hope that while the Dominican Republic stabilizes its financial position today, you can also be looking forward to the opportunities for the future. And

the world around us doesn't stop. So the Dominican Republic can consider its position in the region of the Caribbean and Central America, the hemisphere and globally. And, in particular in an area like textiles and apparel, which creates many jobs in the Dominican Republic, there will be increased competition from China. So we hope that this trade agreement can build on the financial work to create stability, opportunities for growth, and more investment and jobs.

If I could, I'll just close with two more comments about the agreement. I have read some stories that have said that because the United States has negotiated with the Central American countries that there is not much customization for the Dominican Republic, and that is just incorrect. We work from the framework of an agreement that we developed with Chile and Singapore and Central America. But we will be customizing the provisions dealing with agriculture, goods, textiles, services, financial services, and investments. And, another important part of these agreements is that they emphasize transparency for an economy. And, given the recent difficulties with the banking sector, some of these provisions that help counter corruption, bribery and open up the system for the rule of law are beneficial for the Dominican Republic in the years ahead and to help it compete.

But, again, part of the purpose of my visit is also to listen and to learn from people in the government and outside of the government about the special needs of the Dominican Republic. I am very delighted that the President and Secretary Guzman could host me here.

Question from Hector Marte of Diario Libre. Good afternoon, Mr. Zoellick. I would like to talk about the possible elimination of subsidies with agricultural products from the United States. How possible is it that these will occur?

Zoellick: Well, we and the Dominican Republic are involved in a number of negotiations at the same time. And, in addition to this negotiation we take part in a global negotiation with the World Trade Organization. And, that is the area—that is a negotiation that focuses on agricultural subsidies. Let me explain the reason why. The big subsidizers other than the United States are Europe, Japan and Canada and some of the other big developed countries. The United States has proposed eliminating all subsidies for export of agricultural goods and cutting in half the other types of subsidies for agricultural products. But we need to do that in a negotiation that also allows us to cut Europe and Japanese, and the others to cut subsidies.

And just this week I sent a letter to all my colleagues in the WTO trying to urge them to get that negotiation moving forward and pledging these cuts again. In this negotiation, we focus on what trade people call “access to markets.” Topics like tariffs and other barriers to trade. And, the U.S. market with almost three hundred million people and 11 trillion dollars is a very attractive market for farmers around the world. But, it also helps our consumers to buy lower priced goods just like it helps consumers to here. Because as you know, for poorer people, the cost of food is one of the biggest parts of their budget. But at the same time, we realize the adjustments of barriers have to be handled with

sensitivity. So we agree to phase out the barriers often for long periods of time to help people adjust. So in agriculture, like in other areas, it's a balance. Each party wants to lower barriers so they can export more of their goods to the other. That lowers the price of food for consumers or in some industries lowers the price of feed for the poultry industry or others. But sometimes we might take up to 15, 18 years to make that adjustment because some industries need the time.

Q: Maximo Salara, Radio Mil. What are the conditions the Dominican Republic would have to comply with in order to sign the agreement?

Zoellick: That's what we are negotiating.

Q: Do you have on your program to meet with political leaders of this country?

Zoellick: Yes, and let me try to give you a fuller answer to your question. Because it's a good question. When the United States does a free trade agreement, it does a very comprehensive agreement. And so our agreements become the "gold standard" for free trade agreements. Because we cover agriculture, manufacturing consumer goods including textiles, services, intellectual property, government procurement, investments, basic rules on environment and labor conditions, and a big emphasis on transparency so that competition is open for both Dominicans and Americans. Now in each of those sectors we have to approach it to customize with the specific needs of the countries involved. For example, with the first question, the Dominican Republic has some special agricultural interests for exports and some particular sensitivities. And so that's what we'll be negotiating together over the next couple of months. And, these often involve a number of different ministries and sectors of the economy. The team that I and Regina Vargo brought to the Dominican Republic comes from some 8 different departments in the U.S. Government. And, it is why it was helpful for me to meet different ministers of the Dominican Republic's Government.

But, as your second question also suggested, because these are so broad-based it affects the politics of the country. So, my next meeting will be with congressional leaders of the three main parties. It is also why I wanted to meet different parts of the business community and the NGO community. I had also asked to meet some of the leaders of the opposition parties because I know this is something that concerns all of the Dominican Republic. We've always been very pleased in that the people of the United States feel a special warmth and connection for the people of the Dominican Republic regardless of their political views.

And, you've been kind enough to send us some of the best baseball players in the world so we can watch them play in the United States, too. But baseball is not part of this agreement. [laughter] We're afraid we'd lose. [laughter].

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