



# Benefits from CAFTA-DR

## Idaho

U. S. DEPARTMENT OF COMMERCE  
INTERNATIONAL TRADE ADMINISTRATION  
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Idaho's export shipments of merchandise—manufactures and non-manufactures—to the CAFTA-DR region (Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, plus the Dominican Republic) totaled \$7 million in 2004. Idaho's exports to the CAFTA-DR region grew by \$2.9 million from 2000 to 2004. This represents a five-year gain of 77 percent, the 13th-fastest growth nationally.

Individually, a number of the CAFTA-DR markets are significant trading partners for Idaho. In 2004, Guatemala alone received merchandise exports from Idaho totaling \$2.7 million.

The state's top export category to the CAFTA-DR group is vegetables and melons. In 2004, Idaho exported vegetables and melons to this region valued at \$3 million, approximately 46 percent of total state exports to CAFTA-DR markets.

### CAFTA-DR Provides Enhanced Market Access to the Dominican Republic and Central America

CAFTA-DR will boost opportunities for Idaho's exporters throughout the region, providing new market access for the state's products. More than 80 percent of

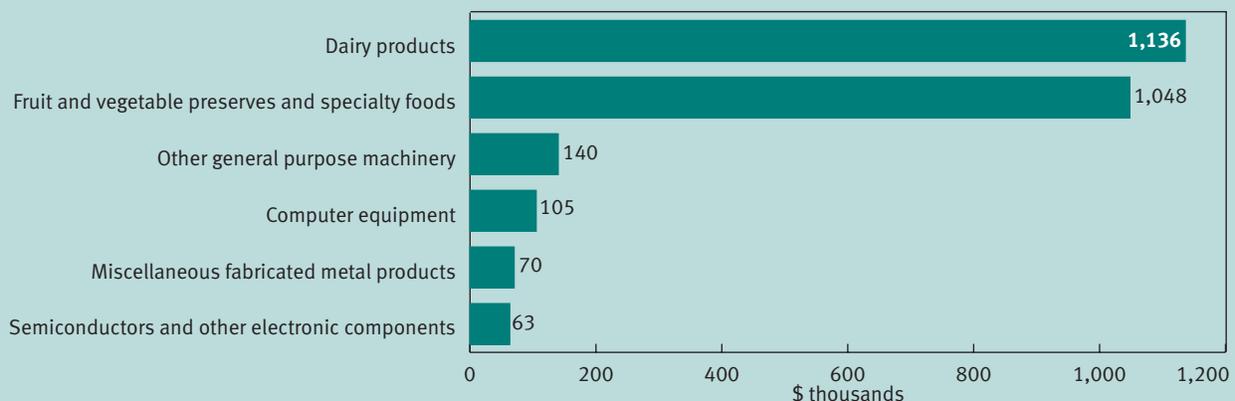
U.S. exports of consumer and industrial products to Central America and the Dominican Republic will be duty-free immediately upon entry into force of the agreement, with remaining tariffs phased out over 10 years. Key U.S. exports, such as information technology products, agricultural and construction equipment, paper products, chemicals, and medical and scientific equipment, will gain immediate duty-free access to Central America and the Dominican Republic.

### CAFTA-DR Moves the Trading Relationship from One-way Preferences to Reciprocity

For 20 years, most Central American and Dominican Republic exports to the United States benefited from duty-free treatment, primarily as a result of the Caribbean Basin Initiative (CBI). Currently about 80 percent of the region's exports enter the United States duty-free, while U.S. goods exported to the CAFTA-DR countries face significant average tariffs.

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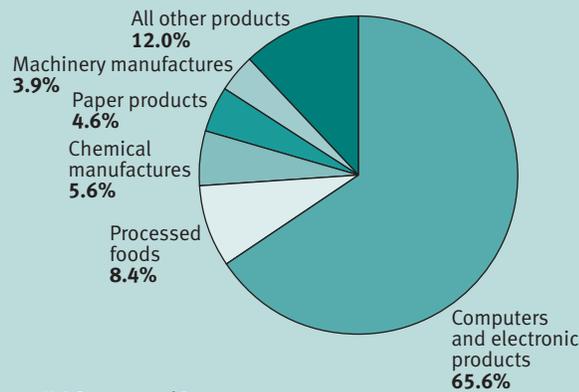
**Idaho Exported \$2.9 Million Worth of Manufactured Goods to the CAFTA-DR Region in 2004**  
*Dairy Products, Preserved Fruits and Vegetables Lead Exports*



Source: U.S. Department of Commerce.

## Idaho Exported \$2.9 Billion in Goods to the World in 2004

Computers Account for Nearly Two-Thirds



Source: U.S. Department of Commerce.

## CAFTA-DR Opens Markets for Key Idaho Exports

Manufactured goods accounted for 44 percent of Idaho's merchandise exports to the CAFTA-DR region in 2004.

**Motor vehicles and parts.** One of the fastest-growing export categories from Idaho to the CAFTA-DR region between 2000 and 2004 was motor vehicles. The CAFTA-DR will eliminate the 11 percent average tariff that Central American nations and the Dominican Republic impose on autos and parts. Of particular note, the CAFTA-DR will eliminate El Salvador's 30 percent autos import tariff.

**Fabrics and apparel.** Another rapidly increasing export to the CAFTA-DR region from Idaho is apparel accessories. CAFTA-DR provides regional garment-makers—and their U.S. suppliers of fabric and yarn—a critical advantage in competing with Asia. Garments made in the region will be duty-free under the agreement if they use U.S. fabric and yarn, thereby supporting U.S. exports and jobs. Textile and garment factories in Central America and the Dominican Republic purchase large amounts of fabric and yarn from the United States: the region is the second-largest world market for these products.

## Computers and Electronics Are Important to Idaho

Globally, Idaho exported \$1.9 billion in computers and electronic parts in 2004. CAFTA-DR improves market access for information technology goods and service providers. All exports of products covered by the Information Technology Agreement, including important Idaho exports of computer equipment and communications equipment, will receive duty-free treatment

immediately upon implementation of the CAFTA-DR agreement.

## Idaho's Farmers Benefit From CAFTA-DR

Despite high tariffs and other barriers on most agricultural products, including important Idaho products such as vegetables, melons, beef, wheat and barley, and dairy, U.S. exporters shipped over \$1.6 billion in U.S. farm exports to the CAFTA-DR region in 2003. In the free trade agreement, a primary U.S. objective was to change the "one-way-street" of duty-free access currently enjoyed by most CAFTA-DR exports into a "two-way-street" that provides U.S. suppliers with access to these markets and levels the playing field with other competitors. This objective was achieved. Over 50 agricultural industry and farm groups, including the American Farm Bureau, support the FTA.

For more information on agricultural exports and the CAFTA-DR agreement, see the state fact sheets posted by the U.S. Department of Agriculture at [www.fas.usda.gov/info/factsheets/CAFTA/state.html](http://www.fas.usda.gov/info/factsheets/CAFTA/state.html).

The Central American–Dominican Republic Free Trade Agreement (CAFTA-DR) group consists of Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua.

All state export data in this report are based on the Origin of Movement (OM) series. This series allocates exports to states based on transportation origin—i.e., the state from which goods began their journey to the port (or other point) of exit from the United States. The transportation origin of exports is not always the same as the location where the goods were produced. Thus conclusions about "export production" in a state should not be made solely on the basis of the OM state export figures.

Source: Bureau of the Census, U.S. Department of Commerce, Origin of Movement series.

Prepared by the International Trade Administration, U.S. Department of Commerce.