



Benefits from CAFTA-DR

Wyoming

U. S. DEPARTMENT OF COMMERCE
 INTERNATIONAL TRADE ADMINISTRATION
 MARCH 2005

Wyoming's export shipments of merchandise—manufactures and non-manufactures—to the CAFTA-DR region (Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua) totaled \$4.0 million in 2004.

Although Wyoming's exports to the CAFTA-DR region decreased from 2000 to 2004, they rebounded 17 percent from 2003 to 2004, far higher than the 4 percent total U.S. increase in exports to the region over that period. In 2004, Guatemala alone received merchandise exports from Wyoming totaling \$2.8 million.

The 2003 to 2004 dollar gains in Wyoming's manufactured exports to the CAFTA-DR region were mainly due to basic chemicals, which rose \$411 thousand. Exports of miscellaneous fabricated metal products to CAFTA-DR more than doubled from 2003 to 2004.

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

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

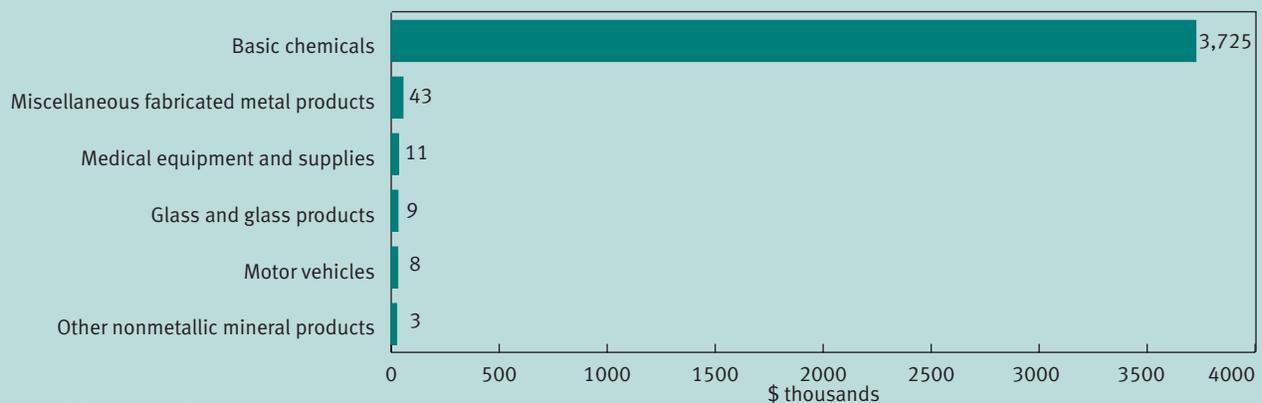
U.S. exports of consumer and industrial products to Central America and the Dominican Republic will be duty-free immediately upon entry into force of the agreement, with remaining tariffs phased out over 10 years. Key U.S. exports, such as information technology products, agricultural and construction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

Continued on reverse

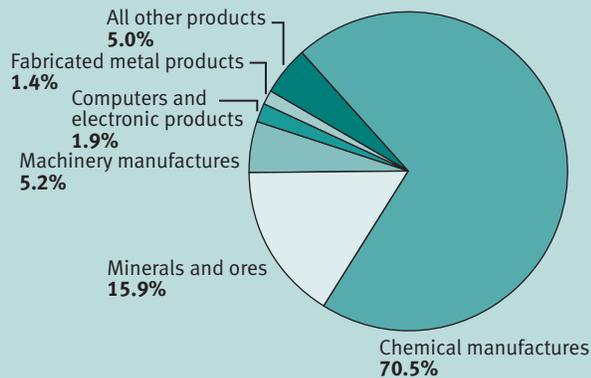
Wyoming Exported \$3.8 Million Worth of Manufactured Goods to the CAFTA-DR Region in 2004
Basic Chemicals Account for 98 Percent of Exports of Manufactured Goods



Source: U.S. Department of Commerce.

Wyoming Exported \$680.2 Million in Goods to the World in 2004

Chemical Manufactures Dominate



Source: U.S. Department of Commerce.

CAFTA-DR Opens Markets for Key Wyoming Exports

Manufactured goods accounted for 94 percent of Wyoming's merchandise exports to the CAFTA-DR region in 2004.

Basic chemicals. Wyoming's top manufactured export category to the CAFTA-DR group is basic chemicals. In 2004, the state exported basic chemicals to the CAFTA-DR region valued at \$3.7 million, or 92 percent of total state exports to the group. The state's exporters of chemical and related products will benefit from CAFTA-DR tariff reductions. Central American and Dominican Republic tariffs on chemicals currently range from 0 to 20 percent. CAFTA-DR will immediately eliminate tariffs on 74 percent of U.S. chemical manufactures; remaining tariffs will be phased out over five or ten years.

Machinery manufactures. Although an important global export (more than \$35 million in 2004), machinery manufactures is not a significant export category for Wyoming's trade in the CAFTA-DR region. However, the elimination of tariffs under the agreement will present new opportunities for Wyoming's exporters. Ninety-two percent of U.S. capital goods exports to Central America and the Dominican Republic will be duty-free immediately upon implementation of the CAFTA-DR agreement.

Computer and electronic products. CAFTA-DR improves market access for information technology goods and service providers. All exports of products covered by the Information Technology agreement will receive duty-free treatment immediately upon implementation of the CAFTA-DR agreement. Wyoming exported almost \$13 million globally under the computers and electronic products category in 2004.

Wyoming's Farmers Will Benefit from CAFTA-DR

Despite high tariffs and other barriers on most agricultural products, including important Wyoming products such as beef, wheat and barley, pork, dried beans, and sugar, U.S. exporters shipped more than \$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. More than 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.

Wyoming's Exports Were Spurred by the North American Free Trade Agreement

Since the North American Free Trade Agreement (NAFTA) was signed in 1993, Wyoming's combined exports to Canada and Mexico have increased 568 percent.

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.