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## U.S. eyes free trade treaties in Gulf

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The Bush administration yesterday said it would negotiate free-trade pacts with two Arabian Peninsula nations, taking steps toward a broader Middle East Free Trade Area.

The United Arab Emirates and Oman are politically moderate, oil-rich nations in an often troubled region.

"A free trade agreement with the UAE and Oman will promote the president's initiative to advance economic reforms and openness in the Middle East and the Persian Gulf, moving us closer to the creation of a Middle East Free Trade Area," U.S. Trade Representative Robert B. Zoellick wrote in a letter notifying congressional leaders of pending talks.

President Bush in May 2003 outlined a 10-year plan to create a U.S.-Middle East Free Trade Area to help promote democratic reform and expand economic opportunity in the region.

The United States already has a long-standing free-trade agreement with Israel, the Clinton administration signed a free-trade pact with Jordan in 2001, and the Bush administration has signed deals with Morocco and Bahrain.

The UAE is the United States' third-biggest trade partner in the Middle East, after Israel and Saudi Arabia, though the region in general is economically isolated.

In 2003 Oman was the 79th-biggest export market for the United States, and the UAE was 28th. Major U.S. exports include machinery, aircraft, vehicles and electrical machinery, according to the U.S. Trade Representative.

"These agreements are one part trade policy and 10 parts foreign policy," said Dan Griswold, director of the Cato Institute's Center for Trade Policy Studies, a Washington think tank that favors free trade.

"Outside of oil, we do relatively little trade with these countries, but the importance is symbolic. This is reaching out to moderate Arab states," Mr. Griswold said of Oman and the UAE.

Oman is a sultanate of 2.3 million people. The UAE is a federation of seven emirates with a population of about 4 million. The countries border Saudi Arabia and are across the Persian and Oman gulfs from Iran.

Mr. Zoellick yesterday notified Congress of the new negotiations, a necessary step before formal talks can begin. Under Trade Promotion Authority, the administration negotiates the agreements and submits them to Congress for a yes-or-no vote — no changes are allowed.

Trade pacts with the region enjoy bipartisan support among legislators. The Morocco deal, for example, passed the House 323-99 and the Senate 85-13.

In addition to creating some economic opportunity for U.S. firms, Mr. Zoellick said the agreements also would complement recommendations from the 9/11 commission's report. The report said the United States should expand trade with the Middle East to "encourage development, more open societies and opportunities for people to improve the lives of their families."

Mr. Zoellick's office said formal negotiations are likely to begin next year.