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Nicaragua Approves CAFTA with the U.S.

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MANAGUA, Nicaragua (AP) - Nicaragua's legislature late Monday approved the Central American Free Trade Agreement with the United States.

By a vote of 49-37, with three abstentions, lawmakers passed the so-called CAFTA pact, which will take affect after President Enrique Bolanos directs that it be published in the official gazette.

Legislators from the ruling Constitutionalist Liberal Party joined with independents to support the measure, which would eliminate trade barriers between the United States and Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and the Dominican Republic.

Those opposed included lawmakers from the leftist Sandinista party, whose leader, Daniel Ortega, has been an outspoken critic of the proposal.

CAFTA's approval will help fulfill "demands of employment, production, health and education for Nicaraguans," said Carlos Noguera, head of a legislative commission charged with studying the issue.

The U.S. Congress approved CAFTA following a bruising political battle, and President Bush signed it into law in August.

Bush and other CAFTA proponents say the deal will benefit both the United States and Central America, by opening the region wider to U.S. goods and services and lowering obstacles to investment in the region, as well as strengthening protections for intellectual property.

Critics of the measure say it would cost U.S. jobs, particularly in the sugar and textile industries, while poor Central American nations would not be able to compete with U.S. imports.

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