

[U.S., Oman Reach Free Trade Agreement](#)

- By MARTIN CRUTSINGER, AP Economics Writer

Monday, October 3, 2005

(10-03) 12:29 PDT WASHINGTON, (AP) -- The United States and Oman announced Monday they have successfully completed negotiations on a free trade agreement to eliminate trade barriers between the two nations. The Bush administration said it marked another milestone in its goal to establish a free trade area throughout the Middle East by 2013.

"This is a high-quality, comprehensive free trade agreement that will contribute to economic growth and trade between both countries," said U.S. Trade Representative Rob Portman.

Portman's comments came in a joint teleconference with Maqbool bin Ali, Oman's minister of trade and industry, who participated from Oman.

The agreement is expected to have little trouble gaining congressional approval given that two-way trade between the United States and Oman, a small country bordering Saudi Arabia with a population of 3 million, is slight — only \$748 million last year.

Portman said he hoped Congress would approve the measure quickly. Under the fast-track procedures that govern trade agreements, President Bush must wait 90 days before presenting the proposal to Congress. Once Congress has received the agreement, both the House and Senate must consider the pact under an expeditious timetable that requires up-and-down votes without amendments.

The Bush administration is seeking free trade agreements with a number of Middle East countries in hopes that opening up the world's largest economy to unrestricted trade will provide economic support for movement toward greater democracy in the region.

The administration also hopes to win congressional approval later this year for an agreement with Bahrain. And Portman predicted ongoing negotiations for a free trade agreement with the United Arab Emirates should be finished by the end of the year.

He told reporters he also expected a decision soon over whether the U.S. will launch free trade negotiations with Egypt.

All of these actions, Portman said, are "important steps on the path to implementing the president's initiative to create a U.S.-Middle East Free Trade Area by 2013."

Under the Oman deal, similar to free trade agreements reached with other nations, 100 percent of two-way trade in industrial and consumer products will become duty-free as soon as the agreement takes effect, with a phase-out of agriculture tariffs over 10 years.

President Bush has aggressively pursued free trade deals, pushing the number of agreements from four — Canada, Mexico, Israel and Jordan — when he took office, to 16 currently with the completion of the Oman agreement.

Other deals before Oman were with Chile, Singapore, Australia, Morocco, Bahrain and the six nations of covered by the Central American Free Trade Agreement — Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua, which won congressional approval this summer after a hard-fought battle.

Critics blame the free trade agreements with contributing to America's soaring trade deficit, which hit a record \$618 billion last year, by exposing American workers to increased competition from low-wage nations.