



PALABRAS DEL PRESIDENTE DE LA REPÚBLICA  
ENRIQUE BOLAÑOS GEYER

LUNCHEON WITH BUSINESS COMMUNITY

MIAMI, FLORIDA, TUESDAY MAY 10<sup>TH</sup> 2005

1. My colleagues and I visit the United States and the State of Florida at a crucial time for the promotion of the trade relations between our two countries. In Nicaragua, the National Assembly will soon approve the CAFTA Agreement —of course— with the Sandinista disagreement. In Washington, the US Congress is debating the Agreement.

2. In both countries there is much support for this vital agreement,



so beneficial to the United States, to Nicaragua, and to the other parties.

3. Yet, there is also critical opposition. In Nicaragua, I am totally committed to gaining approval of this Agreement. It is a historic opportunity for Nicaragua to break out of the cycle of poverty, under-development, corruption and misgovernment.
4. We have tallied the votes, and we are convinced the National Assembly will soon approve the Agreement.
5. Here in the United States, our friend President Bush faces a hard task. Many in the US Congress oppose the Agreement. Gaining the necessary votes will not be easy for him.
6. But here also I am completely confident President Bush will prevail. Why? Because this Agreement is so much in the foreign policy, national security and economic interests of the United States.
7. I agree with President Bush when he has said, “The future of our hemisphere depends on the

strength of three commitments: democracy, security, and market-based development”.

8. Not so many years ago, Central America was a serious foreign policy problem for the US. Conflict, instability, militarism, radicalism, failed economies, and bad government plagued the region.
9. Today, there is a freely elected government in every one of the six Latin American parties to CAFTA. There is peace, economic growth, and strong efforts are made to reform governments and society. We are all headed in the right direction.
10. But success is not guaranteed. Anti-democratic forces are still strong in some countries. Poverty still causes great suffering. Corruption weakens governments and the economies.
11. This Free Trade Agreement with the United States provides good tools to strengthen democratic institutions, provoke faster economic growth and job creation, and accelerate the pace of modernization in our countries.
12. These goals are also the goals of President Bush and of the United States—to support and strengthen democracy, to promote good governance, to fight corruption, and to encourage economic growth.



13. As you see, CAFTA is clearly in the overall best interests of the US foreign policy and national security.

14. Besides, CAFTA is economically advantageous to the United States, and to the State of Florida. You will gain the benefits of substantially increased trade between our region and the US. The unilateral benefits of the Caribbean Basin Initiative will be replaced by mutually opened markets.



15. In order to help provide some insights into the impact of the CAFTA agreement on the Tampa metropolitan area and West Central Florida, we took a look at the current amount of trade through the Port of Tampa to the CAFTA countries. The Tampa Port Authority is the largest economic engine in West Central Florida, impacting 108,000 jobs in a seven county area and generating an annual \$13 billion economic impact on the region.

16. In 2003, total trade with the CAFTA countries reached 461,000 tons (of that figure 372,000 are exports). Based on the same assumptions underpinning our state-wide economic analysis (17% growth in year one and 91% in year nine), exports to the CAFTA countries could grow to 436,000 tons the year after implementation of the agreement and 712,000 tons nine years out.

17. Companies like Angel Auto Sales and Tropical Sports Wear who sell \$10 and \$7 million to the region, respectively, should enjoy a large increase in the benefits from the Agreement, as well as farmers, the poultry sector, and suppliers of fishing nets. Clearly, given the tremendous economic impact the port traffic has on the city of Tampa, we anticipate a significant economic positive impact for whole area.

18. I am aware that there is some concern, including here in Florida, about the modest increase in the sugar import quota given Central America.

19. Let me try to put the sugar issue into some perspective. According to the American Farm Bureau, the US consumes nearly 8 million tons of sugar annually: 6 million tons from domestic production, and 2 million tons from imports

20. During the first year of CAFTA, Central American sugar exports would total about 1.2% of US annual consumption. After 15 years—a decade and a half later—Central American sugar exports to the US would represent some 1.7% of US consumption. The total dollar value of the increase in the Central American component of US sugar imports would be \$80 million when fully implemented... after 15 years. Compare that to annual revenues to US sugar producers of more than \$2 billion.

21. The increase in sugar imports allowed under the DR-CAFTA is very small—it is tiny. It will have almost no measurable impact on sugar production in the United States.

22. At the same time, according to the American farm bureau, overall US agricultural exports under CAFTA will rise by over \$1.3 billion annually.

23. Much of that \$1.3 billion in agricultural exports will flow through Florida, as well as the imports from our region.

24. So, I ask you: which way are you better off. With CAFTA and a yearly \$.13 billion increase in US agricultural exports to Central America and the Caribbean... or with no CAFTA and maybe \$80 million per year more in domestic sugar production?

25. Honored guests, dear friends, we need to help each other for your and our benefit. We need to persuade Senators and Representatives from Florida and from all other states to vote for CAFTA. This is good to the USA, and also to your neighbouring Central America.

26. God bless Florida, and God bless Nicaragua.

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