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Statement of Senator Craig Thomas, Chairman Subcommittee on International Trade

Oman – U.S. Free Trade Agreement Hearing March 6, 2006

Thank you for being here. I appreciate you appearing before the Senate Finance International Trade Subcommittee to share your thoughts on the United States – Oman Free Trade Agreement. I welcome your comments.

Less than one year ago, the United States and the Sultanate of Oman launched free trade negotiations. Those negotiations wrapped up in October, and the final agreement was signed in January.

In 2004, trade with Oman accounted for less than 0.5 percent of total U.S. goods trade. This number will likely not change significantly in the foreseeable future. In its February, 2006 report, the United States International Trade Commission determined that upon implementation, the agreement will have a small, but positive impact on the United States economy.

With the elimination of the 5 percent ad valorem on U.S. goods, and the phase out of other tariffs, U.S. firms will see increased trade opportunities with Oman. The U.S. service sector should also see benefits from the agreement as improved market access and transparency will create new opportunities between the two countries. While trade activity between the United States and Oman is not particularly large, our relationship, which began in the 1830's, is important nonetheless.

In the 9/11 Commission Report issued on July 22, 2004, the panel recommended that "A comprehensive U.S. strategy to counter terrorism should include economic policies that encourage development, more open societies, and opportunities for people to improve the lives of their families and to enhance prospects for their children's future." The U.S. – Oman Free Trade Agreement pursues that objective by opening markets, eliminating barriers, requiring transparency, and creating economic opportunities in both nations. It does so while recognizing and respecting the cultural differences that make our nations unique.

Balancing the competing interests to reach a comprehensive trade agreement is never an easy task. It appears the U.S. – Oman FTA achieves that balance and I appreciate the efforts of our negotiators. I look forward to hearing the comments of the witnesses, and working with the Administration to move this agreement forward.