FIU gears up for CAFTA with financial aid

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Gearing up for CAFTA

The surge in U.S. government funds to build "trade capacity" for Central America and the Dominican Republic has already boosted the bottom line of one local education center in South Florida.

Florida International University's College of Business Administration has netted a $286,209 grant from the U.S. Agency for International Development to train business executives from the six countries on how to take advantage of the Central American Free Trade Agreement, which also includes the Dominican Republic.

Boosting trade capacity entails helping countries develop trade infrastructure and training business and government employees to streamline trading.

TRADE AGREEMENT
CAFTA is a trade and investment agreement between the United States and Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, as well as the Dominican Republic. All but Costa Rica have ratified the treaty. U.S. Congress approved CAFTA in July.

The treaty is expected to take effect on Jan. 1.

The grant will allow the business college to establish an export training program for executives from small and medium businesses from the six CAFTA countries. The main topics include how to tackle the U.S. market, from the ins and outs of dealing with shipping and custom brokers, to strategies on selling to wholesale and retail outlets.

THE PILOT CLASS

"We're going to be working with business groups and local chambers of commerce to identify a pilot class of 40 from the region," said Jerry Haar,
associate director for the Knight Ridder Center for Excellence, which received an initial endowment from Knight Ridder, which owns The Miami Herald.

The AID grant comes on top of funding from Florida FTAA, a government-business effort to promote the proposed Free Trade Area of the Americas, which has been on the back burner for almost two years.

Florida FTAA was founded with the goal of landing for Miami the headquarters of the now-stalled FTAA.

Participants in the FIU program will receive four weeks of Web-based instruction plus an intensive program on campus for entrepreneurs that will last three days and will include visits to export-import companies in South Florida.

"FIU has designed an executive education program with CAFTA in mind that will enable participants to fully realize the growth potential of their businesses," said Edward Glab, director of the Knight Ridder Center for Excellence in Management. The Knight Ridder Center will manage the program.

In its announcement of the grant, the university said that the Florida FTAA and AID funds, along with future contributions, have given the center $379,000.

OTHER AGENCIES
AID is not the only federal agency ponying up money for CAFTA. The less known U.S. Trade and Development Agency has provided more than $4 million to date as part of the "National Trade Capacity Building Strategies" for the CAFTA countries. Many of the grants are for feasibility studies on upgrading and modernizing trade infrastructure and methods.

FUNDING NATIONS
The U.S. Trade and Development Agency is charged with advancing economic development and U.S. commercial interests in developing and middle-income countries. Much of its funding, which goes to countries around the world, gives contracts to consultants who prepare feasibility or other kinds of technical studies on everything from airport safety to port capacity around the world.

The U.S. Trade and Development Agency works with the Office of the U.S. Trade Representative, AID, the Export-Import Bank and other federal agencies in designing its programs to prepare for CAFTA.

The agency earmarked $252,822 for a grant to El Salvador's customs agency to fund technical assistance to develop an electronic customs portal that will allow official documents for import or export transactions to be filed electronically on the Internet. A statement from the U.S. Trade and Development Agency said the Salvadoran project will serve as a model for the other countries.
U.S. firms can compete to provide the technical assistance under the grant by looking at the Federal Business Opportunities website at www.fedbizopps.gov. Also in the pipeline will be more than $454,000 to Guatemala's Ministry of Energy and Mines to provide technical assistance so the ministry can comply with regulations.

Once the regulatory responsibilities are in place, the grant makers propose that it will improve the business climate for foreign and domestic investors.