

**OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
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United States and Mongolia Sign Bilateral Trade and Investment Framework Agreement

WASHINGTON - The United States and Mongolia today further enhanced their growing economic and trade partnership by signing a bilateral Trade and Investment Framework Agreement (TIFA). The Agreement was signed by Deputy U.S. Trade Representative Josette Sheeran Shiner and Mongolia's Deputy Minister for Industry and Trade Ocher Erdenee.

"This significant agreement marks a growing trade and investment partnership between our two countries," Ambassador Shiner said. "The TIFA and Mongolia's recent selection as a Millennium Challenge Account country both point to tremendous gains Mongolia has made in bringing economic freedom and opportunity to its people."

"The TIFA aims to increase and diversify trade and investment opportunities between the United States and Mongolia. We look forward to working closely through the TIFA to further strengthen our bilateral economic relationship," commented Shiner.

"The TIFA will also provide a regular forum through which to address bilateral trade issues that hamper trade and economic development and impede investment. The TIFA will not only deepen our economic relationship with Mongolia but will also complement our existing TIFA with the Central Asian states to create stronger trade ties in the region," added Shiner.

The TIFA creates a United States-Mongolia Council on Trade and Investment that will consider a wide range of issues that include, but are not limited to, intellectual property, labor, environmental issues, and non-tariff barriers. The TIFA Council will establish an ongoing dialogue to help remove impediments to trade between the United States and Mongolia.

The United States has TIFAs with a number of countries in order to enhance trade ties and coordinate regionally and multilaterally through regular senior-level discussions on trade and economic issues. Regular, ongoing dialogues established through TIFAs with other countries and regions have led to concrete, positive results, resolved trade differences and led to a deepening of economic relationships.

Background: Mongolia has a population of 2.7 million. U.S. goods exports to Mongolia amounted to \$20.7 million in 2003. Major exports to Mongolia include machinery, equipment, and aircraft. U.S. imports from Mongolia totaled \$183.4 million in 2003. Major imports include textiles and apparel.

In May 2004, President Bush announced 16 countries that are eligible for Millennium Challenge Account assistance, including Mongolia. The MCA is a new mechanism that distributes development assistance to countries that have demonstrated that they are ruling justly, investing in people and ensuring economic freedom.

The United States is working to open markets globally in the Doha World Trade Organization (WTO) negotiations; regionally through APEC and the Free Trade Area (FTAA) of the Americas negotiations; and bilaterally, with FTAs. The Bush Administration has completed FTAs with eleven countries - Chile, Singapore, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Australia, Morocco, and now Bahrain - in the last two years. Negotiations are under way or about to begin with ten more countries: Panama, Colombia, Peru, Ecuador, Thailand, and the five nations of the Southern African

Customs Union (SACU). New and pending FTA partners, taken together, would constitute America's third largest export market and the sixth largest economy in the world.