

# **WAL\*MART Stores, Inc.**

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May 24, 2005

The Honorable Charles E. Grassley  
Senate Finance Committee  
Chairman  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Grassley:

On behalf of Wal-Mart Stores, Inc., I write in support of the U.S.-Central American/Dominican Republic Free Trade Agreement (“DR-CAFTA”).


While Wal-Mart currently operates stores throughout the Western Hemisphere including Canada, Mexico, Brazil and Argentina, it does not yet operate stores in the region. However, we see great potential for a Central American retail industry, especially in a post-FTA scenario where both job creation and economic development encourage Central American consumers to demand greater access to a wider variety of affordable products at a lower cost.

Beyond this, Central America is a thriving source of products including apparel for women and children, as well as of footwear from the Dominican Republic. In FY2004, for example, Wal-Mart sourced over \$339 million in textile and apparel from the countries of El Salvador, Honduras, Guatemala and Nicaragua – far more textiles than we purchased from China during the same period. The region provides speed-to-market access, quality goods at reasonable prices for our customers, and utilizes a significant amount of U.S. content which supports U.S. cotton producers and fabric makers. Given our growing retail presence in the Western Hemisphere, Wal-Mart foresees keeping and growing this business to the benefit of both the US textile industry and US consumers under the auspices of the DR-CAFTA.

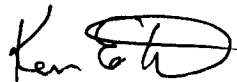
In short, the DR-CAFTA offers great opportunity for the United States. Retailers, product manufactures and agricultural producers, working together with transportation, telecommunications, financial and other service providers would be in a position to benefit from the opportunity that DR-CAFTA provides to improve and streamline the supply chain to better serve consumers in the United States and throughout the hemisphere.

The DR-CAFTA offers great opportunity for producers, manufacturers and consumers. Additionally, Wal-Mart operates a USA export office that helps American companies export products to Wal-Mart stores around the world. One of the major focuses of this office has been in the area of agricultural products. Although we do not operate stores in the Central America region, we support free trade regarding exports. This agreement represents a high-quality and comprehensive package that will bring growth and opportunity to the Hemisphere. As such, we urge your support of this measure as it comes before the U.S Congress in the near future.

Sincerely,



Craig Herkert  
President/CEO of the Americas  
Wal-Mart International



Ken Eaton  
Senior VP and Managing Director  
Wal-Mart Global Procurement