

**Concluding Ministerial Press Conference  
VIII Free Trade Area of the Americas Ministerial  
Miami, Florida  
November 20, 2003**

USTR ROBERT B. ZOELLICK: Well, I want to thank all of you for joining us. As you can see, we invited all the ministers that took part to join Celso and me. Celso and I will make some opening comments and then we'll open it up for questions.

First, I want to say a special thanks to the people of Miami, who have been tremendous hosts.

They've given us excellent preparations. We've had some great and very supportive leadership, starting with Governor Bush whom we met with at a breakfast with a leadership group this morning.

Also, Mayors Diaz and Penelas and many, many local elected officials I wish I could name because many have helped us to make this event a success. Chuck Cobb, who has done fantastic job as chair of the organizing committee and Luis Lauredo is the executive director, just put in so much time and energy on this and I really want to thank them. It's been critical for the success. I met a lot of the business supporters last night, also a lot of people from civil society that pitched in and helped and I want to mention Robin Rosenberg in particular who made a really major effort with the North-South Center to organize the event we had yesterday. And hundreds and hundreds of volunteers, many of whom I met in my trips down to Miami, who really gave of their time and energy and time away from their families to make us all feel at home. And I think, as I was trying to reflect on the best way I could try to communicate to all of you the signal of the success, and that was really, not for me, but it's from many of the ministers here who told me how much they enjoy being in Miami. It's cosmopolitan, it's an international place, it's a gateway, and it's a meeting place.

So, all of you really deserve to be proud and I'm honored to be associated with you, so thank you very much.

I'm very delighted to be here with my trade minister colleagues. As you can see we got our work done a few hours early. We were supposed to meet yesterday morning as well, but we worked through the day. And at least for me I think it's because we learned some lessons. The Cancun WTO meeting ended a little bit early too, but not in as happy circumstances. And I think the reason that we were able to move quickly today was that there was a lot of work and time put in advance to prepare for this. We've had informal meetings of ministers; the co-chairs have met a number of different times, we spent times on the phone in follow-up and this led to the work done by our vice-ministers who really came here a few days early and put together a lot of the written work that we discussed and I think the preparations time was time extremely well spent because in my view, we're moving the FTAA, the ALCA, into a new phase. We're moving from general concepts and people talking past one another to positive realities and opportunities. We're moving into a relentlessly practical stage to be on track and we're at a point where we're negotiating an ALCA not just seeking it. As you can see from the declaration, we've released we're aiming for a comprehensive result. As Celso mentioned to me yesterday when we left the Forum we need to be both ambitious but balanced. At the same time, and so we've set forth instruction to develop a common and balanced set of rights and obligations covering nine important topics: market access for goods; agriculture, services; investment; government procurement, intellectual property rights; competition, subsidies; anti-dumping/countervailing duty; dispute settlement.

Now these are important steps forward, but it's also very clear there's very important work that lies ahead of us and one of the points that we discussed today was how we need to keep up this informal activity well in advance of the next meeting of the vice ministers the TNC, the trade negotiating committee, in February. The best way I could try to communicate this to you is, the people up here want to open markets. I know this from direct experience. A number of them are our free trade agreement partners whether present or ones we're working with or ones we're starting with. But I know it goes beyond that. There's a hemispheric desire to do this because people know

it involves growth and development and countering the issues of poverty. And perhaps we can share some of these lessons because we're all involved with the WTO as well and that's an area that we're also all committed to moving forward. But another important part of our discussion is that the framework that we are developing and you see in the declaration includes other important elements beyond some of the traditional trade discussions.

And we're going to have to develop some of these intensively as well. The hemispheric cooperation program, a unique effort to try to link trade and aid together effectively. We've had some tremendous help from multilateral institutions like the InterAmerican bank, the OAS, ECLAC, and they took part in our discussions today, in fact, launched them and will play a critical role going forward. Very important issues related to differences in stage of development and size. Fourteen of the ministers that are a part of this are the CARICOM countries. Small island countries, varying circumstances, different histories, different languages, critically important to our success, and they face special problems that we need to work on together with them because our goal is to make sure that they are part of a strong and economically vital, democratic hemisphere. We had a very important report today from the Interamerican Conference of Ministers of Labor. The current chair of that is Minister Wagner of Brazil, and we also had Minister Abascal of Mexico, and Minister Bradshaw of Canada.

And they shared with us a report about job creation also some of the social issues. An important element to build upon. The Americas Business Forum -- yesterday it was very clear. I felt that we had a much interactive session, much more constructive dialogue and as I said at the end and I want to repeat now, particularly after our work of today, we're moving into an intensive phase and we need that interaction from the business community across the Americas more than ever before if we're all going to be successful.

Similar with the civil society forum, and here for those that were participating I want to give them particular note of encouragement. One of the items that a number of participants stressed was how it would be important to try to have a civil society consultative mechanism as an ongoing institutional part of the ALCA. And if you look at paragraph 28 of the declaration you can see that's what the minister have decided to do so there's a practical suggestion and a practical follow-up.

We also have repeated the pattern that we first started some three years ago in Buenos Aires, at the suggestion of our Canadian colleagues, to release the draft text. Now, this draft text as Celso and I have talked about is going to require some work and overhaul which is good because it still has 500 brackets and we hope that the progress we make today will lead it by the time that we are in Brazil to be a much more tight document. Finally, I want to thank, speaking of Brazil, Ambassador Bahadian, who worked very closely with my deputy Peter Allgeier. Celso and I try to do some talking and guidance on that, but these are the two people who really do a tremendous amount of the work and I want to thank him personally here with you tonight. And again I want to thank Celso who's been an excellent co-chair, a good partner. I know that the issues we're dealing with are sensitive in Brazil as well as the United States. He's done a tremendous job, I really appreciate the effort and I look forward to him hosting this in 2004. So thank you. Celso.

MINISTER CELSO AMORIM: I understand there is interpretation so I can speak in Portuguese. I, first off, would like to thank the government of the United States and Miami for having hosted us.

They have created the conditions that we need for a great, excellent meeting. And I think that has already been said by my co-chair Bob Zoellick. We had the presence of the Governor in our morning meeting and this showed the political importance of what we were doing. We had an important politician here with paying attention to what we were doing. I would like to highlight the discussions that we had with business and civil society. They were extremely important and now I'd like to refer to some of the things that we discussed more specifically today.

I'd like to remind you that the last time I was in a room with so many journalists was in Cancún. The great difference is that at that time each person spoke, everyone was dancing to the beat of a

different \_ their own drummer. Trying to explain his or her position, explain his or her interests but it wasn't, shall we say, a drumbeat that we were all dancing to. So, today we can be very happy that we have reached a result that is common. Many of the points that you will find in the declaration have been mentioned by my friend Bob Zoellick, my co-chair, and I don't think there is any real need for me to be highlighting or emphasizing any specific matters, just I would like to refer to the political vision in a process such as this. Trade negotiations very often include political aspects, some of us are also foreign ministers and so we always have that in mind. We're not just trade ministers, if you will, we have to keep that political vision in mind, and this helps us to make that step forward and we think that that is very important. And I think it was that political vision that at the same time allowed us to maintain an ambitious FTAA program. For example, market access, which is something that is very ambitious while at the same time we have a notion of balance and flexibility that takes into account that we are 34 very different countries. We have different sizes, different levels of development, and we also have a different structure for our foreign trade. We're not just referring to products or geographic areas. There are countries that have 70 or 80 percent or maybe even more of their trade with the United States. The countries of Mercosur have only 25% of their trade with the United States and we hope that after the FTAA that will be different, but these are the different realities that have to be taken into account. I think we will be able to take those differences into account in a way that does not hurt that ambitious project that we have while taking into account balance for all of these points.

I think this was also a meeting that was not just something where we had the co-chairs discussing things. This declaration represents contributions made by all of the countries. We've had many meetings before, we had ministerial meetings, and much has been going on in the trade negotiations, but I need to make it clear that everyone shares this political vision. This is a process in which we want to move forward. We would like to have everything here on paper, but we aren't going to be able to do that so what we have done is reach something that will allow us to make progress toward a Free Trade area of the Americas that will address the interests and concerns of all of us that are involved in these efforts.

We recognize that this is not just a political contribution, but we have had active contributions from all of the countries here. I would like to highlight the fact that the CARICOM countries for example, spoke very clearly, very specifically about the needs that they have to address special and differential treatment in those countries that have lesser levels of development in the same way, Venezuela presented a proposal that will be considered at the next meeting of the trade negotiations committee. And it will address those differences as well. I think all of that is important. And since I mentioned Venezuela, I would like to make a correction because several elements - the representatives of the international media - say that paragraph four of the Ministerial Agreement and we agree with this completely, but they say that this isn't Brazil's doing, but it does address many of our concerns, it says that the commitments assumed by the countries in the FTAA must be consistent with the principles of the sovereignty of states and the respective constitutional text, but that was a Venezuelan contribution, but anyway I just would like to say that I'm leaving Miami very satisfied with the results that we have reached. This is a result\_ to use a word in English it's enabling. It allows us to be enabled. It gives us the conditions that we need to continue to press forward in a process, which we are most sure, will be successful next year or at the end of next year and in such a fashion that we will respect or address the taking into account the deadlines that are both realistic and pragmatic. I think this will allow us to move forward. That is the spirit that we need. I think that spirit was here today. In addition to that, we have some parliamentary representatives from Brazil here and I think we've had some good chemistry here and I think some of the journalists actually thought that that didn't exist between the co-chairs, but I think we've been able to show with results, that we've had good chemistry is there. I hope that we can continue to continue with that good chemistry to allow us not only to move forward with the FTAA, but also as we work with the DOHA Round. And I think we should be able to include other countries as we work within the WTO. Thank you very much.

USTR ZOELLICK: We would be pleased to take your questions, and if you would note your name and the organization with which you are affiliated.

As translated from Portuguese. I am [unintelligible] and I am from O Globo. I have a question for Mr. Zoellick and for Minister Amorim based on the same thing. I am referring to agricultural domestic subsidies in agriculture. I think it's clear that the United States does not want to discuss the elimination of domestic subsidies in this area. Minister Amorim, up until February is Mercosur going to try and negotiate some compensation for those subsidies? And, Mr. Zoellick, what do you think about the idea that is now being expressed by some, being talked about in Mercosur. What do you think of that possible proposal?

USTR ZOELLICK. It's a Brazilian [laughter].

MINISTER AMORIM: I think he may be more interested in what you say. I think what we have been able to achieve here in writing, and as they say, when it's in writing we can believe it. Ambassador Zoellick has referred to those areas and those sectors where we are going to continue to work, and I don't know if we're referring to just to subsidies in agriculture but we do have subsidies in agriculture so let me refer to that. I think it would be premature to say, because we would basically be renouncing before we get to there we're going to be saying how far we're going to go in the FTAA and what we're going to try to do bilaterally. We need to continue within the FTAA to work toward those efforts that we have, and we need to do so multilaterally as well.

USTR ZOELLICK: Obviously this is a negotiation; we're still negotiating with one another as opposed to a journalist. But, nice try [laughter]. Minister Amorim has spoken on this subject at other occasions, and I think he has given a fair assessment. But, to give you the spirit in which we've conducted these meetings, you know I've been clear with my colleagues that the United States is very committed; the agriculture community is and agriculture members of our Congress are, to eliminating export subsidies, to getting significant cuts in domestic subsidies and also obviously to getting significant improvements in market access. We believe that we can't do that - the export subsidies and the domestic support - in this forum because then what leverage do we have with the Europeans and the Japanese? And so frankly I think all those countries would benefit if we also used that leverage to get the Europeans and Japanese to eliminate the export subsidies and get significant cuts in domestic subsidies. And, here again maybe this meeting will also help push some in the global system, as Celso and I have said but others here - Argentina, Canada, many others involved with the agricultural issues; smaller countries - many in the Central American community. And, I think we have a common goal, and this is one where we don't have that difference in goal; we have a difference on where best can try to achieve it perhaps. But, even there the countries in this continent, in this hemisphere, played a key role in terms of agricultural liberalization. And, I hope we can do so starting at the December 15th meeting in Geneva with the WTO.

USTR ZOELLICK. Yes. Neil King. And I forgot to mention, as this reporter kindly did, if you'd say who your question is directed to. I think Mr. King, who otherwise has a booming voice, might...but I think for translation, might...do we have a microphone?

This is the spirit of sharing. A Brazilian reporter handed you the microphone instead of using it himself.

NEIL KING Wall Street Journal. I think we're getting the feeling that this is mainly about chemistry here [laughter]. I think there's a little bit of mystification on this side of the room in that basically it seems that what's happened is that after nine years you've met and agreed to keep moving forward but perhaps in a way that's a little less that what was originally foreseen. Which leaves all of us a little baffled as to how we explain this to our readers. I'm mainly interested in, Ambassador Zoellick, in how you would describe - you know a month ago or so the U.S. still was very stern in

saying this was to be a single undertaking. It was going to be very ambitious. There was even some suggestion that if Brazil wasn't willing to go along the U.S. would sort of take the other countries and go off and dance on its own. And, now the two of you are extremely close to one another. There's this great chemistry; it's all about balance [laughter] and flexibility and all these sort of things. I guess I'm just sort of wondering what went on? Maybe you went out for dinner last night? [laughter]. Something seems to have changed that we're still trying to figure out [laughter].

USTR ZOELLICK: Miami's a meeting place. [Applause and laughter]. Obviously Neil, that's an excellent question and, let me try to address it this way. As I said in my opening statement this morning -- and I think it was public to the press as well, but let me emphasize the core elements --, the launch in 1994 was one that set forward a large set of topics in a vision, and that's a very important part. As I focused on this negotiation, what I saw in particular was that, after the Quebec City summit, we started to set up practical negotiating groups, deadlines for offers, counter-offers, the very hard work of negotiating. And that, I think, compelled us to confront a difficult reality, which is that these broad statements led to some very different views about what could be achieved. Part of this was different economic circumstances between the mid-'90s and today, different governments, but frankly, I've seen this in many negotiations. Until people got down to the hard facts, one didn't reconcile the tough questions.

Now, I think over the past, frankly, the co-chair leadership of Brazil and the United States really gave us an opportunity at this. And as I mentioned at that session, I went down to Brazil's inauguration to start the dialogue. I went down to Brazil afterwards, talked with a number of different ministers. It's a government that's taking on some very, very difficult fiscal and financial challenges, and at the same time will need trade to grow. So, how do we engage with that process? And then I think, speaking for myself again, I think that there were some benefits to the Cancun experience to try to say, "OK, how can we make sure we try to get this on a practical track?" As you know from Cancun, basically the ministers tried from 148 economies to draft, re-draft something over the course of four or five days, and while I think it was a good work product, I think - which I hope we'll be able to return to - in fact, both of us tend to believe that - is that the environment that was created was one that wasn't conducive for moving forward at that time. So, we now have that framework. We now have a structure that goes forward, but I don't think anyone here would underestimate the challenge of the task. We're now in the hard work of negotiating on these topics, and we have an approach and a structure, a method to try to do so, but, as I also said this morning, this remains a tremendous challenge, to try to create free trade all throughout the hemisphere -- half the world, 34 democratic countries, from small countries in the Caribbean to large countries like Brazil and the United States, developed countries, developing countries. I don't want to underestimate the challenge of this task, so my view, Neil, is that it's a good couple of steps forward, frankly, and there was some work done here early in the week that moved it further than beyond where we left it in some of our informal meetings. But it now creates an opportunity, not just for us but many others in the business community and others to engage to try to create the environment because all of us know trade is not always so easy to sell. You see people who are worried about it, and so, to me, I wrote down the word that Celso used because he's used it a couple of times and I keep wanting to remember it, and it's an "enabling" context. I think that's a very good way of saying what goes forward. Yes, it's only fair since -- Oh, I'm sorry, I just got a note that Minister Canales of Mexico wanted to say something so.

MINISTER CANALES (as translated from Spanish): I'm Fernando Canales, the Secretary of Economy from Mexico. Mexico was the first Latin American country to sign a free trade agreement and it was with the U.S. and Canada. And we, this year, 2003, are in the tenth year of that agreement, and we find after that ten more treaties with 23 countries around the world, and the result, not without problems has been very positive for the economy of our country. We believe in freedom of trade with the reservations due to the circumstances and the economies of each country. Today, we've concluded one more stage in the work for the trade integration of the American hemisphere, and we've made major progress. Nevertheless, there are certain countries -

Mexico, one of them - which had an expectation of achieving even greater progress, greater integration, greater definition of what we want as a hemisphere for free trade. We understand and we accept, being a plural group, that this same thing happens internationally -we're after all 34 nations involved here with different levels of culture and development. And for this organized co-existence, we have achieved a document which you've seen which is the beginning of very intense work which will have to be carried out next year to give material content, to give a structure - an objective structure -- to each one of the items in the architecture of the Free Trade Agreement of the Americas. So, we have -- at the end of our comments - we've made a request for the vice-ministers, the ones who will be responsible starting in February to continue on with this work, to intensify their efforts to achieve the greatest possible content and at the same time that they safeguard the content - it matters where each country has sensitivities, but make substantial progress toward this ideal which is not only economic but also a political ideal for integration. So we feel happy with the progress achieved here. But at the same time, I wanted to have this occasion to express the fact that we want to go beyond this point and we want to work in that direction together with our sister nations -- the 34 countries that form this meeting and which today finish this meeting. We thank you so much, Bob, and thank you, Celso.

PAULO SOTERO. I'm going to ask it in Portuguese. (Translated from Portuguese) My name is Paulo Sotero. I'm a correspondent in Washington of O Estado from Sao Paulo. I'd like to address my question to Mr. Amorim and Ambassador Zoellick and Minister Alvear and Minister Pettigrew from Canada. We've heard during the deliberations certain countries were less satisfied than others with respect to -- I don't know whether it's the degree of ambition - but the new structure which you decided to give to the FTAA. I'd like to ask first of all if you are satisfied that the instructions that you decided to give to the ministers are clear and are sufficient for them once they meet in Puebla in February so that they can, in fact, define what are the series of rights and obligations - common rights and obligations common to all the countries -- a baseline agreement. And secondly, I'm curious about something. The technicians might explain it. The principle of the most favored nation, will that be applied to the country - all countries, and how?

MINISTER AMORIM (as translated from Portuguese): Well, I think that what Paulo Sotero wants us to do here is a reproduction of the entire meeting here for the press. I'll leave it up to my colleagues from Chile and Canada to know whether that would be useful or not, but in any case, what I wanted to say in a generic fashion, obviously in all these negotiations, there's a balance struck of interests and a balance, as I said, with disappointments as well. Some things we would have liked to go further on. Perhaps on other things we would have gone less far. But, that's valid I believe for all of us, for each one of us in the topics of their preference, or perhaps some would like to go further on every topic. That also is something that should be considered. What I'd say very rapidly - there are two hats I wear. As a co-chair I feel that we complied with our duty of finding the common denominator. I want to avoid the word minimum because I think minimum means many things.

But, we found a common denominator which allows us to move forward, and it has this characteristic. I don't want to disguise the fact that there's much work ahead of us...this group of standards of which will be the object of additional obligations. This is something we haven't yet discussed. So what we agreed on was...of course, we had some notion of the limits that each country has. If we didn't have the notion it wouldn't have been necessary to describe this new section. But, I feel satisfied in the sense that we were able to take a step forward which allows us to move forward with great ambition and, at the same time, with respect to the sensitivities of each country, taking into account as well that there is a deadline to respect....These negotiations actually slowly are focused once you approach the time of decision. The theoretical part and future government will deal with that and you have to send it to Congress..then these things, when they materialize the sensitivities become more obvious. In light of all that I would say that, both as co-chair as well as Brazil, I am satisfied with the agreement that we have without ignoring the fact that we're going to have many more difficulties ahead of us. I would say even the market access negotiation - on aspect for goods, if this is a very specific area - we're going to have major difficulty still ahead of us. The question that you mentioned, I don't want to say that there was an agreement

on that. In no way do I want to seem that I am misleading, to use an English word. In our view, to form a free trade area of the Americas, at least in the final horizon, we would have to have the Most Favored Nation clause apply.

MINISTER SOLEDAD ALVEAR (CHILE): When it committed to the FTAA, we began to clearly look for a comprehensive and ambitious agreement that would cover all of the disciplines. That was the objective of the mandate that the Presidents handed down to us when they - here in Miami nine years ago - gave us the mandate for the Free Trade Area of the Americas. But, it is also true that things have changed. The economic situation has been difficult and, as has been said, in political terms and in practical terms it is important to make headway and move toward a Free Trade Area of the Americas taking into account the different sensitivities and having that necessary baseline for all of the countries, while at the same time allowing within the flexibility and possibilities of all of the countries take into account what each country can actually do. So, in that sense we are happy with the Declaration. It was released just moments ago, and we think this is a work in progress.

This is a work that will continue. As my colleague from Mexico said, here we have a great deal of work ahead of us. There's a political deadline of finishing by 2005. And I can say with a certain optimism that, in the region and in the world, how we will have a better economic situation next year. And we will be able to move in the right direction. We think that a Free Trade Agreement is a great piece of news for the Americas. And, when other groups have been able to reach agreements with countries that have developed a great deal, for example Asia, this has helped been a driving force for us here in the FTAA to move forward and have rules established so that we can take care of those tasks that lie ahead, based on what we have signed today. Thank you.

MINISTER PETTIGREW (CANADA). Well thank you very much. If I may complement what my colleague, Minister Alvear has just said, I'll answer quite specifically your question. If I look where we were ten days ago, following a meeting that some of us had at Landsdowne near Washington, I can tell you that I am very very pleased that Canada, Chile, Mexico, Costa Rica - we've really decided to build on the way that had been proposed to us by our co-chairs. And I do believe that what allows our two co-chairs to speak of an enabling process has been reinforced by our contributions. So, we do believe that the very hard work of the last ten days and the solid progress that we have registered here in Miami. And, I also want to thank our hosts here in Miami. I know many of my Canadian fellows contributed to your economy, and I am very pleased at that. I will myself in the next couple of days, too. But, if I look at this I can tell you one thing. I am very pleased of the progress that has been made in the next few days, and I hope very much that the vision that guided [unintelligible] nine years ago here in Miami will, in the end, be resolved. But we've got to work on it step by step and accommodate one another on this one, and Canada is quite pleased to associate itself with that project.

USTR ZOELLICK. Thank you Pierre. If you ask questions of four Ministers, I'm going to give you a very short answer so we can get on to others. The U.S. is seeking a very strong agreement, a comprehensive agreement, as both Celso and I have mentioned - ambition, recognizing we have balance. Each of us has sensitivities, and that's going to have to be worked through in the course of the negotiation. At the bigger level, we are trying to seek integration of the Hemisphere, and free trade throughout the hemisphere. Speaking as the largest economy, where a lot of countries want access to the U.S. market, I will say that part of our goal is to expand trade with others in the Hemisphere, not just the United States, but their own trade. Because there are a lot of barriers within the Hemisphere that can frankly help a number of countries seated at this forum here. And that's one of the things I want to achieve.

In the spirit of good chemistry, I do want to note that I know that reporters probably have to file their stories, so we'll probably take two more questions if we could and then move on. Yes, ma'am.

JERRALYN EDWARDS DAILY NATION, BARBADOS. This question is for Miss. Miller. Is Barbados and CARICOM satisfied with the Declaration and is there an acceptance yet that smaller

economies means CARICOM and any further discussion will be about who else gets included in the category.

MINISTER MILLER. Yes, Miss. Edwards, the CARICOM countries are satisfied, and we all took part in these discussions. Smaller economies very much dominated the contributions of the CARICOM countries because as you know we are small developing, vulnerable, open economies.

And we did speak to it in some detail. In my own intervention I noted that the consultative group on smaller economies is doing its work, will continue to work. But its very important to us that the work of that group is reflected across all of the other negotiating and other groups, all of the areas of negotiation. And particularly we would want to see it reflected in the end document. The special and differential treatment that we ask for, not only in the Free Trade Area of Americas, but in the other areas of the other theaters of the negotiation, where we are engaged with the Europeans and the World Trade Organization. We continue to make this point without special and differential treatment, it would be impossible for us to access the globalized economy. But we very much want to be part of the Free Trade Area of the Americas, but we also want it to be fair trade for us as well.

USTR ZOELLICK. Anyone on this side, I always look to one side, yes sir? This gentleman, third in from the left.

SERGIO LEO. Valor Economico. We note that here at this meeting, that there was also an announcement of several -- or the beginning of several negotiations for free trade agreements between the United States and other countries here around the continent, and we know that there's a proposal from Mercosur to have similar negotiations with the United States, so it would be 4+1, so we say. But, unlike what took place with the Andean community, and what is taking place with the Central American countries, we're going to have this with Panama and the Dominican Republic, the United States only plans to talk to Mercosur about a free trade agreement within the FTAA, and within the market access negotiating group. I would like to know why is that distinction being made and do you think that this actually consolidates the interpretation of that we saw in all of the newspapers that this is a way to show Brazil that if they don't collaborate for the establishment of an ambitious FTAA they may be left by the wayside and have some difficulties with market access with other countries in the continent?

USTR ZOELLICK: I'll let Celso answer your question about the Mercosur-U.S. FTA, because I read some stories about this, and I think there may have been some misinterpretation but I'll let him address that. For our part, we have a free trade agreement with Mexico and Canada which predated the ALCA exercise. And what we learned from that experience, and I was part of the negotiations, actually even starting with the U.S.-Canada piece, was the fact that there's a lot to be achieved in bilateral or smaller regional agreements because we can customize the work. We're in the process of trying to finish work right now with the five countries of Central America and frankly there are special challenges there. We've also done some very novel things in the area of trade capacity building that we then hope to expand to the wider group here. So part of the differentiation and diversity of this hemisphere, there's countries that have different interests, different paces, and frankly from the United States' point of view, for part of our economic as well as our larger interests we want to try to help a number of these countries. I saw some Oxfam statement saying "oh, you're taking advantage of countries," well go look at their press after these announcements and ask whether you think they're being taken advantage of or whether they think it's a tremendous opportunity.

Now, this means that we have to approach each circumstance somewhat differently. In the case of the Mercosur countries and again obviously we're not the only that does this -- Canada has free trade agreements with a number of countries in the region - Mexico, as Minister Canales says, has some ten in the region - Mercosur itself is a special integration, it's a customs union actually as opposed to a free trade agreement. So if you're dealing with a group as big as this hemisphere it's not surprising you're going to have these multiplicities of these arrangements. And so what -- I've



never heard of a particular proposal on the four plus one to do a free trade agreement with us. We have agreed to do the market access negotiations together in a four plus one format and indeed the minister and I talked about trying to move forward those very quickly in coming weeks and months.

Do you want to answer the other...?

MINISTER AMORIM. I don't think that there's anything really to add. I think that the proposal to negotiate market access is on the basis of four plus one is just a result of how these negotiations in practice have moved forward. I don't feel that there is any kind of discrimination whatsoever as here in the current administration in Brazil we started to discuss this matter. We have discussed this with our colleagues from Mercosur. I know the minister from Uruguay would also like to add some comments after I finish. The idea that came up was that we needed to use a three-pronged approach. We would have something, say, in the FTAA, others would be discussed in greater detail at the WTO, and then the market access portion, well, we would be willing to discuss this with the United States on the basis of four plus one. I'm just going to answer saying - I'm going to give you the same answer that I gave to Ambassador Zoellick. He asked me that question: "well if you negotiate on the basis of four plus one with the United States the results of those will be extended to the rest of countries of the FTAA?" We would say yes, we have no problem with that.

As it is known there is an old legal framework for four plus one. This is the agreement that we signed during the first Bush administration, this is what was called the Rose Garden Agreement where the four countries from Mercosur proposed discussing free trade with the United States. And then the fact that I would say that the fact that this is something we're studying within the FTAA or - out that's really not the issue. The thing is that we are in the format of four plus one discussing directly with the United States. I don't need to say the same thing as regards Chile for example because we discuss things with them in the way we need to. Now if Chile will allow me, Soledad [Alvear, Foreign Minister], Chile is an associate member of Mercosur and they have an agreement with us and they also have a free trade agreement with the United States. I'm not going to repeat what I was said before. I don't want to say what I told Mexico and think things would be extrapolated from it incorrectly so I don't want to say anything. And I know that the minister from Uruguay would like to take the floor at this time.

MINISTER DIDIER OPERTTI (Uruguay). Thank you. (inaudible) very briefly because the essential points have been made but it's worth recalling that in the document of this ministerial declaration in Miami there are two references - very clear references - to agreements bilateral and subregional agreements. It's clearly stated that FTAA can coexist with bilateral and subregional agreements to the extent that the rights and obligations under those agreements are not covered or exceed the FTAA provisions, in other words, have a greater profile. That's the first reference, and the second reference, very clear in our opinion, is the fact that it's established a possible line of action which could be that the FTAA countries would carry out plurilateral negotiations within the FTAA so special care has been taken to preserve these former agreements and make them compatible with the FTAA. I think a good part of what I'm saying was already said by Celso but as the chair pro tempore of Mercosur I think it's good to repeat this.

USTR ZOELICK: Well Minister Opertti's comment allows me to end with a point, since he referenced the declaration; I want to make sure all of you know that there are copies of the declaration to my right by the stand of flags if you haven't gotten one. So I thank all of you and I thank the people from Miami who've done such a great job and I thank my colleagues.

[Applause].