



## **Free Trade with Peru, Colombia, and Panama** *Transforming the Future of the Americas*

*“Some of our strongest partners, our democratic partners – Colombia, Panama, and Peru – have made strategic commitments to us through their trade agreements. These are commitments made by freely elected leaders, reflecting the deepest aspirations of their people – men and women who understand that trade is not a conspiracy to make the rich richer. Rather, it is the greatest force for personal transformation in our hemisphere today, and the heart of any serious strategy to help the poor.”*

-- Secretary of State Condoleezza Rice, July 9, 2007

### ***Securing Peace and Prosperity from Canada to Chile***

- Peru, Colombia and Panama are critical to combating narcotics trafficking, fighting terrorism, curbing illegal immigration, and developing working models of democratic governance across the hemisphere.
- Peru and Colombia are reliable energy suppliers and steadfast partners in counter-narcotics and military cooperation. Panama controls the security of the Canal – a crucial corridor for more than 10 percent of all U.S. exports.
- Free Trade Agreements (FTAs) with these nations will treat the causes rather than just the symptoms of social ills that provide fertile ground to narcotics trafficking and leftist insurgencies – helping to foster sustained economic growth, promote new employment opportunities, consolidate anti-corruption reforms, and draw millions into the formal economy.

### ***Promoting and Rewarding Pro-Market Democracy***

- Peru, Colombia and Panama share our values. They have embraced democratic governance and open markets as the way to deliver economic opportunity and freedom for their people.
- They share our commitment to ensuring the benefits of these agreements are broadly shared – not just “trickling down” but rather coursing through their societies.
- All three have made great strides towards opening their markets and reducing poverty, while undergoing free and fair electoral processes and democratic reforms.
- Neighboring countries have embraced false populism and authoritarian leaders because previous governments were not able to deliver jobs and growth.
- Through the FTAs, we can and must support those who offer a vision of prosperous, inclusive, and free societies.

### ***Demonstrating the Benefits of Economic Alliance with the United States***

- Through the FTAs, Peru, Colombia and Panama have demonstrated they are ready to move beyond trade preferences and to a permanent, reciprocal economic partnership with the United States. They have seen the transformative power of trade through the United States' trade agreements with Mexico, Central America and Chile, and want those benefits for themselves.
- The people of these nations voted for leaders who would pursue a strategic economic alliance with the United States through an FTA. Free trade with the United States was central to their elections, and the winners campaigned on pro-FTA platforms.
- Enacting the FTAs will strengthen these elected leaders, bolster democratic institutions by ensuring transparency and respect for worker rights, promote hemispheric solidarity and demonstrate America's enduring commitment to Latin America.

### ***Increasing American Exports and Creating New Jobs Here at Home***

- Free trade and open markets work for America. Over the last quarter century, the United States has implemented FTAs with more than a dozen countries. During that period, the United States and our partners have added millions of net new jobs, vastly increased exports and enjoyed strong economic growth.
- Both the Peru and Colombia FTAs are expected to increase U.S. exports by over \$1 billion and U.S. GDP by over \$2 billion.
- Key U.S. exports will gain immediate duty-free access. Under the agreements, over 80 percent of U.S. exports of consumer and industrial products will become duty-free immediately, with remaining tariffs phased out over 10 years.
- The American Farm Bureau Federation estimates these three FTAs will increase U.S. agricultural exports by about \$1.5 billion dollars once fully implemented.
- Our markets are largely complementary rather than competitive. Most of our imports from Peru, Colombia and Panama are commodities (such as winter crops, coffee and precious metals), while most of our exports are manufactured goods.

### ***Delay Harms our Interests at Home and Abroad***

- Any delay in passage of these critical FTAs will put U.S. businesses, farmers, ranchers and workers at a competitive disadvantage as the EU, Canada and other countries rush to negotiate trade deals with these countries.
- Delay will hurt the image of the United States as a partner in the region and throughout the world.
- In the case of Colombia, delay will harm our joint actions to bring security and economic opportunity to a country that has turned the corner in combating the plagues of violence, narcotics trafficking and terrorism. It is also undermining support for the Peruvian government's economic reform efforts.
- And delay abandons the people of the Americas to empty promises of authoritarian demagogues. The citizens of our hemisphere are not giving up on democratic development. It would be irresponsible for us to give up on them.

For more information, visit the State Department's FTA webpage  
at <http://www.state.gov/e/eeb/tpp/c22883.htm>

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