

Latin American And Korean Free Trade Agreements Vital To U.S. Economy And Security

President Bush Urges Congress To Pass Pending Free Trade Agreements With Peru, Colombia, Panama, And South Korea

Today, President Bush addressed the Greater Miami Chamber of Commerce and called on Congress to pass pending free trade agreements with Peru, Colombia, Panama, and South Korea as quickly as possible. These agreements will level the playing field for workers, farmers, and businesses here in America. The President's remarks focus on how the three free trade agreements with Latin American countries will help lift their people out of poverty, and will strengthen the forces of freedom and democracy in the Western hemisphere.

- **Free trade agreements are benefiting the U.S. economy.** For example, in the four years since we signed a free trade agreement with Chile, American exports to that country have more than doubled. And in just one year since we began implementing a free trade agreement with Central American nations and the Dominican Republic, American exports have grown by 13 percent.
- **Congress now has an opportunity to build on this success by passing new free trade agreements with Peru, Colombia, and Panama.** Taken together, these deals will expand American access to 75 million new consumers, with a combined GDP of \$245 billion from Peru, Colombia, and Panama. Members of Congress should have confidence in the ability of America to compete in the world, so long as the playing field is level, and they should show that confidence by approving these trade agreements with bipartisan votes.
- **These trade deals are also a historic opportunity to strengthen the forces of freedom and democracy throughout the Americas.** By pursuing these trade agreements, we can help our friends in the neighborhood lift their people out of poverty, and help counter the false promises of populism promoted by some nations in the hemisphere.
- **The President will continue to work closely with Congress to pass a landmark free trade agreement with South Korea.** This agreement alone is projected to add more than \$10 billion to America's economy, and would strengthen our relationship with a democratic ally in a critical part of the world. Also, at the regional level, we are seeking broad trade agreements in the Americas and the Asia-Pacific. And at the global level, we are pushing hard for a successful conclusion to the Doha Round of trade talks, which has the potential to lower trade barriers across the world.

Peru

Peru has one of the fastest growing economies in South America. Last year, Peru's economy expanded by eight percent. Trade between the United States and Peru has more than doubled over the past three years.

The Peru free trade agreement would immediately eliminate most industrial tariffs, as well as many of its barriers to U.S. agricultural exports. Elimination of these tariffs would also provide new market access and fair treatment to U.S. companies that provide services and invest in Peru.

The free trade agreement would also strengthen our friendship with an important South American democracy. Last year, Peru held two rounds of free and fair elections, and through their representatives, the Peruvian people have made clear that they want to increase their ties to the United States. Congress should show America's commitment in return by voting on and approving the Peru free trade agreement.

Colombia

Colombia is our fifth largest trading partner in Latin America. Colombia's economy is strong and growing with a 6.8 percent expansion last year, and they are the largest market for U.S. agriculture exports in South America.

The Colombia free trade agreement would immediately eliminate tariffs on more than 80 percent of American industrial

and consumer exports, and it would provide significant new duty-free access for American crops. About 8,000 U.S. companies that export to Colombia would find new buyers, and would be able to compete in Colombia on a level playing field for the first time in history.

For the sake of America's economy and security, Congress should pass the vital free trade agreement with Colombia this year. Both houses of the Colombian legislature have expressed overwhelming support for the trade agreement with the United States. Now they are waiting to see if we will hold up our end of the deal.

- **Colombia has proven itself worthy of America's support.** In recent years, Colombia's democratically-elected president has taken courageous steps to stop drug traffickers, rein in paramilitary groups, and enforce the law. Since 2000, Colombia's kidnappings, terrorist attacks, and murders have all dropped substantially, convictions have increased, and Colombia has extradited hundreds of drug traffickers and terrorists to the United States.
- **President Uribe has responded decisively to concerns over violence and impunity in Colombia, particularly attacks on trade unionists.** President Uribe has established an independent prosecutors unit to investigate and punish homicides against labor unionists. He has allowed the International Labor Organization to station a permanent representative in Bogota. He has also worked to offer Colombians better alternatives to a life of violence and drugs – including the new jobs and economic opportunities that would come from a trade agreement with the United States.

Panama

In 2006, Panama and the U.S. exchanged almost \$3 billion worth of goods – nearly 50 percent more than just four years ago. Panama has one of the fastest-growing economies in Central America, with a growth rate of more than eight percent last year.

The Panama free trade agreement will build on this vibrant trade relationship, eliminating tariffs on 88 percent of our industrial and consumer goods exports to Panama. It would be especially beneficial for American farmers and ranchers, and create opportunities for American businesses to participate in the Panama Canal expansion project. It will also provide new market access for U.S. service suppliers, including in Panama's key financial services sector.

South Korea

The U.S.-Korea free trade agreement (KORUS FTA) is the most commercially significant bilateral free trade agreement the United States has concluded in over 15 years. Korea is the 11th largest economy in the world, with an annual GDP of nearly \$1 trillion. The KORUS FTA will open a growing market of 49 million consumers to the full range of U.S. goods and services, from autos to telecommunications services. The U.S. International Trade Commission estimates the reduction of Korean tariffs on goods alone would likely add roughly \$10-12 billion to annual U.S. GDP.

The KORUS FTA will eliminate tariffs on 94 percent of trade in industrial goods within three years, and more than half of U.S. agriculture exports to Korea will become duty free immediately. The free trade agreement will also address a range of non-tariff barriers, and increase transparency in Korea's regulatory processes. The agreement will strengthen Korea's economic reforms that have helped it become a prosperous economy and vibrant democracy and sustain the growth of trade and investment opportunities for the mutual benefit of both countries.

The agreement will strengthen the United State's competitive position in the rapidly transforming Asian market and cement ties with a vital regional ally. The U.S.-Korean alliance was forged in war more than a half century ago. The KORUS FTA will energize that alliance with shared prosperity.