

**Remarks by U.S. Trade Representative Susan Schwab
Signing of the U.S.-Panama Trade Promotion Agreement**

AS PREPARED FOR DELIVERY

June 28, 2007

- Good afternoon everyone and welcome.
- I am glad so many of you could join us for this historic occasion. I especially want to welcome Minister Ferrer and Ambassador Humbert. Throughout these negotiations you have been both effective advocates for your country and fair-minded colleagues at the bargaining table. You have also become good friends. Thank you for your leadership and your friendship.
- I would also like to recognize Secretary Gutierrez, President Moreno, Congressmen Weller and Brady, ministers, legislators and businessmen/women from Panama, and the U.S. Ambassador to Panama, William Eaton – he has played a valuable role in these negotiations. I know he believes passionately in the benefits of our partnership with Panama. Finally, I would like to thank Secretary General Insulza for allowing us to hold this ceremony here.
- Panama is a great country, a leading voice for economic reform and cooperation in Latin America, and a close friend and ally of the United States.
- On September 7, 1977, in this very room, the United States and Panama signed the Panama Canal Treaty, which turned control over the Panama Canal from the United States to Panama. It was an affirmation of the deepening of our relationship as neighbors.
- Today, 30 years later, our nations come together once again to build on that spirit and to fortify our friendship by signing this Free Trade Agreement.
- Under the leadership of Presidents Bush and Torrijos, scores of dedicated officials from both our governments worked tirelessly over the past three years to craft a free trade agreement of which people from both of our nations can be proud.

- The agreement we sign today will open a new chapter in our historic economic partnership, one marked by an improved quality of life for all of our people.
- This agreement will benefit U.S. and Panamanian workers, consumers, manufacturers, farmers and ranchers; create new jobs; generate new business and export opportunities, and provide enhanced stability and security across the Western Hemisphere.
- We are pleased to be able to have the opportunity to advance our long standing friendship and deepen our trading relations with Panama.

Benefits for the United States

- Panama's role as a commercial and financial center in today's global economy is growing stronger everyday – creating important potential opportunities for U.S. farmers, manufacturers, and service providers.
- Because of existing trade preference programs, this trade agreement turns a one-way street into a two-way partnership. On the first day this agreement enters into effect, nearly 90 percent of U.S. exports of consumer and industrial goods to Panama will become duty-free, with remaining tariffs phased-out over 10 years.
- On the agricultural side, more than half of current U.S. farm exports to Panama will become duty-free immediately upon entry into force of the agreement.
- U.S. service providers will also gain substantial benefits from this agreement, particularly in view of Panama's predominantly service-based economy. The agreement will provide substantial market access to Panama's entire services market, including financial services.
- The agreement also includes the provisions agreed to with the Congress as part of the new bipartisan framework on trade policy aimed at reinforcing protections for workers and environmental safeguards in both our nations.

- We believe these new provisions will help to pave the way for bipartisan support for the FTA in Congress, and we look forward to swift Congressional action to approve the agreement.

Benefits to Panama

- Of course, trade is not a zero sum game. Countries enter into agreements because they will each benefit. The United States is Panama's largest trading partner.
- This agreement will provide real benefits to the people of Panama. It will support the democratic political reforms and market-oriented economic reforms Panama's leaders have undertaken recent years.
- The agreement sets out clear, predictable and transparent rules of trade that will help create favorable conditions for investment. This will enhance economic growth and ultimately create more and better jobs.

Conclusion

- Trade is an essential component to promoting economic growth, peace and stability in Latin America. The Panama Canal is itself, a monument of sorts to the free flow of commerce.
- Through expansion of the Panama Canal and economic reform, Panama is investing in its future. The agreement we sign today demonstrates our belief that that investment is sound and is bound to pay significant dividends for both of our nations.
- I look forward to working with all of you and with members of the US Congress to ensure strong bipartisan support for the agreement.
- Thank you. It is now my great pleasure to introduce Minister Alejandro Ferrer.
- Minister Ferrer is a devoted public servant and a valued member of President Torrijo's administrations since 2004.
- On behalf of the Bush Administration, thank you Minister Ferrer, for your leadership, dedication and vision.