

The Office of the United States Trade Representative

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U.S. and Colombia to Begin FTA Negotiations on May 18

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Larger U.S.-Andean Free Trade Area Envisioned As Other Andean Countries May Participate

WASHINGTON – Following meetings between President Bush and Colombian President Alvaro Uribe, the United States and Colombia announced today that free trade negotiations between the two countries, and possibly other Andean countries, will begin May 18-19. U.S. Trade Representative Robert B. Zoellick joined in the meeting, and afterward met with President Uribe and Jorge Humberto Botero, Minister of Trade, Industry and Tourism, to discuss U.S.- Colombian trade issues, the launching of the FTA negotiations, the ongoing Free Trade Area of the Americas (FTAA), and the World Trade Organization (WTO) Doha negotiations.

"The United States has been busy completing top-notch FTAs with our neighbors in the hemisphere, so we are delighted that Colombia and other Andean countries want to work with us to remove barriers for our farmers, workers, exporters and businesses," Zoellick said. "I was honored to attend President Uribe's inauguration in August 2002 on behalf of President Bush, and I'm pleased that our countries will be working to deepen our economic ties and friendship."

"Colombia's courageous fight against narco-trafficking terrorists that threaten democracy and regional stability can be assisted by promoting economic development and hope. President Uribe recognizes the interconnection among security, economic opportunity and liberty, and we want to help Colombia to succeed," added Zoellick. "A U.S.-Colombia FTA will benefit both countries, but in particular will complement and advance Colombia's economic reforms and promote investment. Similarly, the inclusion of other Andean countries in the negotiation would expand benefits beyond the U.S.-Colombia relationship and would foster additional reform and economic development in the region."

In his November 18, 2003, letter notifying Congress of the Administration's intent to negotiate a U.S.-Andean FTA, Zoellick indicated that we will initiate negotiations with the countries that have demonstrated their readiness to begin. In that regard, the Peruvian Government has intensified its efforts in recent weeks to resolve outstanding disputes with U.S. investors, in a manner consistent with Peruvian law. Similarly, we are discussing with the Government of Ecuador the steps it needs to take to address certain concerns regarding both the protection of worker rights and investor disputes. We hope that in the coming weeks these countries will take the follow-on steps that will enable us to include them at the negotiating table, along with Colombia, at the start of the negotiations. We look forward to including Bolivia at a later stage, and are working with them to increase their readiness.

In addition to President Uribe's inauguration, Zoellick has visited Colombia on two other occasions as USTR. In March of 2002 he gave remarks at a business conference hosted by President Pastrana in Santa Marta, and in August 2003 he met with President Uribe to discuss the prospects for an FTA agreement. Colombia is the oldest democracy in Latin America, having become independent on July 20, 1810. In 2003 U.S. goods exports to Colombia were \$3.8 billion. The stock of U.S. foreign direct investment (FDI) in Colombia in 2002 was \$3.7 billion. The four Andean countries collectively represent a market of about \$7 billion for U.S. exports, and are home to \$4.5 billion in U.S. foreign direct investment.

Background:

The United States is aggressively working to open markets globally, regionally, and bilaterally and to expand American opportunities in overseas markets. In a January 2004 letter to the 146 WTO members, Zoellick urged Members to revive the global trade talks and conducted an around the world trip February 11-20,

visiting 9 cities for strategic consultations. These cities were Tokyo (Japan); Beijing (China); Singapore, Islamabad (Pakistan); New Delhi (India); Cape Town (South Africa); Mombasa (Kenya); Geneva (WTO headquarters) and Paris (meetings with EU Trade Commissioner Lamy).

Immediately following that trip, Zoellick traveled to San Jose, Costa Rica for meetings February 23-24 with ministers from the Cairns Group of agriculture exporting countries to discuss liberalizing trade in agriculture within ongoing World Trade Organization (WTO) trade negotiations.

In addition to the global efforts, a top goal for the United States is the FTAA negotiation to create a \$13 trillion, 800 million person Western Hemispheric free trade zone stretching from Alaska to Tierra del Fuego. Comprehensive, high-quality agreements that promote regional economic integration (Chile, CAFTA) with like-minded, ambitious trading partners, complement and provide impetus for the FTAA negotiations.

On March 15, 2004, the United States completed FTA market access negotiations with the Dominican Republic. It will be added to the recently concluded CAFTA. The U.S. has completed FTA's with eight countries - Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Australia and Morocco - over the past few months. New and pending FTA partners, taken together, would constitute America's third largest export market and the sixth largest economy in the world.

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