



**Office of the United States Trade Representative**  
*Executive Office of the President*

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## **Joint Statement from the First Meeting of the United States—Panama Free Trade Commission of the United States- Panama Trade Promotion Agreement**

**Panama City, Panama** – Diana Salazar, Vice Minister of International Trade Negotiations of the Ministry of Commerce and Industry, and John Melle, Assistant United States Trade Representative for the Western Hemisphere of the Office of the United States Trade Representative, released the following Joint Statement highlighting the work accomplished at the first meeting of the United States - Panama Free Trade Commission (the “Commission” or the “FTC”) held on May 28, 2014, in Panama City, Panama. The Commission is responsible for overseeing implementation and further elaboration of the United States - Panama Trade Promotion Agreement (the “Agreement”).

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At this first FTC meeting, we reviewed the trade and economic impact of the Agreement on our countries. We noted that our bilateral relationship has continued to strengthen during the 19 months the Agreement has been in force and that implementation is proceeding well and smoothly.

We underscored the importance of ensuring the effective implementation of the Agreement in both our countries, and the key role the Agreement plays in facilitating sustainable, broad-based economic growth and as an important catalyst in facilitating competitiveness. We agreed to continue to work together to ensure effective implementation of, and compliance with, the trade in goods and services, intellectual property rights, labor, and environment obligations of the Agreement. We want to ensure that the Agreement succeeds in fostering job creation and increasing the economic prosperity of all our citizens.

We recognize the importance of transparency and maintaining communication with stakeholders. As we move forward, we will continue to promote an open dialogue and use mechanisms for receiving meaningful public comment, as part of our commitment to public engagement.

### **Economic Effects**

October 31, 2013, marked the first anniversary of the Agreement’s entry into force. According to U.S. statistics, in 2013, total (two-way) goods trade between the United States and Panama was \$11.2 billion.

The United States remains the largest investor in Panama, which is among the most important destinations for U.S. investments in the region.

In the area of services, the United States continues to play a leading role as the primary user of the Panama Canal and a major source of tourism.

### **Implementation of the Agreement’s Institutional Framework**

Recognizing the critical importance of trade in agricultural products and the jobs and workers that are sustained by agriculture in both our countries, we noted the March 2013 establishment of the Committee on Agricultural Trade and the Committee on Sanitary and Phytosanitary Matters as required by the Agreement. Today we reviewed the reports of these

committees from their meetings in August 2013. These committees constitute an important tool to ensure that stakeholders in both countries benefit from the opportunities created by the Agreement in the agriculture sector.

We also received the reports and commend the work of the Labor Affairs Council, the Environmental Affairs Council, and the Environmental Cooperation Commission. We recognize the importance of transparency and maintaining communication with all stakeholders regarding labor and environmental issues, and we will continue to use these mechanisms for receiving meaningful public comment as part of our commitment to engage with stakeholders in these areas. The Environmental Affairs Council reported on its work regarding the establishment of the Environmental Secretariat. We instructed the Environmental Affairs Council to continue this work in order to establish the Environmental Secretariat.

Recognizing the importance of an effective dispute settlement procedure that ensures both country's rights and benefits under the Agreement, we adopted model rules of procedures for the settlement of disputes and a code of conduct for panelists and agreed on the remuneration of panelists, assistants, experts, and the payment of their expenses.

We reviewed the progress made on establishing four rosters of potential panelists for disputes that may arise under the Agreement concerning general matters, as well as under the Labor, Environment, and Financial Services chapters of the Agreement. We instructed our technical teams to conclude the outstanding work to establish the four rosters.

We reviewed the progress made on updating the Agreement's rules of origin to correspond to the 2017 and 2012 changes in the Harmonized System (HS) nomenclature and thanked the technical experts for their work. We recognized the importance of this project in easing customs administration for our customs authorities, producers, and exporters and instructed our technical teams to conclude this update for our signature.

#### **Bilateral Issues, Trade Capacity Building, and Information Sharing**

We also discussed bilateral issues of concern as well as possible initiatives to facilitate the widespread dispersion of benefits from the Agreement. We instructed our technical staff to explore possible activities and programs that could be implemented to achieve this goal.

We updated each other on other bilateral and regional trade agreement negotiations in which we are participating. We also discussed trade capacity building assistance as a catalyst to foster trade, economic growth, poverty reduction and adjustment to liberalized trade.