



LATIN AMERICA TRADE COALITION

Why Support the Trade Agreements with Colombia and Panama? **Look to Chile!**

The trade agreements with Colombia and Panama are great deals for U.S. workers, farmers, and businesses. They are the latest in a series of trade agreements that are paying dividends for the American economy.

Consider the success of the recent trade agreement with **Chile**, upon which the agreements with Colombia and Panama is modeled. The U.S.-Chile Free Trade Agreement was implemented on January 1, 2004, and immediately began to pay dividends for American businesses and farmers. While the U.S. International Trade Commission had forecast total export growth of 18-52% over the first 12 years of the agreement's implementation, U.S. exports to Chile leapt by 34% in 2004, 43% in 2005, 31% in 2006, 22% in 2007, and more than 50% in 2008. All told, U.S. exports to Chile quadrupled in just five years!

The conclusion? Trade agreements work! Trade is a motor for economic growth, and it generates new economic opportunities throughout the United States. Consider the remarkable results from trade with Chile:

- U.S. exports rose by \$10 billion in five years, surpassing \$12 billion in 2008.
- Individual companies can point to the same impressive gains. Caterpillar, for instance, has seen U.S. exports to Chile triple for some of its product lines.
- Helped by the boom in trade and high prices for its export commodities, Chile's per capita income doubled from 2003 to 2006, and unemployment fell from 8.1% in 2003 to 6% at the end of 2006.

Other recent trade agreements have borne similar fruits:

- Trade with **Jordan** has risen five-fold since the U.S.-Jordan Free Trade Agreement was signed in 2000, fostering the creation of tens of thousands of jobs in a country that is a close ally of the United States.
- The U.S. trade surplus with **Singapore** rose nearly 10-fold over the first five years of implementation of the U.S.-Singapore Free Trade Agreement (2004-2008), reaching nearly \$13 billion.
- Implemented in January 2005, the free trade agreement with **Australia** helped boost U.S. exports down under by over 60% in four years.

The trade agreements with Colombia and Panama take the same comprehensive, high-standard approach to trade as these earlier agreements. To build on the success of these earlier trade agreements, Congress should approve these new accords swiftly!

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