



## LATIN AMERICA TRADE COALITION

### *Why Support the Trade Agreement With Panama?* **It's Simply a Win-Win Deal!**

The United States and Panama concluded negotiations for the U.S.-Panama Trade Promotion Agreement in 2007. It's a win-win accord that offers tangible benefits to both countries — no ifs, ands, or buts. Consider:

**Geostrategic Partnership.** The agreement will strengthen the century-old U.S.-Panama geostrategic partnership. From the time of the canal's construction, the United States and Panama have made common cause on issues from security to commerce. Panama has major ports on both the Atlantic and the Pacific, and fully five percent of world trade passes through the canal. With a remarkable one-third of its population speaking English fluently and a fully dollarized economy, Panama is a good friend and partner of the United States. The trade agreement will help Americans and Panamanians to expand bilateral commerce, which surpassed \$4 billion in 2008.

**Level Playing Field.** The agreement will level the playing field for American workers, farmers, and companies by eliminating nearly all of Panama's tariffs on American goods. The World Bank reports that Panama has a weighted average tariff of 7%, whereas the United States eliminated nearly all its tariffs on imports from Panama through the Caribbean Basin Initiative (1984) and the U.S.-Caribbean Basin Trade Partnership Act (2000). The trade agreement will make these trade openings reciprocal — a two-way street that will benefit both countries.

**Business Opportunities.** The Panama Canal Authority is undertaking an expansion of the canal at a cost of more than \$5 billion — one of the largest public works projects in the world today. If approved, the trade agreement will grant U.S. firms ready access to the Panamanian market and the chance to compete in selling everything from heavy equipment and engineering services in a market that has reached annual growth rates near 10% in recent years.

**Few Sensitivities.** With its economy overwhelmingly based on services, Panama's economy presents little or no challenge for sensitive sectors in the U.S. economy. Panama has no significant textile or apparel industry, and its farmers' export crops (mostly tropical products) are largely complementary to U.S. agriculture. Panama has already ratified all eight International Labor Organization conventions on core labor standards, and Panama's National Council of Organized Workers, the umbrella group for all of Panama's trade unions, endorsed the agreement in June 2007. Environmental stewardship has long been a priority for Panamanians as the canal is dependent on protection of the forests in the huge watershed that allows this engineering marvel to function.

*For more information, visit [www.latradecoalition.org](http://www.latradecoalition.org)*