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Colombia: Time to trade

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Barbara Bowie-Whitman - Now that Congress has acted wisely on Peru, the United States has a chance to gain even more by approving another two trade agreements in this hemisphere. These pacts, with Colombia and Panama are winners for the U.S. economy and also would help our trading partners. We gain a greater export boost than each of the partners, while they each gain a larger stimulus to their gross domestic product (GDP), given the relative sizes of our economies.

No U.S. jobs are threatened; our economy has already adjusted to the duty-free import of goods from these two countries under current trade preference programs. Congressional approval of the Colombia and Panama agreements will bring to 12 the number of countries in the Americas with which we have reciprocal trading partnerships. These 12 free trade agreements will cover 88 percent of our hemispheric trade. Disapproving either of them would be a major setback to reaching future agreements in the region.

The Colombia Trade Promotion Agreement (TPA) is up first. Like the Peru TPA, the Colombia agreement converts a one-way, time-limited, preference program (that gives Colombia special access to U.S. markets but allows no trade access for U.S. products in Colombia) into a permanent reciprocal agreement that grants new U.S. market access. The agreement will open new markets for U.S. goods while continuing duty free access for Colombia.

Colombia is our fifth-largest trading partner in the hemisphere, our largest South American market for U.S. agricultural goods and a strategic hemispheric partner. Of our recent agreements with nine hemispheric countries, this is the most important economically. It is of equal importance geopolitically. It will show we stand by a regional ally challenged by Venezuela's socialist model.

The agreement with Colombia contains substantial benefits: The U.S. gains immediate duty-free market access to Colombia for 80 percent of our consumer and industrial products.

U.S. farm exports that will receive immediate duty-free access to Colombia include high-quality beef, cotton, wheat, soybeans and soybean meal, apples, peaches, pears, cherries, and many processed food products. A wide range other farm products will benefit from improved market access.

The agreement establishes a strong legal framework for U.S. investors in Colombia.

The International Trade Commission (ITC) estimates that the agreement would result in a larger increase in U.S. exports to Colombia (\$1.1 billion a year) than in Colombia's exports to the U.S. (\$487 million).

The ITC says that U.S. GDP may rise by \$2.5 billion or more annually. More than 8,000 U.S. companies export to Colombia, 84 percent of which are small and medium-size firms. The agreement will create jobs, promote economic growth, and reduce poverty in Colombia, which understands that granting reciprocal access for U.S. products to their markets, while gaining permanent access to our markets, is a proven path for economic success.

Colombia has addressed the concerns of U.S. congressional leaders. On June 28, the U.S. and Colombia

signed a Protocol of Amendment, revising the agreement to reflect the U.S. bipartisan trade consensus of May 10, 2007. The Colombian Congress incorporated the protocol into the agreement it approved. The agreement includes an enforceable obligation to adopt and maintain, in law and in practice, core internationally recognized labor rights as stated in the 1998 International Labor Organization Declaration on Fundamental Principles and Rights at Work.

The agreement was a U.S. initiative to convert a one-way preference program to reciprocal free trade. It provides significant new opportunities for U.S. farmers and workers. If Congress rejects the results of negotiations we initiated, we will lose those opportunities and others will see us as having acted in bad faith.

Colombian President Alvaro Uribe is a strong ally. His country combats narcotics and regional terror groups. Approving this agreement will strengthen U.S. credibility, particularly in dealing with other major trading nations in the region such as Brazil.

Although the U.S. overall trade deficit rose from 2002 to 2006, our deficit with free-trade agreement partners decreased. U.S. exporters — the strongest in the world — do best when we have free trade. We should leave the mercantilist mindset behind us. We must recognize one-way trade preference programs are outmoded. American exporters — of agricultural commodities, heavy equipment and high tech — need the new export markets this agreement will create.

We should not let trade opponents defeat a sound trade agreement using false expedient political arguments but should judge this agreement on its clear economic merits. Reciprocal and permanent agreements between democratic trading partners should not focus on punishing each other for perceived misbehavior. Rather, such agreements open new opportunities, include ways to deal with future problems and advance the economic freedom and prosperity that will strengthen each partner. Colombia TPA will do just that. It deserves prompt congressional approval.

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