

# **Free Trade Area of the Americas: Status & Prospects**

**Parr Rosson, Director**

**Center for North American Studies**

**Department of Agricultural Economics**

**Texas A&M University**

# Overview

- **Background**
- **Progress**
- **Considerations for Agriculture**

# Background

- **Enterprise for the Americas Initiative Act**
- **Miami Ministerial-1994**
- **Negotiations Underway with Consideration of WTO**
- **Regional Trade Arrangements:**
  - **NAFTA**
  - **MERCOSUR (Argentina, Brazil, Paraguay & Uruguay)**

# Progress

- **Concept is to form a Free Trade Area of the Americas by 2006**
- **Negotiations Focused on Areas to be Addressed**
- **Agriculture Negotiated Under NGAG & NGMA**

# Progress

- **Development of Modalities**
  - **Starting Point**
  - **Magnitude of Reductions**
  - **Time Frame for Tariff Reductions**
- **Lack of Trade Promotion Authority**

# Considerations for Agriculture

- **Market Access: US Favors Coordinated Approach-Method of Determining Base Rates is Same for all Sectors**
- **U.S. Wants to Eliminate All Export Subsidies w/in FTAA**
- **Eliminate Exclusive Export Rights for State Traders**

# Considerations for Agriculture

- **Ensure that SPS NOT Used as Arbitrary or Unjustified Trade Barriers**
- **Other Trade Distorting Practices**
  - **Domestic Support: WTO**
  - **Price Stabilization (Price Bands)**
  - **Differential Export Taxes**
- **Special & Differential Treatment/Safeguards**

# Summary

- **Negotiations Proceeding with Target Date of Jan. 2005 for Completion & Jan. 2006 for Implementation**
- **Modalities Now Being Developed**
- **Most of Draft Text Still Bracketed**