

Associated Press

Panama, U.S. Launch 5th Trade Talk Round

10.18.2004, 04:38 PM

Panama and the United States launched their fifth round of free trade talks on Monday, focusing on what has been the most sensitive issue of negotiations removing barriers to agricultural trade.

The talks, expected to last all week, are the latest negotiations in the region. Earlier this year, the United States wrapped up talks for a free trade agreement with Central America and the Dominican Republic.

Negotiations with Panama began under former President Mireya Moscoso. New President Martin Torrijos, who took office Sept. 1, has said "much prudence and caution were required" on the issue because of the economic power of the United States.

Panama wants more access to the U.S. agricultural and industrial market, but fears opening fully its market to U.S. food products, saying Panamanian farmers can't compete with U.S. subsidies.

"We will be proactive in defending the most relevant topics for Panama," Commerce and Industry Minister Alejandro Ferrer said. "The goal isn't to close the market just to close the market, but to arrive at a better agreement that addresses our interests."

Panamanian farmers have protested throughout the country, demanding protection for homegrown milk, meat and poultry products.

It remains unclear which products will be most affected by the agreement.

"A well-negotiated accord, fair and balanced, can benefit the entire agricultural sector and the country," Agriculture Minister Laurentino Cortizo said.

He said Panama wants to use the agreement to boost Panama's exports of tropical fruits, including pineapple and melons, which already enjoy free access to the U.S. market under an accord that expires in 2008.

The United States is Panama's main trading partner and the destination for half of the country's more than US\$800 million (euro640 million) in exports.