

Associated Press

By: Kim Housego, Associated Press Writer

U.S., three S. American nations begin talks

SEP. 19 1:46 P.M. ET The United States began a new round of negotiations Monday with Peru, Ecuador and Colombia for a proposed free-trade agreement aimed at giving the three South American nations tariff-free access to U.S. markets.

The three Andean nations have held 11 rounds of negotiations with the United States since May 2004. Issues such as agriculture and intellectual property rules still need to be resolved.

A deal has remained elusive amid strident opposition and street protests from Andean growers of products such as sugar cane, rice, corn, potatoes and cotton. The growers say U.S. agricultural subsidies will make it impossible for them to compete.

There are also worries that pharmaceutical patent protection clauses sought by Washington will cause medicine costs in the Andean region to soar because local production of generic drugs would become illegal.

Colombia's top trade negotiator, Hernando Jose Gomez, said Monday he was confident progress will be made during the five days of talks in Cartagena, a Colombian city along the Caribbean.

"Regarding intellectual property, the expectation is that we will have an agreement in the areas of observance, fulfillment and technology transfers," Gomez told reporters.

Hundreds of police and marines have been deployed in Cartagena to guarantee security during the talks as Colombia's biggest leftist trade union organization, known as the CUT, announced plans to stage demonstrations later in the week.

The three Andean nations already enjoy duty-free access to U.S. markets for thousands of products, including asparagus, cut flowers and clothing. But those breaks, which were given to help reduce economic dependence on illegal drug production and trafficking, expire next year.

The U.S. had US\$23.52 billion (euro19.38 billion) in trade with the three countries last year, but ran a US\$6.97 billion (euro5.74 billion) trade deficit, according to the U.S. Census Bureau.

The Andean talks fell behind schedule as the U.S. government recently focused on getting its Congress to approve the Central American Free Trade Agreement. The sugar industry, labor groups and some Congress members fiercely opposed that deal, saying it would hurt the U.S. economy.

U.S. President George W. Bush and many business groups have insisted CAFTA would create new markets for U.S. exports while helping Central American countries reduce poverty.