

U.S.-Andean Trade Talks Extended

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By Doug Palmer

WASHINGTON (Reuters) - Trade negotiators for the United States, Colombia, Peru and Ecuador have abandoned their goal of finishing a free trade agreement by mid-January and laid out a schedule for at least two more rounds of talks, a U.S. official said on Saturday.

Regina Vargo, assistant U.S. trade representative for the Americas region, told reporters this week's negotiating session in Tucson, Arizona, had been "the most productive" to date.

Even so, the goal of finishing the pact before President Bush is sworn into office a second time on Jan. 20 is no longer realistic because of limited progress in the two toughest areas of the talks -- agriculture and intellectual property rights, she told reporters by telephone.

The countries will hold a seventh round of negotiations in Colombia the week of Jan. 31 and an eighth sometime in March. It's possible additional rounds will be required, but countries are eager to finish as early in 2005 as possible, she said.

Vargo, who also was lead negotiator on recent free trade pacts with Chile and five Central American countries, said she remained optimistic about striking a deal with the Andean nations that would enjoy broad U.S. agriculture and business community support.

"I don't feel any less confident, if you will, of being able to reach an agreement with these countries that can work for everybody. I think we just have to be careful to keep our minds open to some creative solutions," she said.

The Andean countries are reluctant to give up "price band" mechanisms that protect the region's farmers from foreign competition through import duties that rise and fall in response to market prices.

The Bush administration would have a tough time selling any deal to Congress that does not provide substantial new market access for American farmers. At the same time, U.S. sugar farmers oppose giving the Andeans more access to the U.S. sugar market.

The four countries agreed this week on a work plan for tackling agricultural market access negotiations, beginning with the least sensitive products, Vargo said.

The Andean countries are also wary of U.S. demands for stronger intellectual property protections that could lead to higher prices for medicines in the region. But Vargo said there had been good discussions in Tucson on copyright and patent rules.

Another difficult area is textiles, where American producers are reluctant to give the Andean countries additional access to the U.S. market.

However, the four countries made good progress this week in talks on lowering tariffs for other manufactured goods, Vargo said.