



WHAT YOU SHOULD KNOW ABOUT THE US-PERU FREE TRADE AGREEMENT

The US recently negotiated a free trade agreement with Peru, a developing country in South America where over half of the population lives in poverty. This trade agreement threatens to institutionalize an uneven playing field between the two countries instead of establishing fair and equitable rules for trade that could promote development and reduce poverty.

WHY SAY NO TO THE US-PERU FTA?

► **Threatens Public Health:** The US-Peru FTA includes strict new intellectual property rules that could seriously obstruct efforts to lower the price and increase the accessibility of life-saving medicines. These new rules exceed the World Trade Organization (WTO) standards and will restrict or limit the use of safeguards to protect public health and promote access to medicines for all. The introduction of generic competition is crucial to bringing down the cost of medicines in a sustainable way. But FTA rules will prevent or delay the introduction of affordable generic medicines by extending the monopoly power of multinational pharmaceutical companies, enabling them to set high drug prices to the detriment of patients, particularly the poor. This could dangerously hinder Peru's access to important life-saving drugs at affordable prices.

► **Destroys Local Agriculture:** Agriculture is an integral part of Peru's economy. Nearly a third of the population depends on agriculture for their livelihood and the vast majority of farmers produce on small plots for domestic consumption. Similarly to the US-Central America Free Trade agreement passed by Congress last summer, the US-Peru FTA does not take into account that the US subsidizes farm production with billions of dollars in taxpayer support. This could spell economic disaster for the millions of people in Peru who depend on agriculture. They could face massive dumping of subsidized farm products on their market. Farmers of wheat, corn, rice, barley and cotton, central to Peru's domestic economy, will be particularly affected. Although the trade agreement is supposed to help in the fight against drug trafficking, poor farmers who cannot sell their corn and rice will have few other options but to grow coca to survive.

► **Weakens Sustainable Development Efforts:** The US-Peru FTA would make it easier for foreign investors to operate in Peru, but would leave the government with a weakened ability to protect public health, safety, and the environment. For example, the agreement would give foreign investors broad rights to challenge environmental laws, hindering community efforts to regulate the mining industry. The US-Peru FTA would also prohibit the Peruvian government from requiring that foreign investments benefit local communities by using local materials, employment, and technology. A prohibition on these requirements means that the Peruvian government has fewer ways to link foreign investments with goals to strengthen the local economy and reduce poverty.

TAKE ACTION NOW:

- Read up! Check out our website at www.oxfamamerica.org to read about our efforts in the fight against the US-Peru Free Trade Agreement.
- Send a letter to your US representative/senator urging them to vote against the US-Peru FTA when it comes up for a vote in Congress.
- Volunteer or reach out to others in your community. E-mail maketradefair@oxfamamerica.org.



Funded by the Oxfam America Advocacy Fund.