

Host U.S. under pressure in Asia-Pacific trade talks

By Doug Palmer

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WASHINGTON – Trade negotiators from the United States, Vietnam and six other Asia Pacific nations meet in San Francisco this week for work on a [free-trade agreement](#) that U.S. trade officials say could transform the region.

But beyond the rhetoric, business groups are looking for significant new export opportunities, while critics of past [trade deals](#) say the proposed pact must be more than "NAFTA in the Asia Pacific," referring to the North American Free Trade Agreement they blame for U.S. [job losses](#) to Mexico.

If the hopes of President Barack Obama are met, the deal would satisfy both, ushering in a new era of trade agreements in the region with stronger protections for workers and the environment while still opening new markets to U.S. exports.

"The president and I intend for the Transpacific Partnership to be our first 21st century trade agreement," U.S. [Trade Representative Ron Kirk](#) told the United States Asia Pacific Council in a recent speech.

"One that creates and retains U.S. jobs, integrates U.S. companies in Asia-Pacific production and supply chains, and promotes new technologies and emerging economic sectors," he added.

Still, a broad coalition of labor, environmental and trade activist groups are planning a rally in San Francisco on Monday to keep pressure on the Obama administration to negotiate a deal that pays attention to their concerns.

Although starting with just eight countries, the United States hopes the pact will eventually cover all members of the [Asia-Pacific Economic Cooperation forum](#), including China.

That would address concerns about "a line being drawn down the Pacific" with the United States on the outside of regional integration efforts that center around China.

The proposed deal builds on bilateral agreements the United States already has around the Pacific with Singapore, Chile, Peru and Australia to create a bigger free trade zone.

U.S. business groups, frustrated with Obama's failure to push for congressional approval of [free-trade agreements](#) his predecessor negotiated with South Korea, Panama and Colombia, are attempting to hold his feet to the fire.

ALL EYES ON VIETNAM

They want the eight TPP countries to set a goal this week of reaching a deal by the time by Obama hosts an annual meeting of the 21 APEC leaders in Hawaii in November 2011.

They also want the countries to pledge not to impose any new [barriers to trade](#) while the pact is being negotiated.

That means Obama would have to ride herd on any U.S. lawmakers proposing measures such as the "Buy American" provision of last year's stimulus bill.

"If we could get those two things out of the next week, we would be very, very happy," said Tami Overby, vice president for Asia at the U.S. Chamber of Commerce.

The other TPP countries include Peru, Chile, Singapore, Brunei, New Zealand and Australia, which hosted the first [round of negotiations](#) in March.

For many U.S. exporters, Vietnam is the real prize in the talks with its population of over 86 million.

It also represents the biggest challenge since there is concern it will be hard for the fast-growing developing country to agree to the same protections for workers and the environment that other TPP members are expected to accept.

Critics are also raising [concerns about human rights](#) abuses in both Vietnam and Brunei, a tiny country on the island of Borneo in Southeast Asia.

"Some are wondering if Vietnam can do what it takes to be part of the Transpacific Partnership and others are wondering if you should do it. My response to both of these questions is a resounding 'Yes'," Deputy U.S. Trade Representative Demetrios Marantis said last week in a speech in Hanoi.

Still, negotiators have a lot of ground to cover if they want to reach a deal by November 2011.

"This is going to be a long-running complex negotiation of eight parties to get a new level of trade agreement, to throw the old template up in the air and see if we can get something better," one diplomatic official said.

The first round in Melbourne was a good start, but countries are expected to come to San Francisco prepared to take "a big step forward" in terms of defining the precise objectives of the agreement in areas ranging from intellectual property rights protection to standard setting, he said.

(Reporting by Doug Palmer; Editing by Philip Barbara)