

Australia says last hurdle cleared for US free trade deal

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SANTIAGO (AFP) - Australia and the United States exchanged letters on a free trade agreement after clearing last minute obstacles, Australian Trade Minister Mark Vaile said here.

"It is finished," he said on the sidelines of an Asia-Pacific conference in the Chilean capital.

"The letters have been exchanged this morning in Washington so arrangements are now in place for the Australia-US Free Trade Agreement to enter into force on the first of January 2005," Vaile said.

The two sides did not renegotiate the original terms of the agreement, Vaile said.

"There were issues of interpretation in terms of language, so there were clarifications and confirmation of our intentions and that was all that was needed," the Australian minister said.

"It was professionally worked out. We are absolutely delighted the process has now been concluded, and we are going to implement the agreement in January next year."

The deal had been delayed by Washington's misgivings over last-minute Australian amendments designed to protect access to cheap generic medicines.

US Trade Representative Robert Zoellick met with Vaile and finalized the arrangements, the US side said.

"We have addressed US concerns over Australia's implementation of the agreement and I am pleased to announce that the FTA (free trade agreement) will go into force on January 1, the earliest possible opportunity," Zoellick said in a statement.

The two countries exchanged diplomatic notes certifying that each country has completed its internal requirements to allow the agreement to enter next year, he said.

"This FTA will eliminate more than 99 percent of tariffs on industrial goods between the two countries," said Zoellick.

"By opening markets for goods and services, promoting investment, enhancing protection for intellectual property, and freeing electronic commerce, this agreement will create real economic opportunities in both the United States and Australia for businesses, farmers, ranchers, and workers," he said.

The United States had raised concerns with Australia that its FTA implementing legislation, would not fully implement commitments made on intellectual property, particularly related to drug patents.

"Australia has committed to take steps, including legislative and regulatory changes, to address these issues," the USTR statement said, without giving further details.

"US businesses are eager to begin reaping the benefits of this historic agreement," Zoellick said.

"I am pleased that we were able to work together to address US concerns and look forward to working together to ensure full and faithful implementation of the agreement."

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