

Panama ratifies free trade deal with US

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PANAMA CITY, Panama -- Panama's legislature ratified a free trade agreement with the United States on Wednesday amid protests by hundreds of leftists and farmers opposed to the deal.

The National Assembly's approval of the pact by an overwhelming 58-3 margin, with one abstention, comes two weeks after it was signed by both governments in Washington. The agreement must still be ratified by the Democrat-controlled U.S. Congress.

"The treaty is a positive step for Panama to become an important exporter," said lawmaker Pedro Miguel Gonzales of the ruling Democratic Revolution Party.

In Washington, U.S. Trade Representative Susan Schwab applauded the agreement's approval.

"This swift action taken by Panama means that they have fully accepted the provisions of the May 10th Bipartisan Trade Agreement," Schwab said in a news release.

On May 10, U.S. lawmakers forged new trade policy guidelines that require free trade agreement countries be committed to adopting and enforcing laws that abide by basic international labor standards.

Opponents of the free trade treaty, including farmers and unions, say Panamanian producers cannot compete with their U.S. counterparts.

"This accord is a disaster for products and it benefits the oligarchy," said Enrique Athanasiadis, leader of the National Agricultural Organization.

About 400 protesters gathered outside Panama's legislature but left without incident after a couple of hours.

A majority of U.S. Democrats have opposed most bilateral free trade agreements in recent years, contending the deals negotiated by the Bush administration are weak in requiring trading partners to address such issues as child labor, workplace discrimination and environmental degradation.

President Martin Torrijos has said Panama will not have any problems meeting the new guidelines.

Bilateral trade between the United States and Panama totaled \$2.1 billion in 2003, including \$1.8 billion in U.S. exports. Almost half Panama's imports come from the United States, and U.S. foreign investment in Panama totals roughly \$25 billion.