

## **Colombia Halts US Free Trade Talks On Ag, Intellectual Property**

**November 23, 2005**

**Dow Jones**

BOGOTA - Colombia has halted trade talks with the U.S., dashing hopes that a free trade agreement which would also encompass Ecuador and Peru could be wrapped up by year-end.

Hernando Jose Gomez, Colombia's top negotiator, said his country wants the U.S. to soften its position on agriculture and intellectual property before talks can be resumed.

"We concluded that the full package needs more work and requires flexibility from the U.S. on issues that are sensitive for us," Gomez said Tuesday evening in a statement.

The decision follows a similar announcement by Ecuador's delegation, which also walked away from the table Tuesday. Talks on what was billed as the last round of negotiations started Nov. 13 and were supposed to finish Nov. 18 but were extended to try and bridge the differences.

Colombia had been seen as one of the most vociferous supporters of the deal, while politically-fragile Ecuador had been more reticent from the start.

Ecuador said it would return for talks in January, but Colombia said they would only restart when the U.S. came up with a new proposal.

Only the Peruvian negotiators returned to the talks Wednesday morning, as they continue to try to hammer out an accord at the U.S. Trade Representatives Office in Washington.

The agreement would give the three Andean nations better access to U.S. markets, and allow U.S. products into their own markets, though it does little to stimulate cross-border trade between them.

Just as with Ecuador, the main sticking points for Colombia are agriculture and intellectual property. Gomez said there was some progress on dairy and meat, but the U.S. hadn't offered to open its markets enough.

Furthermore, Colombia wants the U.S. to agree on mechanisms to protect "sensitive" products such as rice and corn.

On intellectual property, the countries still need to agree on the issues related to property rights for pharmaceuticals, he said.

On a brighter note, Jose Humberto Botero, the Colombian trade minister, said Wednesday morning that the number of conflict issues with the U.S. is falling.

Colombia is still interested in signing a trade deal with the U.S., said President Alvaro Uribe in a separate statement.

"This issue requires a lot of patience. Every day, we must realize that our countries need this treaty and the access to the U.S. market, but it must be fair," Uribe said.

The talks are also backed by some key parts of Colombia's business community.

A free trade agreement with the U.S. will be positive for the country said Camilo Duran, the chief executive of Exxon Mobil Corp.'s (XMO) Colombian unit.

"There are more benefits than losses. Colombia needs to be on the map of international trade," Duran said. "Experiences in other countries such as Mexico and Chile yielded positive results."

Associations of Colombian businessmen, such as flower producers and textile makers, also argued in favor of the treaty. Shares in two Colombian textile companies have risen in recent days, as investors value the privileged access to the U.S. market that a trade agreement would bring.

Most farmers and poultry producers oppose a free trade agreement, as do soap opera producers and actors who fear an invasion of U.S. television shows.

According to a poll carried out in early November by Gallup, the support of a free trade agreement fell among Colombians to 42% from 55% in August.

*-By Inti Landauro, Dow Jones Newswires; 571-600-1980; inti.landauro@dowjones.com*