

Colombia, Ecuador To Set Common Position in FTA Talks

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BOGOTA-- Colombia and Ecuador will set a common position in negotiations with the U.S. on a free trade agreement, the presidents of both countries said Monday in a press conference.

"Union makes force," said Ecuadoran President Alfredo Palacio. He said both countries will set later this week a common position on intellectual property, and will coordinate their position on agriculture.

Both issues are "hypersensitive," said Colombian Trade Minister Jorge Humberto Botero.

Colombia, along with Ecuador and Peru, started negotiations with the U.S. in May 2004 for a free trade agreement to replace trade preferences unilaterally granted by Washington to help the three Andean countries diversify from the production of coca leaf - the raw material used for producing cocaine. The trade preferences are scheduled to end this year.

Early last month, Peru reached an accord with the U.S., while Colombia and Ecuador suspended talks.

Colombia agreed to resume negotiations in a new round of talks next week and Ecuador in February. Palacio and Colombian President Alvaro Uribe said they expect the rounds to be the last.

The Colombian and Ecuadorean trade ministers both said they are optimistic their countries will reach an agreement with the U.S.

Ecuadorean diplomats will join Colombians for the negotiation next week but will only participate on talks about intellectual property.

Ecuador and Colombia are struggling to keep intellectual property rights on medicines valid for a smaller number of years, to reduce royalties paid to foreign pharmaceutical companies.

The U.S., where several big drug makers are located, asked the Andean countries to expand the protection of patent rights over medicines.

On agriculture, the other sensitive issue for both countries, diplomats will negotiate separately with the U.S. but will coordinate their position, the heads of state said.

Colombia and Ecuador seek protection for their corn, rice and chicken producers from U.S. exports, and demand a wider access to U.S. markets for sugar producers.

"If we don't have a fair negotiation and we harm commercial agriculture, this will allow drug traffic to thrive," said Uribe.

Colombian Agriculture Minister Andres Felipe Arias said last week Colombia will raise its exports of flowers, vegetables, meat and dairy products to the U.S. with a free trade agreement.

On the contrary, producers of staples such as corn and rice are concerned they may be driven out of business with open markets.

Even though the general clauses of the agreement will be common, the schedules for removing trade protection measures such as quotas and tariffs on agriculture goods will be different for each country, said the two heads of state.

Excluding countries in the North American Free Trade Agreement, Colombia is the largest purchaser of U.S. agricultural products in the Western Hemisphere.

The three Andean nations of Peru, Colombia and Ecuador collectively represented a market of \$8.3 billion for U.S. exports in 2004, according to the U.S. Trade Representative's office. U.S. foreign direct investment in these countries was \$7.7 billion in 2004.

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