

TRADE

FTAA talks at impasse over farm trade issues

With the U.S. on one side and Brazil and Argentina on the other, FTAA negotiators are far apart.

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Only three months before a formal deadline expires for completing talks for a Free Trade Area of the Americas, negotiators are struggling over how to revive the endeavor.

Meanwhile, free trade initiatives are proceeding on several fronts. Washington is championing bilateral trade agreements already negotiated or being negotiated with Central American and Andean countries. The Mercosur countries of Argentina, Brazil, Paraguay and Uruguay have restarted talks with the European Union to meet an Oct. 31 deadline. Mexico has just finalized a new trade accord with Japan.

But negotiations for the FTAA, which is supposed to be the centerpiece of globalization in this hemisphere, are at an impasse.

Even the resuscitation of global trade talks in the World Trade Organization in August failed to budge the opposing sides in the FTAA -- the United States on one side and Brazil and Argentina on the other.

Serious differences persist over farm trade, particularly U.S. agricultural subsidies, and whether Brazil will accept stiff new rules guaranteeing foreign investment.

The nine trade negotiating committees in the FTAA have not met all year, and the Trade Negotiating Committee consisting of deputy trade ministers suspended talks in February after failing to draw up a framework for negotiating a common set of rights and obligations under the FTAA.

Richard Mills, spokesman for the Office of the U.S. Trade Representative, conceded that it would be "challenging" to meet the year-end deadline for the overall accord, although he did not rule out the possibility.