

FOR IMMEDIATE RELEASE
NOVEMBER 29, 2005
2:52 PM

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The Ghost of NAFTA Past: A Decade of Bad Results Haunts AFTA Talks as “Last Round” of Talks Collapse Just a Month After FTAA Burial in Argentina

U.S.- Southern African Customs Union Talks Also Stall

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WASHINGTON - November 29 - It is no surprise that talks collapsed in Washington last week during what was originally touted to be the final round of negotiations on a proposed Andean Free Trade Agreement (AFTA), an expansion of NAFTA to Colombia, Peru and Ecuador. In addition, U.S. negotiations with four southern African nations, comprising the Southern African Customs Union (SACU), to form a U.S.- SACU Free Trade Agreement remain stalled after two years of negotiations.

The AFTA and SACU negotiations are mired in longstanding disagreements between the United States and Andean and African nations that go to the core of the NAFTA model – a model that has proved over a decade not only to fail to deliver promised benefits, but to leave the majority of involved nations in worse straights.

Andean and African countries oppose “WTO-TRIPS-plus” patent protections that would raise medicine prices, an issue that caused Peruvian negotiators to walk out of AFTA talks last month. U.S. negotiators’ insistence that the full NAFTA model be included in all U.S. free trade agreements also has been paramount in shutting down the SACU talks.

U.S. AFTA negotiators also have stubbornly insisted on NAFTA model agricultural rules, which both U.S. and Colombian experts expect to cause the massive dumping of U.S. crops, as seen under NAFTA, and which the Mexican government reports resulted in 1.5 million peasant farmers losing their livelihoods. Similar rules in AFTA could ruin millions of Andean campesino farmers, not only causing increased hunger and rural unrest, but also undermining U.S.-funded crop-substitution efforts aimed at shifting Andean farmers from coca production to food crops.

Increasingly, even nations viewed as closely allied to the United States are choosing no trade agreement over U.S. insistence that the NAFTA model be replicated. This sentiment was obvious when President Bush suffered a high-profile failure in his efforts simply to get a commitment to set a date to restart negotiations for a Free Trade Area of the Americas (FTAA), a 34-nation expansion of NAFTA. At the Argentina Summit of the Americas, 50,000 protestors took to the streets against the FTAA, and editorials throughout Latin America attacked Mexican President Vicente Fox for pushing the U.S. FTAA agenda.

As the Hong Kong WTO Ministerial (Dec. 13-18) approaches, WTO negotiations also continue to be stalled on nearly every issue. Negotiators have announced that agreement on even the ‘modalities’ to structure negotiations, which were to have been agreed on seven months before the 2003 Cancun WTO Ministerial, will not be completed for Hong Kong, as originally planned.

The real question is at what point do these systematic trade talk collapses result in a reconsideration of the related model underlying both the NAFTA and WTO? It becomes increasingly difficult to scapegoat country “X” (France for WTO and Venezuela for FTAA) when, in

fact, the only consensus to be had among a broad range of nations is that more of the same model is not agreeable. The recent World Bank data revealing greatly diminished projections for possible gains from the "Doha" WTO negotiations, in contrast to losses already suffered by a majority of WTO signatory nations under existing WTO rules that are not on the Doha agenda for revisiting and repair, only serve to highlight the increasingly obvious negative balance in even best case scenario outcomes under this model.