



## **Puebla is the new Cancún: popular pressure triumphs**

Social pressure throughout the continent succeeded in preventing some governments from making the kinds of concessions that their people reject. The Puebla TNC ends with a reaffirmation that the contradictions that derailed the WTO in Cancún are the same as those that are derailing the FTAA.

These differences prevented agreement on the most basic level of commitments for all countries. Negotiators tried everything – private meetings, procedural changes, withdrawing points that met strong opposition – but nothing worked. The meeting ends with only vague agreements on the least important issues, with the important exception of investment, where there is consensus only on including transparency rules. As a result, the TNC has not been able to give instructions to the negotiating groups and the risk of missing deadlines that this implies has grown.

The points of disagreement are substantial. The U.S. wants concessions without making significant offers in return. Fundamental conflicts remain in the areas of agriculture, market access, services, intellectual property, competition policy, antidumping, dispute settlement, and institutional issues. Moreover, there is no consensus on special and differential treatment, with developing countries insisting that the principle be concretely incorporated into each negotiating group while the U.S. maintains that special and differential treatment be implemented in a much less concrete manner, through assistance and capacity building programs. In particular, the developed countries refuse to include any explicit mention of Compensation Funds.

The U.S. and Canada insist on maintaining their agricultural subsidies and internal support policies, and on including a “special safeguard” mechanism in the agreement. The safeguard could also be used by Northern countries to keep out agricultural imports that can compete on equal footing with their local production (sugar and orange juice are the best known examples, though there are many more). This insistence on the part of the U.S. and Canada was confronted by the bloc of countries that are most competitive in this area, who refuse to sign an agreement designed only to guarantee the profits of large transnational companies.

In the area of market access, the position of the U.S. and its allies continues to be that in the basic level of the FTAA tariff elimination will only apply to “substantially” all products. And Mercosur maintains its position that tariffs must be eliminated for the entire universe of goods. Moreover, disagreement remains on the principle of Most Favored Nation (MFN) treatment. Mercosur maintains that each country should be entitled to MFN treatment whether or not the country participates in the additional plurilateral negotiations, while the Group of 14 insists on the ability to deny MFN treatment to countries that only participate in the first tier of negotiations.



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These conflicts go to the heart of the agreement. It has been, and will continue to be, extremely difficult to find a compromise among these firm, contradictory positions. As long as there is no agreement on these issues, any advance in the FTAA negotiations will be impossible.

The Hemispheric Social Alliance will continue the fight against the FTAA, will intensify its mobilizations, and will shadow the negotiators, make public all that they try to keep secret. We will not rest until our hemisphere is free of the FTAA.

### **Another Americas is Possible**

#### **Alianza Social Continental - Hemispheric Social Alliance**

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