

## **Guatemala to sign trade deal after spat with U.S.**

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GUATEMALA CITY, 24 May (Reuters) - Guatemala will sign a free trade agreement with the United States after U.S. officials backed down in a spat over protecting staple crops like rice and corn, the Guatemalan government said on Monday.

"We are satisfied to end this phase and be able to proceed to the signing on Friday together with the other Central American countries," Guatemalan Economy Minister Marcio Cuevas told reporters.

The announcement ends speculation that Guatemala might be left out of the agreement, known as CAFTA, which was negotiated between the United States and five Central American countries in 2003.

Doubts about Guatemala's position arose last week when Vice President Eduardo Stein told Reuters the United States was threatening Guatemala with exclusion from the agreement if it refused to drop clauses protecting staple crops from sudden exposure to subsidized U.S. imports.

"Guatemala didn't concede. Instead, the U.S. has adopted a more consensual position to reach this agreement," Cuevas said.

Despite commitments from Central American countries to sign, many doubt U.S. President George W. Bush will risk pushing the agreement through Congress before elections in November.

Central America and the European Union are expected to push forward a new free trade agreement at a summit to be held in Mexico at the end of the week.