

## **Joint Statement from the Second Meeting of the United States—Panama Free Trade Commission of the United States- Panama Trade Promotion Agreement**

*Washington, D.C.* – Diana Salazar, Vice Minister of International Trade Negotiations of the Ministry of Commerce and Industry, and John Melle, Assistant United States Trade Representative for the Western Hemisphere of the Office of the United States Trade Representative, released the following Joint Statement highlighting the work accomplished at the second meeting of the United States - Panama Free Trade Commission (the “Commission” or the “FTC”) held on November 22, 2016, in Washington, D.C. The Commission is responsible for overseeing implementation and further elaboration of the United States - Panama Trade Promotion Agreement (the “Agreement”).

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At this second FTC meeting, we reviewed the trade and economic impact of the Agreement on our countries since the previous Commission meeting held on May 28, 2014, in Panama City, Panama. We noted that our bilateral relationship has continued to strengthen during the four years the Agreement has been in force and that implementation is proceeding well and smoothly.

We underscored the importance of ensuring the effective implementation of the Agreement in both our countries, and the key role the Agreement plays in facilitating sustainable, broad-based economic growth and as an important catalyst in facilitating competitiveness. We agreed to continue to work together to ensure effective implementation of, and compliance with, the trade in goods and services, customs, intellectual property rights, labor, and environment obligations of the Agreement. We want to ensure that the Agreement succeeds in fostering job creation and increasing the economic prosperity of all our citizens.

We recognize the importance of transparency and maintaining communication with stakeholders. As we move forward, we will continue to promote an open dialogue and use mechanisms for receiving meaningful public comment, as part of our commitment to public engagement.

### **Implementation of the Agreement’s Institutional Framework**

Recognizing the critical importance of trade in agricultural products and the jobs and workers that are sustained by agriculture in both our countries, we noted the work of the Committee on Agricultural Trade and the Committee on Sanitary and Phytosanitary Matters which met in Panama City on December 8, 2014, to discuss issues of mutual concern. Today we reviewed a number of agricultural-related measures and instruct these Committees, particularly the Committee on Sanitary and Phytosanitary Matters, to meet again as early as possible in 2017 to discuss these issues in more detail at the technical level. These committees constitute an important tool to ensure that stakeholders in both countries benefit from the opportunities created by the Agreement in the agriculture sector.

We also received the report and commend the work of the Environmental Affairs Council, and the Environmental Cooperation Commission. We recognize the importance of transparency and maintaining communication with all stakeholders regarding labor and environmental issues, and we will continue to use these mechanisms for receiving meaningful public comment as part of our commitment to engage with stakeholders in these areas. We particularly commend the Environmental Affairs Council for formalizing agreement with the Water Center for the Humid Tropics of Latin America

and the Caribbean (CATHALAC), located in Panama City, Panama, in June 2015, that CATHALAC would house the Environment Secretariat, as well as the December 21, 2015, agreement establishing the Environmental Secretariat, pursuant to Article 17.8 of the TPA. The secretariat mechanism is intended to promote public participation in the identification and resolution of environmental enforcement issues and receives and considers submissions from the public on matters regarding enforcement of environmental laws. We instructed the Environmental Affairs Council to continue its work to hire the Executive Director for the Environmental Secretariat.

Recognizing the importance of an effective dispute settlement procedure that ensures both country's rights and benefits under the Agreement, at the May 2014 FTC meeting we adopted model rules of procedures for the settlement of disputes and a code of conduct for panelists and agreed on the remuneration of panelists, assistants, experts, and the payment of their expenses. We instructed our technical teams to conclude the outstanding work to establish the four rosters.

Recognizing the importance of updating the Agreement's rules of origin to correspond to the 2007 and 2012 changes in the Harmonized System (HS) in easing customs administration for our customs authorities, producers, and exporters we took a decision to update Annex 4.1 which take these changes into account. We instructed our technical teams to begin work on updating the Agreement's rules of origin to correspond to the upcoming 2017 changes to the HS nomenclature.

### **Bilateral Issues, Trade Capacity Building, and Information Sharing**

We also discussed bilateral issues of concern as well as possible initiatives to facilitate the widespread dispersion of benefits from the Agreement. We instructed our technical staff to explore possible activities and programs that could be implemented to achieve this goal.

We updated each other on other bilateral and regional trade agreement negotiations in which we are participating. We also discussed trade capacity building assistance based on Article 19.4 of the TPA as a catalyst to foster trade, economic growth, poverty reduction and adjustment to liberalized trade.

<https://ustr.gov/about-us/policy-offices/press-office/press-releases/2016/november/joint-statement-2nd-meeting-us>