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U.S. and Panama to Begin FTA Negotiations on April 26

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WASHINGTON – The United States and Panama announced today they would begin free trade negotiations in Panama City, Panama during the week of April 26. U.S. Trade Representative Robert B. Zoellick met with President Moscoso and Trade Minister Jácome in Miami last November during the Free Trade Area of the Americas Ministerial meeting and announced the plan to undertake these negotiations.

"The United States has been opening markets and expanding trade through high-standard trade agreements," Zoellick said. "Panama is a key partner in our effort to deepen economic integration throughout the Western Hemisphere. So, we are very pleased to be launching free trade agreement negotiations with Panama. The time is right, following completion of the agreement with our 5 Central American and Dominican neighbors. These free trade negotiations represent a vote of confidence in Panama's future.

In his November 18, 2003, letter notifying Congress of the Administration's intent to negotiate a U.S. - Panama FTA, Zoellick emphasized the United States' long-standing, strong economic ties to Panama, our mutual commitment to deepening the trade relationship through a free trade agreement, and Panama's importance as a link in the Administration's strategy of opening markets in the Hemisphere through competitive liberalization.

In 2003, bilateral trade between the United States and Panama totaled \$2.1 billion, with U.S. exports accounting for \$1.8 billion of that amount. Between 2002 and 2003, U.S. exports to Panama grew over 30%. Nearly half of Panama's total imports come from the United States. U.S. foreign direct investment in Panama already totals roughly \$25 billion, in sectors including finance, maritime and energy.

Background:

The United States is aggressively working to open markets globally, regionally, and bilaterally and to expand American opportunities in overseas markets. In a January 2004 letter to the 146 WTO members, Zoellick urged Members to revive the global trade talks and conducted in an around the world trip February 11-20, visiting 9 cities for strategic consultations. These cities were Tokyo (Japan); Beijing (China); Singapore, Islamabad (Pakistan); New Delhi (India); Cape Town (South Africa); Mombasa (Kenya); Geneva (WTO headquarters) and Paris (meetings with EU Trade Commissioner Lamy).

Immediately following that trip, Zoellick traveled to San Jose, Costa Rica for meetings February 23-24 with ministers from the Cairns Group of agriculture exporting countries to discuss liberalizing trade in agriculture within ongoing World Trade Organization (WTO) trade negotiations.

In addition to the global efforts, a top goal for the U.S. is the FTAA negotiation to create a \$13 trillion, 800 million person Western Hemispheric free trade zone stretching from Alaska to Tierra del Fuego. Comprehensive, high-quality agreements that promote regional economic integration (Chile, CAFTA) with like-minded, ambitious trading partners, complement and provide impetus for

the FTAA negotiations.

On March 15, 2004, the United States completed FTA market access negotiations with the Dominican Republic. It will be added to the recently concluded CAFTA. The U.S. has completed FTA's with eight countries - Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Australia and Morocco - over the past few months. New and pending FTA partners, taken together, would constitute America's third largest export market and the sixth largest economy in the world. In addition, just earlier this week, the United States and Colombia announced that free trade negotiations between the two countries, and possibly other Andean countries, will begin May 18-19.

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