

**Press Conference with USTR Robert B. Zoellick, Minister Botero (Colombia), Minister Ferrero (Peru), Minister Baki (Ecuador), ViceMinister Gumuzio (Bolivia)
Tuesday, November 18, 2003
11:15 a.m. Press Conference
Bayfront Room, InterContinental Hotel
Miami, Florida**

ZOELLICK: Thank all of you for being here with us today. As the United States is the host of the ALCA ministerial, I want to welcome all of you to the United States and to Miami our country's gateway to the Americas. We are very pleased to be hosting this ministerial meeting of the Free Trade Area of the Americas later this week. The FTAA or the ALCA, holds the potential to boost hemispheric economic growth, development and opportunity throughout the hemisphere. The United States is deeply committed to creating a hemispheric marketplace to a comprehensive ALCA. Our shared hemispheric vision involves bringing down tariffs and barriers and cutting red tape so that we can lower prices at home and sell more of our goods and services abroad.

Now these meetings in Miami should put us on the right track to try to complete these historic negotiations. As many of you know, the United States is committed to building an integrated economy in the hemisphere on several paths, of which the ALCA is a highly important one, but not the only one. So, I am very pleased to be here this morning to announce today on behalf of President Bush that I will formally notify Congress of the administration's intent to initiate negotiations for a free trade agreement with Colombia, Peru, Ecuador and Bolivia.

[APPLAUSE]

As I had a chance to share with my colleagues this morning, this step in this day is a vote in and of itself; it's a vote of confidence in these countries in this hemisphere. Now we know that each of our partners faces challenges. We understand their problems, but we are also confident that if we work together we can overcome them together. There is a larger picture of what's taking place in this hemisphere. People who have been outside the old political and economic and social structures, have tried to come in; they're trying to seek to participate and we want to try to create a place for them to participate and prosper and have a home in democracy. Now we plan to structure these negotiations to begin in the second quarter of 2004, initially with Colombia and Peru. Ecuador and Bolivia have expressed an interest in being part of this free trade agreement with the other Andean countries, and we greatly welcome that interest. At this point Ecuador and Bolivia are working to try to complete their preparations for future inclusion, and we will work intensively with them to work towards that end as quickly as they can and have an interest. An FTA with Colombia, Peru, Ecuador, and Bolivia will help foster economic growth and help to create higher paying jobs, in both the Andean region and in the United States by reducing and eliminating barriers to trade and investment among our countries.

Currently, the trade relationship between the United States and these Andean countries is conducted under the framework of the unilateral trade preferences of the Andean Trade Preference Act, which was first enacted in Congress in 1991 under the administration of President George H.W. Bush, and recently renewed and expanded in 2002. Colombia, Peru, Ecuador, and Bolivia are the beneficiary countries of the ATPA, but under our law that program expires at the end of 2006.

And as each of my colleagues can relate, ATPA has been a positive force. It's helped create jobs, opportunity and build interest in the engagement of trade. So, today, we are taking a major step toward securing market access of a more mutual and more permanent basis because that's the next logical step in the evolution of our trade relationship to move beyond the ATPA.

The United States has more at stake in its relationship with this region than just trade. By fostering

economic opportunities and by developing disciplines that reinforce the rule of law, this initiative will promote our other goals of helping the Andean countries to combat narco-trafficking, to build democratic institutions and to stimulate economic development and the reduction of poverty. We are pleased that we have received bipartisan letters of support from members of Congress that have encouraged us to pursue such an agreement. At the same time, our Congress expects the Administration to make progress with the individual Andean countries on certain issues of concern, whether they be protection of workers' rights or disputes involving U.S. investors.

Today's announcements can support the common drive of all five of our countries for a successful ambitious ALCA because an FTA with the Andean countries would advance our hemispheric goals by lending additional momentum to concluding that ALCA. Different countries have different interests and willingness to move towards full state-of-the-art free trade agreements, but by moving forward free trade among the five of us just as we have with NAFTA and with Chile and with Central America, the Dominican Republic, we will move forward Free Trade in the whole hemisphere.

Now, the United States is also moving toward other paths to build an integrated region. I'll be meeting with President Moscoso later today and Prime Minister Jacome of Panama, to have news for the press afterwards on how we plan to deepen the trade relationship between our two countries.

I am having lunch today with my Central American trade ministerial colleagues because we are working very hard under Regina Vargo's leadership to try to conclude that agreement by the end of this year. I'll be meeting with Sonia Guzman, the Secretary of Industry and Commerce of the Dominican Republic, to discuss how to integrate the Dominican Republic into the CAFTA agreement early in 2004.

Now together, if you take the trade partners from Latin America that I'll be meeting today, that amounts to 50 billion dollars of U.S. trade and over 34 billion dollars of foreign direct investment.

The five CAFTA countries and the Dominican Republic alone trade more with the United States than we do with Brazil, those six countries represent the United States' largest trading partner in Latin America, after Mexico, so by adding all these countries we are adding an important economic relationship as well as supporting the larger aims of democracy and development. And at the same time that we try to deepen our bilateral relationship all of us want to work towards a very successful FTAA ministerial because we know how important it is to integrate the hemisphere to reduce barriers all throughout Latin America.

Now I'd like to invite my colleagues from each of the countries to make a few remarks before we take your questions and so, if Minister Botero, Colombia's Minister for Trade, Industry and Tourism would begin.

MINISTER BOTERO FROM COLOMBIA: [Translation from Spanish] We had a table in the room where we just met and we talked about that trade is both an opportunity as well as it is a hope for the peoples of the Americas and the world in general. In our case, we share fully these ideas and we see trade representing an opportunity for employment and exports and the jobs that would come as a result of these, as a result of the unilateral preferences under the ATPA and this is an opportunity for an increase in investment as we have seen in cases as notable as that of Mexico in its free trade agreement with the United States and Canada and it is also an opportunity for sustainable long term growth. These are truly significant benefits for all our countries from the economic and social points of view and indirectly, but no less important this is a wonderful opportunity for us to strengthen our democratic institutions and democracy is sometimes a fragile notion, which is sometimes threatened by unemployment, poverty, drug trafficking and terrorism.

These new avenues for trade and investment would help us to combat these ills and to strengthen institutions in our countries. And for all these reasons I must say that we are really happy to begin this bilateral process and at the onset we would be accompanied by Peru and can only hope that very soon we would be accompanied by our other countries Bolivia and Ecuador. The four Andean countries have formed a lot together in the past and I am sure that they will do this once again and

we are convinced that we are allies more than competitors.

The fact that these bilateral talks are being launched simultaneously with the annual FTAA ministerial meeting is a clear indication that this bilateral process and the hemispheric FTAA process are absolutely consistent and complementary between themselves. The FTAA is a common platform which all the countries of the hemisphere strive for and based on this common platform we will be able to build bilateral relations that go deeper or we can even deepen certain specific aspects. Lastly, I should just like to point out and underscore that the launch of these negotiations will also enhance the links between the countries in the Andean region as I have already said in the past, we have had joint projects and now this is a new opportunity for us to jointly negotiate our bilateral treaties with the United States and this strengthens and enhances the community links among the Andean countries. I would like to congratulate the United States, Ecuador, Peru, Bolivia and Colombia for this process which we are beginning today and which is a historic one for all of us.

[APPLAUSE]

Next, I'd like to ask newly appointed minister Alfredo Ferrero, the Minister of Commerce and Tourism in Peru.

MINISTER FERRERO FROM PERU: First of all, I would like to thank Ambassador Zoellick for this opportunity to have here at the Miami Ministerial because this is at the formal interest of the U.S. to negotiate a bilateral agreement with Peru and the other countries of the Andean community. I would like to tell the private sector who is present here and the academic community as well that we are together in this project and I would also like to mention just to remind you that this process was concluded today with this announcement that is the end of a stage and now we go into the next stages which are the negotiations themselves and then to go into the U.S. Congress. I would also like to mention that this process, which concludes today began with President Bush's visit to Lima in March 2002 when for the first time it was officially announced of Peru to negotiate bilaterally with the United States.

With regard to the benefits of this bilateral agreement,... for each... and with regard to 2006 it is necessary to indicate for the countries who will benefit from the voluntary long term mechanism, which doesn't have any expiration date, a mechanism which will generate conditions for private investment at both the local and foreign level and which will enable Peru to obtain long term sustainable development. We are fully convinced that today we are taking a fundamental step into the commercial history of Peru and we are also taking advantage of this conference to ratify our commitment with the FTAA and Peru we're sure that exports and foreign trade are without a doubt a fundamental element in order to combat underdevelopment _ poverty, and underdevelopment and that is why we are here today because we believe that these are the ways to do it if not the best way, but one of the best ways to reduce the level of poverty in our countries. I believe that free trade, particularly, when we're talking about free trade with the country which presents for Peru a principal trading partner, approximately 30 percent of our exports. That is why this event today is extremely important for us just as I am sure it is important for the other countries in the Andean community. I simply want to say that this is the end of a stage and today we start the next stage, which is the negotiations, per se, with Congress to achieve these negotiations and to work with the U.S. negotiators to have a strong, consolidated instrument hopefully by next year. Thank you very much.

[APPLAUSE]

ZOELLICK: As I also mentioned to Minister Ferrero, I also wanted to thank Viceminister Diez Canseco, who couldn't be here, but he did a lot of work with the minister and I in the preparatory process to prepare the way for this. I now want to ask Minister Ivonne Baki, who is the Minister of

International Trade, Industries, Fisheries, and Competitiveness...it's a long name.

MINISTER BAKI FROM ECUADOR: Thank you. Thank you everyone and thank you Ambassador Zoellick. I want to thank you first the government of the United States for organizing this event in this beautiful city of Miami. I want to thank all the business people, especially those of Ecuador who are here...it's a big group so I'm very pleased that all of you are here supporting this.

As I always say, there is nothing more important than trade. Trade is always beneficial. It always helps when you want to generate jobs, create a better way of living for everyone in the hemisphere especially. That's what we all want. I want to mention something that always made a very important impact on me...when September 11 happened and Ambassador Zoellick wrote an article in the Washington Post, just after, I think it was the 20th of September. It was to counter terrorism with trade and that's what we are trying to do in the world that it's more and more getting into different ways of terrorism and the only way to be able to win and overcome all this is by trade.

That's why we are also pleased first of all to make the FTAA a successful event, but also of having this meeting today and including the four countries, the ATPA countries that we worked really very hard in Washington when we were doing the last finishing touches for the ATPA to be expanded and extended. It was very successful work together and it was an example of work together of not only our four countries, but also with the United States. So I think that this is a very historic event today and we are pleased and thankful and we hope to work together private and public sector. It's the only way to be able to reach whatever we want to do in the future. [APPLAUSE]

ZOELLICK: Thank you, minister and now we have the Viceminister of Foreign Affairs of Bolivia Jorge Gumuzio.

VICEMINISTER GUMUZIO: Thank you very much. I'd also like to thank the United States and the Secretary of State and, the Representative and the City of Miami for their hospitality in hosting this meeting. This is very important for us. Trade, as my colleagues said, is a vital tool for leveling out the situation in our countries as far as poverty is concerned and creating jobs and in this way this would be an expansion of our markets and it would help us in the future. This is a very important announcement and I should also qualify that for Bolivia, we are much smaller than our Andean neighbors and we are a little less active in terms of preparedness, but we will continue to benefit from the Andean Preferences and as my colleague from Peru pointed out it's very important for these preferences to be extended beyond this year and in this respect we are preparing our consolidation so that we can tap into the benefits according to the Andean countries and we are hoping that this agreement will help us to improve a lot more and to guarantee investment in the private sector because we believe that it is also important for investment to come from outside the country so we welcome business people not only from the United States, but also from other Andean countries. Thank you very much.

[APPLAUSE]

ZOELLICK: We now have a minute for a few questions. But before we begin, since as a number of my colleagues mentioned I know we had many members from the business community from the Andean countries make the effort to come _I want to thank you because I think to be successful all of us will very much depend on your support and your interest. I know how important it is for my ministerial colleagues that you make an effort to come and be part of this and I just want you to know that we consider you a part of the overall team to make this happen so I know we'll have a chance to talk later, but I wanted to thank you. So we'll try to take a few questions and I apologize, it's going to be a little brief because I've got back-to-back meetings. You, sir...

QUESTION: Ambassador?

ZOELLICK: Could you...I'm sorry...could you please mention your name and where you're from.

QUESTION from NBC: Why are these deals that you're making with other countries, which are admirable, why are they necessary when you're working with a larger FTAA and could it be interpreted as undercutting the FTAA in any way?

ZOELLICK: Definitely not. From the start, the United States has worked on two tracks to create free trade in the Hemisphere. Uh, we started with NAFTA, which obviously was completed in 1994, we then added Chile. We now have the five Central American countries and hope to add the Dominican Republic to that. And now we're adding this group. Now, you might say "why the two tracks?"

Well, first off, some countries are willing to move more quickly. And for those that are willing to move more quickly, we want to try to help achieve that end. In addition, the types of free trade agreements that we've done whether with NAFTA or Chile, or, we hope with Central America or with these countries also seek to have a higher level of ambition. The level of obligation that all parties cover makes these state-of-the-art trade agreements. For example, in your field, we deal with digital and intellectual property rights so when people download different types of information that it's protected, which wouldn't be covered under the standard intellectual property rights. But it also builds momentum. Look at the people in the audience, you've got business people here from these countries, if they're committed for free trade in this context, they're also going to be supporters of us overall.

And of course other countries have done the same. Mexico has some 30 free trade agreements, MERCOSUR has various other trade agreements, Canada has them, so it's a way that we can try to lend an overall momentum for trade. My Brazilian colleague has talked about the importance of plurilaterals, well this is a form of a plurilateral. It's a form of a very high grade trade agreement that we have with these countries. But there's one last point that I really want to emphasize and that is we want to try to expand the benefits of trade hemispherically, but we also have to customize for special circumstances. In each of these countries, while they integrate together, have very special needs. We found whether it be in our capacity building our aid connection, our dealing with special trade problems allows us to customize just as we are with the Central Americans or have with our North American partners. So, it's a step-by-step process, the goal is the same and as you heard all of us will work together as we have before to make sure that we create free trade throughout the hemisphere because that's the biggest benefit. Yes, sir?

QUESTION: San Tomás from El Nuevo Diario de Nicaragua: So, are you not going to exclude, as I understand, from these bilateral trades or in the whole FTAA, the intellectual property rights provisions, particularly those that affect patents or pharmaceutical products even with the dramatic consequences in the public health and access to medicines in the continents that Doctors Without Borders are in?

ZOELLICK: The start of the process that we have today involves, for the United States' part, sending forward a letter to the Congress that notes our objectives, and that notes objectives including intellectual property and services and others. Now, I am not going to negotiate with you, that's what I have to do with them on what actually is in the agreement.

[LAUGHTER]

But, one of the reasons that these countries are particularly valued partners is that we've had a chance to discuss with them. I had a chance to visit President Uribe personally to talk about the sort of elements that are in our trade agreements, to make sure that they are comfortable with that high quality agreement, and covering intellectual property. One of the things we've learned from American businesses is good intellectual property protection is one of the keys to drawing investment and drawing jobs. I recently visited Jordan which started to put forward its higher

intellectual property protection before we did a free trade agreement. It's now drawing pharmaceutical industry, it's drawing a software industry, it's getting investment from Microsoft. So, these are fundamentally win-win ventures, and that's what we're launching today for our countries and we hope for the hemisphere.

Ma'am you had a question.

QUESTION: Mr. Zoellick, based on the interest of the countries of the Andean community, how will you be making adjustments, based on the Chilean model for example, at the outset, and how long are these negotiations going to last?

ZOELLICK: Well, let me take the second part first. Under the procedures, that Congress established for us. The letter that we're sending to Congress today requires ninety days of consultations, and it followed a meeting that I had with a special committee of the Congress called the Congressional Oversight Group, both the House and Senate group initial consultations. So, during that time we'll be discussing with our partners, preparing. We've already had good in-depth discussions with Peru and Colombia about the framework of the Chilean agreement so people will have a sense of what's in there. And, as I mentioned, I had an opportunity to talk about this personally with President Uribe when I visited a few months ago.

So, we would hope to begin the negotiations in the second quarter of next year, and the pace that we will follow will depend on our partners and the pace of the negotiation. So, now that we're working off a more basic framework we're getting these done relatively quickly. As our Chilean friends will say, you know, from their point of view it either took ten years or two years. And with CAFTA we're trying to get this done in ten or eleven months. And as for the particular elements, that's what we'll be negotiating. The letter I outlined will outline our goals, and obviously my colleagues will have their particular perspectives. Maybe just one more.

QUESTION: My name is Jen Cohen and I'm with AIDS Treatment News. Mr. Zoellick, to return to intellectual property rights, you've actually already negotiated an agreement around intellectual property rights, the TRIPS Agreement in the World Trade Organization (WTO), as well as the DOHA Declaration which protects public health over --- basically protects public health in trade agreements. The intellectual property rights (IPR) contained in the proposed CAFTA agreement as well as the FTAA go well beyond the World Trade Organization TRIPS agreement and actually do threaten access to essential medications in these participating countries. I'm wondering if you will keep IPR's out of these regional trade agreements in order to uphold the U.S.-signed DOHA Declaration.

ZOELLICK: I agree with the first part of your statement but not when you got towards the middle or the end. You are exactly right. We worked very hard, first at Doha, and you actually left one out because I spent a lot of hours with my colleague in Geneva, our Ambassador Linnet Deily, spent even more hours to try to implement that for the last stage which was questions of countries that are too poor to be able to do the production in their own country; how can they get the licenses the licenses from other countries. And we worked that out in August of this year. We have no intention of moving anywhere away from that. We want to support that access to medicines, particularly for poor countries. But frankly those aspects deal with the overall intellectual property accord, and we are now actually trying to work to move that to an amendment as opposed to the waiver in the WTO process. And on top of that the United States has devoted substantial resources, billions of dollars, more than anybody else has to moving to the next step which is not only having the access to the medicines but buying the medicines to people and helping countries set up the health care systems, everything from prevention to treatment. Just last week I had an excellent meeting, or the past two weeks, with President Mogae of Botswana, who's taken a real leadership role on this in Africa, and President Museveni in Uganda who's done another good job. And, we're committed to working with the companies to try to provide low cost or free medicines and definitely not allowing

the rules to interfere. So, we don't believe that's what we're doing.

Thank you very much.

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