

Free Trade Agreements Vital To U.S. Economic Growth And National Security

President Bush Calls On Congress To Open Markets For American Workers And Entrepreneurs By Approving Free Trade Agreements, Starting With Colombia

Today, President Bush met with former Cabinet Secretaries and senior government officials and discussed the need for pro-growth economic policies, including opening new markets for U.S. exports through free trade agreements. Open markets contribute to America's prosperity. With exports now accounting for a larger percentage of our GDP than at any other time in our history, trade is playing an important role in supporting economic growth. Exports have reached a historic high as a share of the United States' national income, and jobs supported by goods exports pay wages 13 to 18 percent higher than the national average.

- **Expanding trade and investment advances the national security and the economic interests of the United States.** Opening markets has helped expand democracy, strengthen the rule of law, and lift hundreds of millions out of poverty worldwide.
- **The President calls on Congress to help keep our economy growing by passing pending free trade agreements with Colombia, Panama, and South Korea.** In December, President Bush signed legislation approving the U.S.-Peru free trade agreement, which Congress passed with strong bipartisan support to expand trade and investment and create new opportunities for citizens of both nations. Congress should build on this success by approving remaining free trade agreements with Colombia, Panama, and South Korea to further open these important markets for U.S. industrial goods, agricultural commodities, services, and investments.

To Further Strengthen America's Economy And National Security, Congress Should Approve The Vital Free Trade Agreement With Colombia

The U.S.-Colombia free trade agreement will level the playing field and help U.S. companies that export to Colombia find new buyers and be able to compete more effectively in the Colombian market. Over 90 percent of U.S. imports from Colombia now enter our country duty-free. This agreement will provide U.S. companies and farmers with duty-free access to the Colombian market. Once implemented, the agreement will immediately eliminate tariffs on more than 80 percent of American exports of industrial and consumer goods, and it will provide significant new duty-free access for American agricultural commodities.

Colombia is our fourth-largest trading partner in Latin America and the largest market for U.S. agriculture exports in South America.

Approving the Colombia free trade agreement will reinforce democracy in Latin America by showing support for a key ally. A free trade agreement with Colombia would bring increased economic opportunity to the people of Colombia through sustained economic growth, new employment opportunities, and increased investment. This trade agreement will bring new economic opportunities to Colombia's citizens and will reinforce democracy by fighting corruption, increasing transparency, and fostering accountability and rule of law.

Colombia Has Proven Itself Worthy Of America's Support

Colombia has made significant advances to combat violence and instability. In recent years, Colombia's democratically elected president has taken courageous steps to stop drug traffickers, rein in illegal armed groups, including paramilitaries, and advance the rule of law. Since 2002, kidnappings, terrorist attacks, and murders in Colombia have all dropped substantially. Additionally, violence against trade unionists, among other groups, has dropped significantly. With Colombian support and commitment, our rule of law and counterdrug assistance will continue to make a difference. The free trade agreement provides an opportunity for the U.S.-Colombia relationship to expand benefits for the American people.

Colombia's economy is rebounding and citizens' lives are improving. Since 2002 poverty has decreased by almost 20 percent, and unemployment is at its lowest level in a decade. Roads are now open, displaced farmers are returning to their lands, and economic growth topped over 6.8 percent in 2007, the highest in eight years.

President Uribe has responded decisively to concerns over violence and impunity in Colombia, particularly attacks on trade unionists. President Uribe has established an independent prosecutors unit to investigate and pursue charges against those accused of homicides against labor unionists. He has allowed the International Labor Organization to station a permanent representative in Bogotá. He has also worked to help create an economy in which Colombians have alternatives better than lives of violence and drugs – including the new jobs and economic opportunities that would come from a trade agreement with the U.S.

Colombia has vastly expanded its police presence as part of an effort to bring security and stability to all of its territory. Colombia has established a police presence in each of its 1,099 municipalities, which has secured 187 primary and secondary roads throughout the country, freeing Colombians to use these roads without fear of attack. As a result, traffic along these roads has doubled since 2002, and commerce is flowing between areas that were once virtually cut off due to violence.

The Colombian government is continuing to battle narcotics trafficking, which provides the funding base for illegal armed groups. These efforts took 500 metric tons of cocaine off the market in 2006 alone, depriving terrorist groups of \$850 million in funds to buy arms and mount attacks. In addition, the Colombian government has extradited over 550 narcotics traffickers and terrorists to the United States over the past five years.

Colombia has laid the foundation for bringing government services to areas retaken from illegal armed groups and increased investment in alternative development, human rights protection, and social services. Mayors have returned to their towns, and public school enrollment has increased to 92 percent. The child mortality rate has decreased dramatically thanks to economic growth and increasing wages that enable more people to provide adequate health and nutritional care for their children. The number of tourists visiting Colombia has doubled in the last five years.

Approving The U.S.-Panama Free Trade Agreement Will Level The Playing Field For U.S. Business And Agriculture

In 2007, Panama and the United States exchanged around \$4 billion worth of goods – nearly two times more than just four years ago. Panama is one of the fastest-growing economies in Central America, with a growth rate of more than eight percent last year.

The U.S.-Panama free trade agreement will build on this vibrant trade relationship, immediately eliminating tariffs on 88 percent of U.S. industrial and consumer goods exports to Panama. It will provide significant new duty-free access for American farmers and ranchers, and create opportunities for American businesses to participate in the Panama Canal expansion project. It will also provide new market access for U.S. service suppliers, including in Panama's key financial services sector.

Approving The U.S.-Korea Free Trade Agreement Will Give America's Workers And Farmers Access To A Large And Growing Market

The President will continue to work closely with Congress to approve a landmark free trade agreement with South Korea. This agreement would create better jobs and opportunities on both sides of the Pacific and strengthen our relationship with one of our most important and reliable allies in Asia. The President urges Congress to act quickly to approve this agreement.

The U.S.-Korea Free Trade Agreement (KORUS FTA) is the most commercially significant bilateral free trade agreement the United States has concluded in the past 15 years. The KORUS FTA will open a growing market of 49 million consumers to a full range of U.S. goods and services, from autos to telecommunications services. The U.S. International Trade Commission estimates the reduction of Korean tariffs and tariff-rate quota provisions on goods market access alone would add \$10-12 billion to annual U.S. GDP, meaning more and better paying jobs for hard-working Americans.

The KORUS FTA will eliminate tariffs on nearly 95 percent of bilateral trade in consumer and industrial products within three years, and almost two-thirds of U.S. agriculture exports to Korea will become duty free immediately. The free trade agreement will also address a range of non-tariff barriers and increase transparency in Korea's regulatory processes. The agreement will strengthen Korea's economic reforms that have helped it become a prosperous economy and vibrant democracy and sustain the growth of trade and investment opportunities for the mutual benefit of both countries.

The agreement will strengthen the United States' competitive position in the rapidly transforming Asian market and cement ties with a vital regional ally. The U.S.-Korean alliance was forged in war more than a half century ago. The KORUS FTA will strengthen that alliance with shared prosperity.