

Overview of bilateral free trade and investment agreements

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For more information:

FTA Watch ▪ <http://www.ftawatch.org>
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1. Africa and the Middle East

Countries of Africa and the Middle East are subject to conflicting pressures from different sides to enter into direct bilateral trade and investment deals with governments outside the region for both political and economic reasons.

Oil and geopolitics are key factors in all FTAs involving countries of the Middle East. China, the EU and the US are all offering FTAs to Middle East countries and blocs (like the Gulf Cooperation Council) in order to protect access to energy supplies – and, to some extent, to secure access to mineral resources. At the same time, the US and the EU have important geopolitical agendas in the region, revolving around the Israeli-Palestinian conflict and tensions with various Islamist or at least anti-Western movements and regimes. Meanwhile, governments in the region are under subtle and not-so-subtle pressure to conform to US wish lists in trade and investment negotiations (such as the removal of Israeli boycotts in the case of several Gulf countries), reminded of the US' willingness to resort to military means as it occupies and restructures the shattered Iraq, endorses Israel's recent assault and occupation of Lebanon, and threatens other nations like Syria and Iran.

Workers' rights are a major issue in at least the US FTAs in the Middle East. The Agreements themselves do little to raise standards, as they basically commit the parties to implement their own policies of minimalist rights. Yet a huge part of the private sector labour force in the Middle East, especially the Gulf states, is composed of mostly Asian workers who are denied fundamental rights.

The two big fights, however, are between the US and the EU, each of them trying to establish broad regional economic agreements, especially in the Middle East, under their respective control. Meanwhile, South Africa is seen by many African countries as the regional power, and is active in a number of regional, subregional and bilateral free trade and investment talks, as well as expressing interest in a possible agreement with its counterpart regional powers in Asia (India) and Brazil (Latin America), the so-called India-Brazil-South Africa (IBSA) agreement.

Against this backdrop, African governments in particular are struggling to pursue their own agendas of regional integration in different subregional blocs.

1.1 Key bilateral negotiations in Africa & the Middle East

Algeria

In 2002, Algeria signed an Association Agreement with the European Union. It came into force on 1 September 2005. This agreement forms part of the EU-driven 'Barcelona process', which aims to convert the Mediterranean basin into a giant free trade zone, under the EU's dominant sphere of influence, by 2017. In parallel, Algeria is being primed by Washington for a US FTA. This is part of the US' own plan to create a US-Middle East free trade area (MEFTA), which would extend into the Maghreb, by 2013. Algeria already signed a Trade and Investment Framework Agreement with Washington, a preliminary step towards a US FTA, in 2001.

Australia

In 2005, Australia announced that it would negotiate a Trade and Investment Framework Agreement with Egypt. This hasn't happened yet, but Australian businesses are looking to

develop operations in Egypt as a springboard into other markets (e.g. the EU, under the EU-Egypt Association Agreement). On 21 June 2006, Australia announced that it will consider initiating FTA negotiations with the GCC.

Canada

Canada has an FTA with Israel (1996) and a bilateral investment treaty with both Egypt (1997) and Lebanon (1998). It also has an investment pact with South Africa (1995), but this has never come into force.

China

China is trying to win an FTA with SACU, in which South Africa could serve as a hub to the wider African market and where China is interested in the region's mineral resources there. Beijing is also in FTA talks with the six-member Gulf Cooperation Council, presumably to facilitate access to the bloc's oil supplies.

EFTA

On 1 July 2006, EFTA signed its first FTA with Sub-Saharan Africa, the Southern African Customs Union. Prior to this, EFTA had concluded FTAs with Israel (1992), Jordan (2001), Lebanon (2004), Morocco (1997), the Palestinian Authority (1998) and Tunisia (2004).

Egypt

Egypt signed an FTA with the EU in 2001 and with Turkey in 2005. Washington has been playing "carrot-and-stick" with a potential US-Egypt FTA since several years now (see *under 'US'*).

EU

The EU has Association Agreements with most North African and Middle Eastern countries: Morocco, Algeria, Tunisia, Egypt, Jordan, Israel, Palestine, Syria and Lebanon. A significant deal with the GCC is expected to be feted before the end of 2006, while talks with Iran (under which Tehran would get market access privileges if it renounces its nuclear programme) have been going on and off with great difficulty. The EU is also negotiating EPAs with West Africa, Central Africa, Eastern Africa and Southern Africa over a period that is supposed to end by 31 December 2007.

- *EMFTA*: Square on the horizon for Brussels is an EU-Mediterranean FTA which would emerge from the so-called Barcelona process. This process aims to pull all Mediterranean countries into a tight economic, political, military and institutional association with the EU – almost as an annex to the European Union itself, except without representative power. EMFTA will consolidate EU political influence over North Africa and a good part of the Middle East, and secure outright harmonisation of these countries' laws and policies with EU standards in many, many fields (from human rights to investment). This is a direct counterpart to the US' ambition for a US-Middle East FTA. So far, resistance to this process has been coming mostly from Middle Eastern groups supporting the Palestinian cause. Since early 2006, social movements have been directly challenging the legitimacy of the EU project given that Brussels does nothing to enforce the human rights clause that is supposed to condition its preferential trade relations with Israel.
- *EU-GCC*: The European Union and the Gulf Cooperation Council signed an Economic Cooperation Agreement in 1988 which laid the framework for the elaboration of a bilateral free trade agreement between the two regional blocs. Formal negotiations began in 1990 and are set to be concluded in late 2006. Access to oil is expected to be a key feature of this deal for the EU, liberalisation of services another.

- *EU-West Africa*: The EU is negotiating its West Africa 'economic partnership agreement' with ECOWAS. In this part of Africa, many different social organisations have been actively trying to block or influence the process. The West African farmers' network ROPPA has made detailed proposals on how to redirect the agricultural component of the deal, mainly through ECOWAS and its new agricultural tariff policy. Trade unions, consumers groups and NGOs have also been rallying against the EPA's potential impacts in terms of national sovereignty, health and agriculture.
- *EU-South Africa*: The EU and South Africa signed an important FTA back in 1999, which already laid down 'WTO-plus' commitments.

Iran

Iran signed an FTA with Venezuela, Iran's first ever, in 2005. A Bangladesh-Iran FTA also appears to be a possibility, although formal talks have not started.

Israel

Israel has signed FTAs of different types with Canada, EFTA, the US, the EU, Romania, Egypt, Bulgaria, Turkey, Jordan, Mexico and most recently Mercosur. It is still eyeing others, such as a possible deal with Thailand.

Saudi Arabia

Saudi Arabia has bilateral investment agreements with Austria (2001), Belgium and Luxembourg (2001), Malaysia (2000) Switzerland and India. Up to now, Saudi FTAs are negotiated through the six-country Gulf Cooperation Council. Major tension arose within the GCC when Riyadh contested Bahrain's signature of an FTA with the US.

South Africa

South Africa has FTAs with EU and with SADC. It also has preferential agreements with Malawi, Zimbabwe and Croatia, plus a non-reciprocal trade arrangement with Mozambique. The government is considering further bilateral deals with Kenya, Nigeria, China, Singapore, South Korea and India. As member of SACU, it has also been involved in the failed FTA talks with the US and signed deals with EFTA and Mercosur. South Africa is also part of IBSA, the India-Brazil-South Africa triangle that is now considering a trilateral FTA.

UAE

The United Arab Emirates are currently in a number of different FTA talks, including negotiations over comprehensive deals with the US, Australia and New Zealand.

US

US bilateral FTAs in Africa and Middle East revolve mostly around the Middle East so far, where the agenda is to construct one vast regional trade zone tied to the US. The political and security drive of these agreements is clear. Blunt elements of the pacts include the requirement to disassociate from the Arab League's boycott of Israel and the obligation to liberalise cultural industries (so that the US can buy and operate local radio, newspapers, etc. and propagate its 'war against terror'). Apart from those highlighted below, upcoming bilateral FTAs said to be in the pipeline include Algeria, Ghana, Tunisia and Mozambique.

- *AGOA*: The Africa Growth and Opportunity Act is a unilateral act of US Congress to grant trade preferences (access to US market) to some 38 Sub-Saharan African countries based on a series of criteria, some of which impose 'WTO-plus' standards on the region. There is talk in Washington of replacing AGOA with a patchwork of bilateral FTAs between the US and individual SSA governments.

- *MEFTA*: The US plans to secure an overarching US-Middle East FTA by 2013. MEFTA is clearly driven by US 'security' interests, not only economic ones. The US proposes to construct MEFTA by forging FTAs with individual Middle Eastern governments which will then be consolidated into one regional pact.
- *US-Israel*: The US' first ever FTA was signed with Israel in 1985.
- *US-Jordan*: The US-Jordan deal was completed in 2001. It was a landmark treaty at the time, especially in terms of trying to appease US domestic concerns about labour and environmental issues. This agreement introduced a system of sanctions to enforce compliance, even though the labour and environment standards themselves are weak. In early 2006, the US-based National Labour Committee issued a damning report about labour conditions in Jordan directly spurned by the FTA. As a result, Amman has been forcibly transferring workers out of FTA-violating factories and issuing labour reform decrees to avoid reprisals from Washington.
- *US-Bahrain*: In May 2004, after barely four months of meetings, US and Bahraini trade negotiators concluded a bilateral FTA. The agreement was signed in September 2004 and then ratified after Bahrain assured Washington that it 'no longer supports a boycott of Israeli goods'. It took effect on 1 August 2006.
- *US-Oman*: The US-Oman FTA was concluded in January 2006 and was approved by a narrow margin by US Congress in July 2006. It comes on the heels of the US port security crisis and has been intensely debated over its labour provisions. In fact, several US Senators proposed a special clause to deny Omani goods made from 'forced labour' (the discussions spoke more bluntly of slave labour and human trafficking) duty-free entry to the US under the agreement's domestic implementing legislation. The motion was promptly struck down by the administration.
- *US-UAE*: Negotiations for a US-UAE FTA began in March 2005. They were put on ice, however, in March 2006 when US lawmakers went into a furore about Dubai World Ports gaining control of six US ports through its planned purchase of the UK company that was operating them. (Dubai World Ports backed off, in the end.) There are still expectations that the talks will resume and conclude within 2006.
- *US-Egypt*: The US has been playing 'hard ball' with Egypt, pushing for strong domestic reforms before initiating any bilateral FTA with Cairo. In 2003, the US Trade Representative is said to have 'punished' Egypt by suspending all overtures towards a bilateral treaty when Cairo withdrew its support for a US dispute against the European Union on trade in genetically modified crops at the WTO. This lasted until late 2004, when the overtures started picking up again. However, the US froze FTA talks after allegations of fraud and corruption surrounding Egypt's December 2005 elections. In the meantime, the US brokered a deal between Egypt and Israel to set up a 'qualifying industrial zone' between the two countries, which angered both Egyptians and Arab neighbours.
- *US-Morocco*: In early 2003, US-Morocco FTA talks started. In July 2004, US Congress approved the text and in January 2005 it was approved by Morocco's parliament. It came into effect on 1 January 2006. The main objectives of the US with this deal were political: to 'reward' a moderate Muslim government for its support to the White House's 'war on terror' and to pull a friendly North African kingdom deeper into its sphere of influence, creating a wedge vis-à-vis the Arab world. The Morocco deal was proudly advertised by Washington as its first step towards a full-blown Middle East Free Trade Agreement. Sensitive issues in the negotiations were the opening of Morocco's market to American wheat, US rules of origin on Morocco's textile-related exports, drug prices and cultural diversity. Many sectors in Morocco – human rights organisations, political parties, artists, scientists, even business groups – mounted an

active movement against the FTA. Despite whatever market openings for Moroccan exporters and the campaigns of USAID, the US has maintained a positive trade balance with the kingdom (US\$260m) over the first six months of implementation.

- *US-SACU*: The US entered into FTA talks with SACU in late 2003. The talks first got stalled in mid-2004, largely because of the US' inflexible demands regarding intellectual property rights. Around July-September 2005, officials started trying to restart the process by chopping the FTA negotiating items into 'bite size pieces'. By early 2006, the process was looking like it would still go nowhere and the US has more or less signalled that the talks are off.

1.2. US TIFAs and BITs in Africa and the Middle East

TIFAs

Algeria (2001), Bahrain (2002), Ghana (1999), Kuwait (2004), Oman (2004), Mauritius (2006), Mozambique (2005), Nigeria (2000), Qatar (2004), Saudi Arabia (2003), South Africa (1999), Tunisia (2002), United Arab Emirates (2004), Yemen (2004)

BITs

Bahrain (1999), Cameroon (1986), Congo, Democratic Republic of (1984), Congo, Republic of (1990), Egypt (1986), Jordan (1997), Morocco (1985), Mozambique (1998), Senegal (1983), Tunisia (1990)

1.3 Some significant regional/subregional deals in Africa and the Middle East

COMESA

The Common Market of Eastern and Southern Africa was established in 1993. Member countries are Angola, Burundi, Comoros, D.R. Congo, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Namibia, Rwanda, Seychelles, Sudan, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

ECOWAS, WAEMU and COMESSA

West Africa is home to various subregional trade facilitating bodies, mainly the Economic Community of West African States (ECOWAS), the West Africa Economic and Monetary Union (WAEMU) and the Community of Sahel-Saharan States (COMESSA).

ECOWAS is a regional grouping of 15 West African states (Benin, Burkina Faso, Cape Verde, Côte d'Ivoire, The Gambia, Ghana, Guinea, Guinea Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, and Togo). It aims to set up an economic and monetary community, although the project goes very slowly. At some point, it may absorb WAEMU.

WAEMU is a customs union of eight French-speaking West African countries (Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal and Togo). They share one currency, the CFA franc.

COMESSA was set up in 1998 under Libya's initiative to promote economic, political and cultural integration among its members (Burkina Faso, Central African Republic, Chad, Eritrea, Libya, Niger, Mali and Sudan). The group has recently started work on a regional FTA which would set the grounds for its own free trade zone.

ECOWAS plus Mauritania are negotiating an Economic Partnership Agreement, for West Africa under the Cotonou Agreement, with the European Union.

GAFTA/PAFTA

The Greater Arab Free Trade Area (also known as the Pan-Arab Free Trade Area) was established by a decision of the Heads of Arab States, at the Cairo 1996 Arab Summit, to liberalise trade in goods among Arab nations by 2007. The deadline was later shortened to 2005. Out of the 22 Arab countries, 17 have so far joined GAFTA: Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates and Yemen. Various troubles are already emerging between different member states about the impact of tariff reduction on agricultural trade.

GCC

The Gulf Cooperation Council is an economic and political cooperation group composed of Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. As it moves slowly towards its own integration, the GCC has been experiencing tension as its member countries are drawn into individual bilateral treaties with the United States. At the same time, however, it is working as a group to establish its own FTAs with other countries or blocs including Australia, China, EFTA, Mercosur, Japan, Jordan, Turkey, New Zealand, Singapore, India and the European Union. In 2005, a GCC FTA was signed with Syria. It also has an FTA with Lebanon.

SACU

The Southern Africa Customs Union was formed in 1969, making it the oldest customs union in the world. Its members are Botswana, Lesotho, Namibia, South Africa and Swaziland. In April 2005, SACU signed a preferential trade agreement with Mercosur. In July 2006, it signed with EFTA. Negotiations with the US have completely broken down.

SADC

The Southern Africa Development Cooperation is a forum set up in 1970 for regional political and economic integration. Its members are Angola, Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland and Tanzania.

2. Asia and the Pacific

A considerable number of bilateral free trade and investment agreements have been completed in the Asia-Pacific region. Even more deals are presently getting under way.

Highlights:

- A number of FTAs in Asia are pointing to the build-up of broader regional trade blocs. The US is trying to construct a US-ASEAN FTA (the Enterprise for ASEAN Initiative or EAI) through a bottom-up process of individual bilateral agreements between Washington and each ASEAN member, one by one. Korea, China and India are also trying to achieve their own trade blocs with ASEAN as a whole. In Europe, the EU is about to initiate FTA talks between ASEAN and the EU. In August 2006, Japan announced that it had put aside US\$80-100 million to fund the Nikai Initiative – a study into a 16-nation Comprehensive Economic Partnership in East Asia.
- Competition from industrialised countries for preferential trade deals with developing Asian countries is heating up. The US, Australia and New Zealand were the first to cut such deals. Japan and Europe have been slower to come in. New Zealand is now trying to clinch the first FTA ever between an industrialised country and the People's Republic of China.
- FTAs are now enormously popular with Asian governments. A number of them – such as Singapore, Korea, Malaysia and Thailand – are particularly trying to position themselves as hubs for the new trade and investment flows that may emerge as a result of such deals.
- China and India are the biggest emerging economies in the region and may be seen as competing for access to markets and to natural resources through their separate FTAs.
- Taiwan has been trying unsuccessfully for an FTA with the US. In the meantime, it has been concentrating its efforts on securing individual bilateral deals with Central American countries in order to access the US market.

As in other regions, the drive to sign FTAs in the Asia-Pacific reflects not only competition among major and medium powers to safeguard their economic interests but also geopolitical concerns. Geopolitical concerns include access to natural resources, not least of which is access to/control of energy and minerals. The 'war on terror' and 'security' issues also features strongly, with the US 'rewarding' allies like Thailand and Australia for their support in its invasion and occupation of both Iraq and Afghanistan.

2.1 Key bilateral negotiations in Asia-Pacific

Australia

Australia has FTAs with the US (*see under 'US'*), Singapore, Thailand and New Zealand. Canberra is currently negotiating with Malaysia, China and, together with New Zealand, ASEAN as a whole.

- The *Australia-Thailand* FTA was signed in July 2004 and came into force on 1 January 2005. It covers trade in goods, liberalisation of services, protection of IPR and creation of new investment privileges. While data on the negative impacts on local farmers come through, the Thai senate is trying to have the agreement revoked as unconstitutional under Thai law.

- Talks over an *Australia-China* FTA began in May 2005. Australia seeks a comprehensive agreement covering all sectors, while China seeks to limit the deal's coverage, and to complete negotiations within two years. The sixth round of negotiations took place in June 2006. China is clearly interested in Australia's minerals and other natural resources. Australian labour unions are opposed to a deal with China given concerns about the impacts on local jobs as well as workers' rights in China.
- *Australia-Japan* FTA negotiations are expected to start in late 2006 or early 2007.
- Chile has expressed its intention to negotiate an FTA with Australia, with preliminary talks projected for late 2006.
- Australia has also announced its desire to negotiate a deal with the GCC.

Cambodia

Cambodia has a bilateral textile agreement with US and a bilateral IPR agreement with Switzerland. It signed a TIFA with the US in July 2006. As part of ASEAN, Cambodia is involved in the bloc's FTAs with China and Korea. Japan has expressed its interest in a bilateral investment agreement with Cambodia, with preparatory talks beginning in September 2006.

Canada

- A *Canada-Singapore* FTA has been under negotiation since October 2001 but stalled, after six rounds of talks, in October 2003.
- A *Canada-Korea* FTA is under negotiation since July 2005. The 7th round of talks was held in Ottawa in September 2006. The Canadian Autoworkers union (CAW), Ontario's provincial government, several municipal governments and representatives of Canada's auto industry have expressed concern about the agreement, some arguing that the auto sector should be left out, because of threats to the (largely Ontario-based) Canadian auto assembly industry. Concerns are also expressed about such a deal's impact on Canada's shipbuilding sector. Canadian agribusiness sees the FTA as a way to further open Korea's agriculture sector, beyond its WTO commitments.
- Canada also has bilateral investment treaties with the Philippines (1996) and Thailand (1997) and is seeking one with both China and India.

China

China is moving into bilateral trade agreements with numerous countries, mainly in the Asia-Pacific region. Apart from the China-ASEAN arrangement and special agreements with Hong Kong and Macau, Beijing is in FTA discussions with Australia, New Zealand, Pakistan, Chile, SACU and the GCC. China is further trying to open discussions with Brazil, Iceland, India, Japan and South Korea. A partial trade agreement has already been signed with Thailand. Among other things, China is using bilateral FTAs to achieve 'market economy status' with trading partners – a status it will not enjoy at the global level, under the framework of the WTO, until 2015. The purpose of this is to reduce the possibility and impact of anti-dumping retaliation against Beijing.

- *China-ASEAN* FTA talks started November 2001. The FTA, a zero-tariff market of 1.7 billion people, has been targeted to come into force in 2010 for the six original ASEAN members and in 2015 for the remaining four. Implementation of the framework agreement would occur in stages. The 'early harvest trade in goods' programme came into effect in July 2005. Negotiations on a dispute settlement mechanism were finalised in 2004 for implementation in 2005. Negotiations on trade in services are still ongoing.

- The *China-Thailand* FTA for agricultural produce is the first of its kind to be concluded between the mainland and an ASEAN neighbour. Tariffs for 188 types of fruits and vegetables have been cut to zero. The agreement took effect in October 2003 as part of the steps towards the China-ASEAN FTA. Opposition has been strong from Thai farmers concerned about the flood of cheap imports which has undermined their livelihoods and food sovereignty.
- A *China-India* FTA has been proposed and is under study.
- Moves towards signing a *China-EU* framework agreement on partnership and cooperation were announced in September 2006.

EFTA

The European Free Trade Association has entered into bilateral FTAs with Turkey (signed December 1991, in force April 1992), Singapore (signed June 2002, in force January 2003) and Korea (signed December 2005, in force July 2006) and is currently negotiating with Thailand.

EU

The EU's bilateral trade and investment agreements are evolving from earlier aid and development cooperation pacts. The EU has framework agreements on trade cooperation with a few countries such as India (1993) and Korea (2001). A bilateral EU-Bangladesh development cooperation and trade agreement drawn up in 2001 sparked alarm among political and social groups as it pushes Bangladesh to join UPOV (a kind of patent system for seeds). And under the Cotonou Agreement, the EU is presently negotiating an Economic Partnership Agreement with the Pacific Island countries (deadline: end 2007). While China is the EU's second largest trading partner and the EU is China's first, they have no formal bilateral agreements on this outside of China's WTO accession pact with the Union, though recent moves towards a framework agreement on cooperation and partnership have been taken. As to Turkey, fullscale accession to the EU has been under preparation for many years.

- *EU-ASEAN*: The EU now feels the pinch of FTA competition from the US in Asia and an EU-ASEAN FTA has been proposed. The EU took the decision in September 2006 to push ahead with this and aggressive negotiations are expected.
- *EU-Korea* and *EU-India*: As with ASEAN, and as of September 2006, the EU plans to launch FTA talks with both Korea and India.

India

India has limited free trade agreements with Sri Lanka (1998) and Thailand (2003) plus a number of preferential trade agreements with countries/blocs such as Afghanistan, Chile and Mercosur. At the end of June 2005, the government signed a Comprehensive Economic Cooperation Agreement (CECA) with Singapore, what many consider India's first 'comprehensive' FTA. India expects to upgrade its pact with Sri Lanka into a Comprehensive Economic Partnership Agreement.

Currently, bilateral negotiations are going on with ASEAN, the GCC, Bangladesh and Mauritius. The government is in various stages of considering talks with Indonesia, Malaysia, China, Japan, Korea, Egypt and SACU (Southern African Customs Union).

Under the India-ASEAN frame, the idea is to come up with an overall regional trade and investment agreement, including an FTA on goods, services and investment. After quite some debate – especially over rules of origin and the impact of ASEAN agricultural imports on Indian farmers – the India-ASEAN FTA is now set to enter into force on 1 January

2007. India is also part of IBSA, the India-Brazil-South Africa triangle considering a trilateral FTA.

Indonesia

Indonesia is currently in FTA talks with Japan, Australia and New Zealand. It is party to the ASEAN deals with China and Korea. The possibility of a bilateral FTA with the US is also under preparation.

Japan

Japan has signed FTAs with Singapore (January 2002), Mexico (September 2004) and Malaysia (December 2005), and Philippines (September 2006). An FTA with Thailand is finalised, but not signed. In 2005, Japan started exploring possible talks with Switzerland and Australia, made a basic agreement to work towards a deal with ASEAN, and began concrete talks with Indonesia. In mid-2006, FTA talks with Brunei and Viet Nam started, while those with Korea remain stalled. Spurred by concerns about access to energy resources, Japan is moving towards kicking off talks for an FTA with Kuwait and other oil and gas-rich Gulf Cooperation Council countries. Looking towards Latin America, Tokyo is interested in approaching Brazil, while it tries to finalise a deal with Chile. In September 2006, Japan had preliminary talks on bilateral investment treaties with Laos and Cambodia. Tokyo has also tabled a proposal for an overarching Asian FTA between India, ASEAN, China, Korea, Australia, New Zealand and Japan. While Australia and New Zealand expressed interest, ASEAN indicated that it has other priorities.

Korea

Korea has FTAs with Singapore, Chile, ASEAN and EFTA, is in the process of talks with Japan, the US (*see under 'US'*) and Canada, and is looking to open discussions with Mexico, Mercosur, China, India and possibly Israel.

- *Korea-Chile* FTA: This deal was the subject of major protests by Korean farmers and other sectors. In fact, ratification of the deal was stalled for one year in Korea's parliament, largely due to strong fears about the agricultural impacts.
- *Korea-ASEAN*: South Korea and the Association of South-East Asia Nations (ASEAN) – minus Thailand, which is boycotting the deal until Korea allows trade in rice to be liberalised under the agreement – signed an FTA together in May 2006, which took effect in July 2006.

Laos

Laos has been going through a process of normalising its trade relations with the US and is being approached by Japan for an FTA/BIT. As part of ASEAN, Laos is involved in the group's FTAs with China and Korea.

Malaysia

Malaysia signed an FTA with Japan in December 2005 and is in FTA talks with Australia, New Zealand and Pakistan since 2005 as well. It has been preparing ground for FTAs with India and Korea and plans to study the possibility of an FTA with Chile. Since early 2006, Malaysia is now negotiating an FTA with the US.

New Zealand

New Zealand is party to several comprehensive free trade and investment agreements: the Australia-New Zealand Closer Economic Relations Agreement (1983); New Zealand-Singapore Closer Economic Partnership (2001); New Zealand-Thailand Closer Economic Partnership (2005); and the Trans-Pacific Strategic Economic Partnership or "P4" (2005)

between Brunei Darussalam, Chile, New Zealand and Singapore which took effect on 1 January 2006. Also, New Zealand has signed bilateral investment treaties with Chile, Argentina, Hong Kong and China. Presently under negotiation:

- *New Zealand-China* FTA: the 7th round of negotiations took place in May 2006 and the aim is to conclude by 2007 or 2008.
- *New Zealand-Malaysia* FTA
- *New Zealand-Australia-ASEAN* FTA
- *New Zealand-Hong Kong* Closer Economic Partnership Agreement: Negotiations with Hong Kong stalled in 2002, particularly because of concerns about rules of origin and following a campaign against the agreement which focused on those concerns plus the investment provisions.
- In September 2006, the imminent start of FTA negotiations between New Zealand and the GCC countries were announced.

P4

The P4, formally called the Trans-Pacific Strategic Economic Partnership Agreement, is an FTA between the four Pacific governments of Brunei Darussalam, Chile, New Zealand and Singapore. It was signed on 3 June 2005 and came into force on 1 January 2006.

Pakistan

Pakistan is big on FTAs. It has a full free trade agreement with Sri Lanka, a preferential trade agreement with Turkey, early harvest schemes with China and Malaysia, and is part of both ECOTA and SAFTA. It is in various stages of FTA talks or preparations for talks with Indonesia, Thailand, Malaysia, Singapore, the GCC and Russia. Negotiations on a US-Pakistan bilateral investment treaty, a step towards an FTA, have been quite difficult and are still unfinished. The fifth round of US-Pak BIT talks are scheduled for October 2006.

Philippines

Although the Philippines does not seem to be a big player on the FTA scene, it has signed almost 40 FTAs or bilateral investment agreements dating back to the 1960s. It is part of the ASEAN-China and Korea-ASEAN FTAs and recently signed a bilateral free trade deal with Japan. Further on the horizon, there is talk of a possible FTA with New Zealand, and a deal with US might be on offer in a more distant future. A US-Philippines TIFA was signed in 2002.

- *JPEPA*: The Japan-Philippines Economic Partnership Agreement was signed mid-September 2006. It is the Philippines' first full-fledged FTA. Through the deal, Tokyo expects to enhance the rights of Japanese corporations investing and operating in the Philippines, especially in the automobile sector. Manila expects to gain employment opportunities, under a strict quota system, for Filipino healthcare professionals in Japan. Both sides agreed to settle disputes under JPEPA domestically, rather than through international arbitration, unless the two sides decide otherwise. JPEPA has been contested by numerous sectors in the Philippines, including the Congress, for lack of transparency, unconstitutionality and potential negative impacts on Filipino workers, farmers, fisherfolk, local industries and the environment.

Singapore

Singapore is big on FTAs. It has bilateral deals with Australia, New Zealand, EFTA, Japan, the US, Jordan, India Korea, and Panama, and is part of the quadrilateral P4. In June 2005, it concluded negotiations with Qatar, while talks with Mexico, Canada, UAE, Bahrain, Egypt, Pakistan, Peru, Sri Lanka and Kuwait are ongoing.

Sri Lanka

Sri Lanka has bilateral trade agreements with India, Pakistan, Iran, Egypt and Singapore.

Taiwan

Taiwan fervently tries to establish bilateral FTAs with other countries. So far, its success has been limited to Central America, which Taiwan sees as a bridge to enter the US market. The Taipei government has FTAs with Guatemala (September 2005), Panama (August 2003) and Nicaragua (June 2006). It expects to sign with El Salvador and Honduras by October 2006, and plans to imminently start talks with Costa Rica, the Dominican Republic and possibly Paraguay.

Thailand

Thailand has FTAs with New Zealand (2005), Australia (2005), India and China (2003). A controversial Thailand-Japan FTA is about to be signed, a Thailand-Chile deal is under study, an FTA with Peru is being considered and a Thai-Moroccan agreement has been proposed. The centre of debate right now, and the focus of much popular opposition, however, is the US-Thailand FTA.

Turkey

Turkey has FTAs with Macedonia (September 2000), Bosnia-Herzegovina (July 2003) and Croatia (July 2003). In 2004 it signed deals with Tunisia and Palestine, and in January 2006 with EFTA. Turkish FTA negotiations continue with Jordan, Egypt, Lebanon, Faeroe Islands, Albania, South Africa and Mexico.

US

The US has concluded comprehensive FTAs with Australia, Vietnam and Singapore and has embarked on FTA negotiations with Thailand, Korea and Malaysia. Apart from the US-Korea pact, which in economic terms would be the US' most important after NAFTA, Washington's primary goal in the region at the moment is the bottom-up construction of a US-ASEAN deal.

- The *US-Australia* Free Trade Agreement was signed on 18 May 2004 and came into effect on 1 January 2005. Throughout the negotiations of this comprehensive pact, many issues were problematic for different sectors on both sides of the fence. US farmers managed to keep sugar out of the deal, but have to face new competition from Australian dairy imports. Social opposition to the agreement ran high in Australia, the major concern being access to affordable medicines. The FTA commits Australia to provide stronger patent monopolies to US drug companies, directly compromising Australia's Pharmaceuticals Benefits Scheme (PBS). The FTA even became a key electoral issue in Australia in late 2004. One year after the FTA came into effect, debate broke out in Australia over its impacts. Statistics showed that US imports into Australia had shot up while Australia's exports to the US had shot down. Further, even though one-third of Australian generic medicine manufacturers had to shut down after the FTA, US drug companies are not happy with the safeguards left in place to protect the PBS and are moving to have them scrapped.
- *US-Malaysia*: Having signed a Trade and Investment Framework Agreement on 10 May 2004, the US and Malaysia agreed in January 2006 to start negotiating a bilateral free trade agreement. US negotiators have indicated that they expect to conclude talks by the end of 2006.
- *US-Taiwan*: Despite pressure from Taiwan, the US is reluctant to sign any deal with Taiwan as it could upset US relations with China. Washington has consistently blocked

talks on a TIFA, a first step towards an FTA, on the grounds of Taipei's poor record in protecting US intellectual property rights in Taiwan.

- The *US-Thailand* FTA negotiations on a comprehensive bilateral free trade agreement began in June 2004. It will cover investment, services, government procurement, intellectual property, as well as agriculture. Many expect it to be modeled on the US-Singapore FTA and a few chapters have been leaked out already. These negotiations have attracted strong opposition from many Thai social movements. A broad civic coalition, FTA Watch, was formed at the outset to closely monitor the process from a public interest perspective. Key issues of concern include access to medicine, GMOs in agriculture and patents on life. The last round of talks took place in January 2006 amid major protests. Former Thai PM Thaksin Shinawatra and Bush wanted the deal finalised by mid-year, but have been unsuccessful. Meanwhile, as the Thai political crisis continues, the US is still pressing for a swift conclusion of the FTA even as it describes the talks as being "on life support".
- *US-Korea*: After Seoul agreed to scrap its 'screen quota' system, requiring local cinemas to project a minimum number of hours of Korean films, the US agreed to go into FTA talks. On 2 February 2006, the two countries formally announced the process would start in May 2006 and end by June 2007. Strong and growing opposition is coming from Korean farmers, workers, artists and media workers. The first round of negotiations took place in Washington DC on 5-9 June 2006, the second in Seoul on 10-14 July 2006, and the third in Seattle from 6-9 September. Further rounds are scheduled for October and December 2006. The stated aim is to wrap the talks up by the end of 2006, but public opinion in Korea has swung against the deal, the ruling Uri Party is split over it, and Korean social movements have mobilised against the deal even for negotiations on US soil, with demonstrations in Seattle and Washington, DC.

Vietnam

The US-Vietnam Bilateral Trade Agreement took effect in December 2001. It contains comprehensive services and investment liberalisation provisions, and intellectual property rules that go far beyond WTO TRIPS as far as agriculture is concerned (patenting of plants and animals). This deal has allowed for full normalisation of US-Vietnam relations.

Vietnam is now starting FTA talks with Japan, and is part of the ASEAN deals with China and Korea.

2.2 US TIFAs and BITs in Asia-Pacific

TIFAs

Afghanistan (2004), ASEAN (2006), Brunei (2002), Indonesia (2004), Kazakhstan (2004), Kyrgyzstan (2004), Malaysia (2004), Mongolia (2004), Pakistan (2003), Philippines (2002), Sri Lanka (2002), Taiwan (1994), Tajikistan (2004), Thailand (2002), Turkey (1999), Turkmenistan (2004), Uzbekistan (2004), Cambodia (2006).

BITs

Bangladesh (1986), Kazakhstan (1992), Kyrgyzstan (1993), Mongolia (1994), Sri Lanka (1991), Turkey (1985), Uzbekistan (1994). BIT negotiations with Pakistan commenced in 2005.

2.3 Some significant regional/subregional deals in Asia-Pacific

AFTA

The ASEAN Free Trade Area is planned to take full effect by 2015 for trade in goods, services and investment. ASEAN comprises Brunei, Burma, Cambodia, Indonesia, Laos, Malaysia, Philippines, Singapore, Thailand and Vietnam.

BIMSTEC

The Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation, or BIMSTEC, comprises Bangladesh, Bhutan, India, Myanmar, Nepal, Sri Lanka and Thailand. The seven-country forum aims to achieve its own free trade area by 2017.

SAFTA

The South Asia Free Trade Agreement (SAFTA) was agreed to among the seven South Asia countries that form the South Asian Association for Regional Cooperation (SAARC): Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka. (Afghanistan has recently been admitted as SAARC's eighth member.) SAFTA came into effect on 1 January 2006, with the aim of reducing tariffs for intraregional trade among the seven SAARC members. Pakistan and India are to complete implementation by 2012, Sri Lanka by 2013 and Bangladesh, Bhutan, Maldives and Nepal by 2015.

PICTA/PACER

The Pacific Agreement on Closer Economic Relations or PACER will go into force among the 16 member states of the Pacific Forum as soon as seven have ratified it. It includes Australia and New Zealand, who are excluded from the Pacific Islands Countries Trade Agreement (PICTA), an accord to lower tariffs and non-tariff trade barriers among the Pacific island states. It is an attempt by Australia and New Zealand to maintain their political and economic interests in the Pacific as the EU negotiates EPAs with Pacific Islands as part of the EU-ACP negotiations.

3. Latin America and the Caribbean

Latin America is caught up in an important web of bilateral free trade and investment agreements, not to mention numerous regional and subregional integration initiatives. While many of these have long histories, it was the North America Free Trade Agreement (NAFTA) signed between Canada, Mexico and the US in 1992 – and the launch of the Zapatista revolt in Mexico on 1 January 1994, when NAFTA came into force – that triggered a new phase of FTA activism in the region.

Highlights:

- The US has a strong lead (against the EU, EFTA and Japan, mainly) in securing powerful agreements to its advantage in the region. Many EU manoeuvres are direct reactions to US FTAs: EU-Mexico followed NAFTA, EU-Chile followed US-Chile, EU-CAN follows the US-Andean process, EU-Central America follows CAFTA. (EU-Mercosur, on the other hand, is about trying to cut a deal where the US cannot.) While the EU follows the US' footsteps, EFTA follow the EU's: EFTA-Mexico, EFTA-Chile, EFTA-CAN, etc.
- US FTAs in Latin America are primarily political in nature, linked as they are to migration, militarism (including the "war on drugs") and maintaining systems of patron-client relations between Washington and Latin American & Caribbean states. Secondly, the US FTAs – and their investment treaty cousins – aim to secure unfettered profit opportunities for US corporations, including access to cheap and compliant labour.
- Regional trade blocs within Latin America are important but fail to provide an alternative to dependency on 'the neighbour to the north'. Mercosur, the Andean Community, Caricom and other formations have not brought unity or strength to the region and, even without the FTAA, the US continues to push its bilateral deals through in pure divide-and-conquer fashion.
- Brazil, Argentina and Venezuela stand out as the most important countries in terms of trade deals with respect to international markets. (Brazil and Argentina because of the vast export capacity they have built up and Venezuela because of its oil.) Yet Chile and Mexico are the most active in cutting bilateral deals with countries all over the world.
- In terms of bilateral deals within the region, many Latin American countries have pacts with each other, a lot of them being direct preferential trade deals or economic complementation agreements. Many of them date from the mid-1990s to early 2000s. (For brevity's sake, they are not listed here.)
- Latin American countries like Bolivia and Argentina have provided early examples of investor-state disputes under BITs with US or European countries following the privatisation of water or other services.

Given the intensity and history of these deals, social resistance to FTAs and BITs is nowhere stronger and deeper than in Latin America.

3.1 Key bilateral deals and negotiations in Latin America and the Caribbean

Canada

The Canadian government has signed FTAs with Chile (1996), Costa Rica (2001) and Mexico (NAFTA, 1992). Canada also has bilateral investment agreements with Argentina

(1993), Barbados (1997), Costa Rica (1999), Ecuador (1997), Panama (1997), Trinidad and Tobago (1996), Uruguay (1999) and Venezuela (1998). An investment deal with El Salvador was signed in 1999, but is not yet in force, and Canada is currently negotiating one with Peru.

- *Canada-CARICOM*: In 2001, discussions towards the negotiation of a possible Canada-CARICOM FTA were started. The last meeting on this was held in 2005.
- *Canada-Andean*: In 2002, preliminary work towards a possible Canadian FTA with the Andean countries was launched, but this has been stalled since 2003.
- *Canada-Dominican Republic*: In 2002, Canada announced its plan to explore an FTA with the Dominican Republic. This process is stalled, however, since 2003.
- *Canada-CA4*: Ottawa is currently focusing on trying to finalise a Canada-Central American Four (El Salvador, Guatemala, Honduras, Nicaragua) free trade agreement.

Chile

Chile is probably the most active Latin American country pursuing bilateral trade agreements, as it has signed FTAs with 37 governments to date. This includes more or less comprehensive free trade agreements with the US, Canada, the European Union, EFTA, South Korea, Central America and Mexico. In June 2005, the Chilean government finalised a four-way deal with Pacific neighbours Brunei, New Zealand and Singapore (P4). Most recently, in June 2006, it signed an FTA with Panama.

Chile also has bilateral economic complementation agreements with Bolivia, Peru, Venezuela, Argentina, Ecuador, Colombia and Mercosur, as well as a partial agreement with Cuba. Chile's agreement with Argentina includes a very broad agreement on mining along their common border. Chile is presently trying to negotiate further deals with India, Malaysia and Thailand, while it is already deep in FTA talks with Japan (second round held in June 2006). In August 2006, the Chilean congress ratified a bilateral FTA with China.

Colombia

Colombia is part of the 'Group of Three' (Colombia, Mexico, Venezuela) FTA and has agreed to a highly controversial deal with the US (2006). It also has a preferential trade agreement with CARICOM (1994) and various economic complementation agreements with Latin American states.

EFTA

Very much in the US and EU's footsteps, the European Free Trade Association has signed bilateral free trade agreements with Chile (2003) and Mexico (2000). It has also signed joint declarations on cooperation (a first step towards an EFTA free trade agreement, like a US TIFA often precedes a US FTA) with Colombia, Mercosur and Peru.

EU

EU free trade and investment agreements in Latin America have normally taken the form, up to now, of Association Agreements. These are broad political and economic partnership treaties that commit countries to deep principles of trade and investment liberalisation. They touch on many of the same issues as US FTAs, though they are less detailed or prescriptive in their wording, and often go beyond the trade rules agreed to at the multilateral level under the WTO.

- *EU-CAN*: In 1993, the European Union and the Andean Community (CAN, currently composed of Bolivia, Colombia, Ecuador and Peru as Venezuela has withdrawn and joined Mercosur instead) signed a bilateral cooperation framework agreement. Ten years later, in Rome in 2003, they signed joint commitment to formally enter into an

Association Agreement which would specifically include a free trade agreement. This was reaffirmed in Guadalajara in 2004 and in Vienna in 2006. The two blocs are now working towards the goal of signing such an agreement during the next EU-Latin America Summit which will take place in Lima in May 2008.

- *EU-Central America*: In reaction to CAFTA, the EU wants to start negotiating a free trade agreement with Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica and Panama before the end of 2006. (It is already getting into a bilateral treaty with the Dominican Republic under the EU-Caribbean EPA.)
- *EU-Chile*: In reaction to the US-Chile FTA, the EU signed its own FTA with Santiago.
- *EU-Mexico FTA*: In reaction to NAFTA, the EU pushed and signed an important Association Agreement (FTA) with Mexico in 1995. This agreement is now being revised, which is generating important social debates in Mexico.
- *EU-Mercosur*: The EU and Mercosur (Argentina, Brazil, Paraguay, Uruguay and now, since June 2006, Venezuela) signed a framework cooperation agreement in 1996. The two blocs are negotiating an FTA in the form of an Association Agreement since April 2000.
- *EU-Caribbean EPA*: Under the Cotonou Agreement (2000) between the European Union and 76 Africa-Caribbean-Pacific countries, the EU and the Caribbean states are currently in late stages of talks on an Economic Partnership Agreement. In principle, negotiations must finish by the end of 2007 so that the EPA can be in force by January 2008. The underlying principle of this EPA is that trade between Caribbean states and the EU must shift from a non-reciprocal to a reciprocal basis to be in line with the WTO. However, this spells disaster for many farmers in the region (banana, sugar) and protests against the whole process have been strong.

Japan

- *Japan-Mexico*: Japan and Mexico signed a bilateral free trade agreement in September 2004. It took effect in April 2005. Japan initiated this deal because it felt disadvantaged in the Mexican market against both the US (because of NAFTA) and Europe (because of the EU-Mexico bilateral trade deal, which was also spurred by NAFTA).
- *Japan-Chile*: Japan and Chile are deep in negotiations on a bilateral FTA.

Mexico

In Latin America, Mexico probably comes second to Chile in the number of FTAs it has entered into. The government has signed free trade agreements with Canada and US (NAFTA, 1992), Colombia and Venezuela (1990), Bolivia (1994), Chile (1998), EFTA (2000), the EU (1995), Israel (2000), Japan (2004), Nicaragua (1992), the Northern Triangle (El Salvador, Guatemala and Honduras, 2000) and Uruguay (2003). It has also signed preferential trade agreements with Colombia and Venezuela (2004), Mercosur (2002), Brazil (2002), Panama (1985) and Uruguay (1999).

Panama

Panama has signed FTAs with Central America (Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua, 2002) and Taiwan (2003) and is currently finalising FTA discussions – despite heavy controversy over US food safety standards – with the United States. It has also signed preferential trade agreements with Colombia (1993), Costa Rica (1973), Dominican Republic (1985), El Salvador (1985), Guatemala (1974), Honduras (1973), Mexico (1985) and Nicaragua (1973).

Peru

Peru has bilateral FTAs with Thailand (2005) and Chile (2006). It also concluded, in December 2005, a highly controversial deal with the US.

US

- *US-Andean countries*: In May 2004, the US began negotiations with Colombia, Ecuador and Peru to reach some form of FTA with the Andean group that would eventually include Bolivia as well. In December 2005, Peru agreed to a bilateral deal with Washington. In February 2006, Colombia did the same. Negotiations with Ecuador are presently hanging, having been upset by Quito's legal action against Occidental Petroleum, a US oil company, earlier this year. Bolivia never formally joined the process and Evo Morales has given conflicting signals about his administration's interest in the matter. The whole negotiating process with the different countries raised enormous social opposition, especially from farmers and indigenous peoples. These FTAs were consequently central issues in the presidential elections that took place in all the countries this year.
- *US-Chile*: The US-Chile Free Trade Agreement was signed in 2003 and entered into force on 1 January 2004. It was the first comprehensive FTA signed between the United States and a South American government. It was also a ground breaking agreement in that it imposed, for the first time, commitments which go well beyond WTO and NAFTA provisions, especially in the areas of investors' rights, capital controls and intellectual property rights.
- *US-DR-CAFTA*: The US-Dominican Republic-Central America Free Trade Agreement, commonly known as CAFTA, was agreed to in December 2003 after twelve short months of negotiation. It binds the Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras and Nicaragua to a far-ranging agreement regulating many issues, from agriculture to telecommunications. In July 2005, US Congress ratified CAFTA by a hair, as much controversy was stirred over its potential impacts on jobs and workers' rights. As of July 2006, only Costa Rica and the Dominican Republic have not ratified the agreement, with Costa Rica currently debating its legitimacy as indigenous peoples were not consulted during the negotiations. Mobilisation against CAFTA has been fierce in the region, with even some movement in the United States as well.
- *US-Panama*: The US and Panama started negotiating an FTA in April 2004 and are trying to wrap up the process right now. The main bottleneck on the Panamanian side has been the issue of adopting US sanitary standards on trade in farm products.
- *US-Uruguay*: The US has a bilateral investment treaty with Uruguay since 2005. The idea of a possible US-Uruguay FTA has been waved about recently mostly by Uruguayan politicians as a tool to pressure Argentina and Brazil within the Mercosur context (and vice-versa, with Brazil telling Uruguay that any FTA between a Mercosur country and the US would severely damage Mercosur). It is also the subject of deep controversy within the Vazquez administration. The US is developing more interest in a Uruguay FTA as way to put a dent in Hugo Chavez's plans in the region. In September 2006, after major mobilizations led by Uruguayan workers against a proposed US-Uruguay FTA, Vazquez announced that Uruguay would be pursuing a Preferential Trade Agreement with the US, not a more comprehensive FTA.

3.3 Some significant regional/subregional deals in Latin America and the Caribbean

ALBA-TCP

The Bolivarian Alternative for the Americas (ALBA in Spanish) is a project to counteract the US-backed Free Trade Area of the Americas. Born out of initial agreements forged between the governments of Venezuela and Cuba in December 2004, ALBA aims to promote regional integration of Latin America based on values and objectives opposed to imperialism. However, it continues to rely on some basic neoliberal tenets, such as a strong emphasis on exports. Concretely, it involves Cuba, Bolivia and Venezuela through cooperation pacts covering a wide range of areas such as energy, health and culture. The People's Trade Agreement (TCP in Spanish) is considered the trade arm of ALBA. It is a direct effort to defeat the bilateral free trade agreements that the US government has been pushing in Latin America. The TCP aims to promote trade in the region along principles of solidarity, cooperation and complementarity. It was launched in May 2006.

CAN

The Andean Community is a broad political and economic union between Bolivia, Colombia, Ecuador and Peru that replaced the former Andean Pact in 1996. It has been significantly weakened by the negotiation of FTAs with the US, as the group failed to negotiate as a solid bloc. Venezuela, which was a founding member, withdrew a few months ago and joined Mercosur instead because it objected to the US FTAs that CAN members recently signed. The CAN itself is presently starting to negotiate an FTA with the European Union.

CARICOM

The Caribbean Community – a common market between Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, Montserrat, Saint Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines, Suriname and Trinidad and Tobago – has signed FTAs with Costa Rica (2004) and the Dominican Republic (1998). It has also signed preferential trade agreements with Colombia (1994) and Venezuela (1992). CARICOM is currently negotiating FTAs with Canada and, together with the Dominican Republic, the EU. Talk of a US-CARICOM FTA has been in the air for a while, as a replacement for the US' unilateral (non-reciprocal) Caribbean Basin Initiative.

FTAA

The Free Trade Area of the Americas is a US proposal to expand NAFTA to 34 countries in the Western Hemisphere – that is, all Latin American countries except for Cuba. It has been strongly opposed by trade unions, social movements, indigenous peoples and farmers throughout the Americas ever since it was launched in 1994. At present, the FTAA process is fairly moribund, through Washington has clearly turned to bilateral FTAs in the meantime.

Mercosur

Mercosur, or the Southern Common Market, is a customs union between Brazil, Argentina, Uruguay, Paraguay and (since 17 June 2006) Venezuela. The agreement has been used to carry out important harmonisation processes in areas such as intellectual property, agricultural policy and labour law. It was set up in 1991. Bolivia, Chile, Colombia, Ecuador and Peru have associate member status.

NAFTA

The North America Free Trade Agreement was signed in December 1992 and took effect

in January 1994. It is a comprehensive, ground breaking free trade and investment agreement involving the governments of Canada, Mexico and the USA. An expansion of the 1989 US-Canada Trade Agreement, NAFTA is considered a landmark in setting higher standards in a range of areas, including agriculture, investment, intellectual property, and services. Since the day it came into force, NAFTA triggered strong and sustained resistance from a broad spectrum of Mexico's population and was one of the catalysts for the Zapatista uprising. NAFTA has had tremendous impacts on Mexican agriculture (flood of cheap, subsidized corn from the US and the genetic contamination this has brought), pushing many campesinos into poverty.

3.3 US TIFAs and BITs in Latin America and the Caribbean

TIFAs

(none)

BITs

Argentina (1991), Bolivia (1998), Ecuador (1993), El Salvador (1999), Grenada (1986), Haiti (1983), Honduras (1995), Jamaica (1994), Nicaragua (1995), Panama (1982), Trinidad and Tobago (1994), Uruguay (2005).

4. Acronyms

ACP	Africa-Caribbean-Pacific (countries)
AFTA	ASEAN Free Trade Agreement
AGOA	African Growth Opportunity Act (USA)
ALBA	Bolivarian Alternative for the Peoples of Our America
ASEAN	Association of South East Asian Nations
BIMSTEC	Bay of Bengal Initiative for MultiSectoral Technical and Economic Cooperation
BIT	bilateral investment treaty
CAFTA	US-Dominican Republic-Central America Free Trade Agreement
CAN	Andean Community of Nations
CARICOM	Caribbean Community and Common Market
CECA	Closer Economic Cooperation Agreement
COMESA	Common Market for East and Southern Africa
COMESSA	Community of Sahel-Saharan States
ECOTA	Economic Cooperation Organisation Trade Agreement
ECOWAS	Economic Community of West African States
EFTA	European Free Trade Association (Lichtenstein, Iceland, Norway, Switzerland)
EPA	Economic Partnership Agreement
EU	European Union
FTA	free trade agreement
FTAA	Free Trade Area of the Americas
GAFTA	Greater Arab Free Trade Area
GCC	Gulf Cooperation Council
GM(O)	genetically modified (organism)
IBSA	India-Brazil-South Africa
ICSID	International Centre for the Settlement of Investment Disputes (World Bank)
MEFTA	US-Middle East Free Trade Agreement
Mercosur	Southern Cone Common Market (Argentina, Brazil, Paraguay, Uruguay, Venezuela)
NAFTA	North American Free Trade Agreement (Canada, Mexico, USA)
NGO	non-governmental organisation
PACER	Pacific Agreement on Closer Economic Relations
PAFTA	Pan-Arab Free Trade Area
PBS	Pharmaceuticals Benefits Scheme (Australia)
PICTA	Pacific Island Countries Trade Agreement
PTA	Preferential Trade Agreement
SAARC	South Asia Association for Regional Cooperation
SACU	Southern Africa Customs Union
SADC	Southern African Development Cooperation
SAFTA	South Asia Free Trade Agreement (SAARC)
SSA	Sub-Saharan Africa
TCP	People's Trade Agreement
TIFA	Trade and Investment Framework Agreement (USA)
TRIPS	Trade-Related Aspects of Intellectual Property Rights (Agreement on, WTO)
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UPOV	Union for the Protection of New Plant Varieties
WAEMU	West Africa Economic and Monetary Union
WTO	World Trade Organisation