



LATIN AMERICA TRADE COALITION

Why Support the Trade Promotion Agreements with Peru, Colombia and Panama? Look to Chile!

The recently negotiated trade agreements with Peru, Colombia, and Panama are great deals for U.S. workers, farmers, and businesses. They are the latest in a series of trade agreements that are paying dividends for the American economy.

Consider the success of the recent trade agreement with **Chile**, upon which the agreements with Peru, Colombia, and Panama are modeled. The U.S.-Chile Free Trade Agreement was implemented on January 1, 2004, and immediately began to pay dividends for American businesses and farmers. While the U.S. International Trade Administration had forecast total export growth of 18-52% over the first 12 years of the agreement's implementation, U.S. exports to Chile leapt by 33% in 2004, 43% in 2005, and an additional 38% in 2006. All told, U.S.-Chile trade has surged by two-and-a-half fold in just three years!

The conclusion? Trade agreements work! Trade is a motor for economic growth, and it generates new economic opportunities throughout the United States. Consider the remarkable results from trade with Chile:

- U.S. exports rose by \$4 billion in three years, reaching \$6.8 billion in 2006.
- Individual companies can point to the same impressive gains. Caterpillar, for instance, has seen U.S. exports to Chile triple for some of its product lines.
- Boosted by trade, Chile's per capita income rose by 83% over the 2003-2006 period, and unemployment fell from 8.1% in 2003 to 6% at the end of 2006.

Other recent trade agreements have borne similar fruits:

- Trade with **Jordan** has risen five-fold since the U.S.-Jordan Free Trade Agreement was signed in 2000, fostering the creation of tens of thousands of jobs in a country that is a close ally of the United States.
- The U.S. trade surplus with **Singapore** nearly quintupled over the first three years of implementation of the U.S.-Singapore Free Trade Agreement (2004-2006), reaching \$6.9 billion last year.
- Implemented in January 2005, the free trade agreement with **Australia** helped boost U.S. exports down under by 25% in just 24 months.

The trade agreements with Peru, Colombia, and Panama take the same comprehensive, high-standard approach to trade as these earlier agreements. To build on the success of these earlier trade agreements, Congress should approve these new accords swiftly!

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