US-CHILE FTA PANEL DISCUSSION

February 25, 2005

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SYNOPSIS
by Katie Kuhl

On Friday, February 25, the GW Center for Latin American Issues (CLAI) and the Chilean-American Chamber of Commerce hosted a panel discussion on “The U.S. – Chile Free Trade Agreement: One Year Later.” The panel consisted of four guest speakers from both the private and public sectors of the economic and business worlds.

The event was monitored and introduced by CLAI’s director, Dr. James Ferrer, with an accompanied introduction by the newly-elected president of the Chilean-American Chamber of Commerce, Paulo Di Rosa.

Dr. Alex Foxley began the panel discussion with a presentation on the current status of the Chilean economy as affected by the US – Chile FTA. Dr. Foxley is the Economic Counselor and Trade attaché at the Embassy of Chile and is responsible for many issues related to the US-Chile FTA and for promoting trade investment ties between the two nations. Dr. Foxley noted that it has been a strong and successful first year for the FTA; US exports grew 35% and Chilean exports grew 32%. The FTA agreement has ensured strong bi-lateral trade and has not, as of yet, altered labor or environmental laws in Chile. There has been no race to the bottom. While the first year of the FTA has been a relative success, from the Chilean perspective, this advance has been just one step in a larger Chilean economic strategy to improve and advance the country.

Dr. Stuart Brahs speaks about the effects of the FTA on pension, insurance, and asset protection companies.

Dr. James Ferrer, Jr. opens with an introduction of the panel members.
Ms. Leslie Yang added her perspective from the American side. Ms. Yang is the Director for MERCOSUR at the Office of the United States Trade Representative. She works on issues involving Argentina, Brazil, Chile, Paraguay and Uruguay, including the implementation of the US – Chile FTA. While the year has been a success, Ms. Yang did remind the audience that it has been only a year and everyone will be eager to watch the continuing progress. Some of the changes in economic policy between these countries have included: tariff reduction and alteration for all sectors, an increase in diversification, a streamlining of transportation, and an environment of increased confidence among investors. Ms. Yang noted that one sector frequently neglected in economic policy analysis is that of small businesses. However, this FTA agreement has provided for special attention and for advisory panels concerned solely with the small business world.

Dr. Foxley and Ms. Yang represented the public sector of the economy. Following their presentations, Dr. Stuart Brahs and Mr. Timothy Richards presented U.S. private sector views and elaborated on their positions as members of the international business world.

Dr. Stuart Brahs is a recognized expert on global pension and retirement savings policy, along with financial services and mobility of persons in the international trade arena. He has over 40 years of experience with politics, government relations, public policy and public affairs. From the business perspective, Dr. Brahs noted that the FTA has provided security for US firms in Chile, and he commented on the increasing success of pension, insurance and asset protection companies. For his own firm, Principal Financial Group, sales have been increasing and are expected to continue to rise.

Mr. Timothy Richards, Senior Manager for International Trade and Investment in the Washington office of General Electric, noted that sales are also on the rise for General Electric. Mr. Richards spoke about such benefits of the FTA as tariff elimination, the easier movement of people and goods across borders, and dispute settlement. From the perspective of General Electric, the US – Chile FTA has been an overwhelming success so far and GE has a long term investment in Chile.
All of the speakers and presenters duly underlined the relevance of this agreement to current political and economic issues. The US congress will face many decisions this upcoming year regarding economic policy with Chile and other Latin American Nations. While completing the Chile FTA agreement was a long process, the treaty’s implementation has been a success and all related parties are eager to for its continuation. Many of the FTA benefits, while frequently direct from the agreement, have been affected by outside factors, such as increases or decreases in global prices of oil, raw materials, etc.

An engaged question and answer discussion followed the presentations by the panelists. Questions involved the pharmaceutical industry, dispute settlements, the apparent lack of interest in US professional visas, and the success of specific Chilean products.

To view Dr. Alex Foxley’s presentation, click here.