



FNC SHOWS ■ TOP STORIES ■ POLITICS ■ BUSINESS ■ FOXLIFE ■ VIEWS ■ FOX POLLS ■ WEATHER ■ FOX SPORTS ■

SEARCH

GO

Today's Features

JOB SEARCH

REAL ESTATE

O'REILLY FACTOR

CREDIT CENTER

FOX Fans Log on Here
or Register Now.

MARKETS

DJIA 9200.05 ▼ -4.41

NASDAQ 1720.91 ▼ -10.46

S & P 500 987.49 ▼ -1.79

07-30-03 05:02 PM ET
Data Delayed 20 Mins

QUOTE

Kramer's Corner

Exploring our Free Trade Opportunities

EMAIL THIS ARTICLE

PRINTER FRIENDLY

BECOME A FOX FAN

Thursday, July 17, 2003
By Hilary Kramer

FOX NEWS

DISCLAIMER : THE FOLLOWING "Exploring our Free Trade Opportunities" CONTAINS STRONG OPINIONS WHICH ARE NOT A REFLECTION OF THE OPINIONS OF FOX NEWS AND SHOULD NOT BE RELIED UPON AS INVESTMENT ADVICE WHEN MAKING PERSONAL INVESTMENT DECISIONS. IT IS FOX NEWS' POLICY THAT CONTRIBUTORS DISCLOSE POSITIONS THEY HOLD IN STOCKS THEY DISCUSS, THOUGH POSITIONS MAY CHANGE. READERS OF "Exploring our Free Trade Opportunities" MUST TAKE RESPONSIBILITY FOR THEIR OWN INVESTMENT DECISIONS.

ADVERTISEMENT In 1492, Christopher Columbus sailed the ocean blue and discovered America. What compelled the arduous and risky journey was more than the opportunity to make history as an explorer—or for that matter, to have dozens of future streets, buildings and elementary schools named after him. The venture was backed by the Spanish government with expectations of developing easier trade routes. Though Columbus failed in his objective to locate new trade routes to India, it's interesting that he landed instead in Latin America, which is currently one of the most coveted trade regions in the world. It's downright ironic that over 500 years after Columbus, governments are still trying to facilitate freer trade—this time with Latin America.

That's because **Latin America** ([search](#)) is an enormous and growing economic region. Trade between the U.S. and Latin America nearly equals U.S. trade with the European Union, despite the substantially wealthier countries in the EU. So instead of Queen Isabel backing this free trade expedition, it's none other than the guy who defines free trade—good ol' Uncle Sam. Through a plan entitled, the Free Trade Area of the Americas—otherwise known as FTAA, the United States is taking definitive steps toward its more extensive and better known World Trade Organization initiatives of a "Tariff-Free World."

The **Free Trade Area of the Americas** ([search](#)) is a proposed Western Hemisphere trade block designed to promote regional integration and foster economic growth in the 34 countries from Canada to the Southern tip of Patagonia. FTAA would encompass nearly all the countries of the Americas, representing the largest free-trade area in the world. With a combined population of 800 million, the region accounts for nearly 15 percent of the world's population and produces goods and services totaling over \$13 trillion, exceeding that of the European Union.

The FTAA plan actually dovetails nicely with the government's WTO ambitions but offers the prospect of earlier market access to Western Hemisphere trading partners by front-loading FTAA tariff cuts. Current U.S. tariffs average 2-3 percent, while tariffs and other trade barriers in Latin America are usually significantly higher. The FTAA partnership would eliminate trade tariffs on a reciprocal basis between member nations, broadly increasing market access opportunities in nearly all industries.

The advantage of FTAA to American businesses and workers is that it expands U.S. access to Western Hemisphere markets, increasing purchasing power for American families and providing greater consumer choices in the marketplace. Consider that in the last decade, exports of goods into Latin America grew 137 percent, compared with 99 percent growth to the entire world. Over the same period, services exports grew 96 percent compared with 86 percent growth to the world. Successful implementation of FTAA would accelerate that export growth, and the U.S. economy would be a direct beneficiary.

A good example of the advantages of free trade in the Americas region can be evidenced from the results of the North American Free Trade Agreement. From the outset of NAFTA, which was signed in 1993, U.S. trade with Mexico grew from just over \$100 billion a year to over \$330 billion a year (with a \$10 billion U.S. trade

PHOTOS



Click image to enlarge

RELATED INFORMATION

Kramer's Corner Archive

Show Navigation

This Week's Show

Last Week's Show

Terry Keenan's Bio

mailto:cash@foxnews.com

← Cashin' In Home

COMING UP ON FNC

Special Report w/ Brit Hume

Wed. 6 pm / midnight ET

Another 9/11-Style Attack? We have the latest on this new Homeland Security threat.

FNC Schedule

surplus) last year. Thanks to NAFTA, the U.S. and Mexican economies are more closely linked now, with Mexico shipping over 85 percent of its goods across the U.S. border.

U.S. and Chilean leaders believe similar benefits will inure from the new trade alliance they signed on June 6th. Chile will be the first South American country to enter into a bilateral free-trade agreement with the U.S., and the partnership is intended to be the precursor to an FTAA agreement for the rest of the countries in the Hemisphere. The agreement, once approved by Congress, immediately eliminates tariffs on 85 percent of traded consumer and industrial goods and provides incentives for U.S. businesses to enter Chilean markets with almost no restrictions.

For the Chileans, the agreement translates directly into dollars. Chile's National Chamber of Commerce estimates that annual U.S.-Chilean trade of over \$8 billion will likely jump 30 percent, with GDP rising between 1-3 percent. U.S. businesses see the benefits as well. Delta Airlines, Citigroup and Motorola have already established operations in Chile and Unilever Bestfoods is close behind.

The Chileans may be the first country in South America to reap the gains from free trade with the colossal and proficient U.S. market. But others may well learn from their example. FTAA co-chair, Brazil and fellow influential South American economic powers Venezuela and Argentina stand to benefit even more from Hemispheric free trade. Efficient corporations in those countries are as eager to experience the advantages of free trade as their American counterparts. Unfortunately, the protectionists in the U.S. criticize free trade and fear the market expansion it delivers. People just like them exist in Latin American countries with just as loud of a platform and eagerness to protest. The danger for the economies of the Americas is that those isolationist voices will crowd out the voices of reason supporting free trade.

But maybe there's still room in the 21st Century for explorers trying to develop free trade opportunities. With the mutual benefits of free trade dangling riches for all involved parties, countries in the Americas could certainly use their own Christopher Columbus to lead the way by ushering in the Free Trade Area of the Americas. Without stronger support from corporate, government and individual leaders, FTAA may not overcome political agendas blocking its formation— no matter how clear the benefits are to the region's economies and peoples.

So throw in your support for it. You, too, can be an explorer pushing to discover better trade "routes." The region's businesses, our economy and your pocketbook will thank you for it. And besides, wouldn't it be nice to have an elementary school named after you?

Hilary Kramer serves as a business news contributor at FOX News Channel. She joined the network as a regular guest on **Cashin' In** in May 2001.

 [EMAIL THIS ARTICLE](#)

 [PRINTER FRIENDLY](#)

 [BECOME A FOX FAN](#)

 [BACK TO HOME](#)

 [BACK TO TOP](#)

ADVERTISING LINKS

Health Plans \$79/Mo	WebRX Free MDConsult	Dental Plans \$99/year
Ann Coulter FREE!	SpeedUp PCFree Scan!	Free Payday Loan
BUY THIS LINK!	Discount Diet Patch	Meet Military Singles

[Schedule](#) | [FOX News Bios](#) | [E-mail Shows](#) | [FAQ](#) | [FOX News Shop](#)

[Find FOX News Channel in Your Area](#) | [Find FOX News Channel Abroad](#)

Advertise on FOXNews.com

Jobs at FOX News Channel. Internships at FOX News Channel.
Terms of use. Privacy Statement. For FOXNews.com comments write to
foxnewsonline@foxnews.com; For FOX News Channel comments write to
comments@foxnews.com

© Associated Press. All rights reserved.
Copyright © 2003 ComStock, Inc.

This material may not be published, broadcast, rewritten, or redistributed.

Copyright 2003 FOX News Network, LLC. All rights reserved.
All market data delayed 20 minutes.