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LATIN AMERICAN INDUSTRIAL ASSOCIATION

ASOCIACION INDUSTRIAL LATINOAMERICANA

**Contribution to the Committee of Governmental Representatives
on the Participation of Civil Society in the FTAA**

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The member entities of AILA examined the directives of the negotiations for the creation of the FTAA and present the following principal ideas:

1. FTAA negotiations should have as their objective arriving at the conclusion of a single agreement, which means that no agreement shall be completed until everything is agreed on. The negotiating process should incorporate the principle of balance, in order to take into account the objectives and interests of all parties. Interim agreements should not be applied. Only measures that strictly comply with the concept of 'facilitation of business' should be implemented;
2. The process of creation of the FTAA should not substitute for or interfere with the development and strengthening of the bilateral and sub-regional agreements in which the countries of the hemisphere are involved;
3. In access to markets, an agreement on tariffs should not be concluded without a timetable for the elimination or harmonization of non-tariff barriers being established;
4. In the areas of intellectual property, services, competition policy, subsidies, anti-dumping and compensatory rights, the primary objective of the negotiation should be adapting domestic legislation to the multilateral agreements existing on each issue.
5. Reduction of exposure of Latin American countries to unilateral mechanisms of trade discrimination widely utilized by the United States. To achieve the objective, the application of the penalties agreed by the WTO in the area of anti-dumping and anti-subsidy actions is necessary.
6. A system of dispute resolution without supra-national characteristics should be created which guarantees a faithful interpretation and implementation of the agreements. Implementation of the decisions should be compulsory.

7. The selection of a set of business facilitation measures within the framework of the FTAA should be a priority, given the importance of adopting measures that reduce settlement costs among companies involved in trade and investment in the region, and which does not involve amendment of the legislation of the countries. The business facilitation measures should be applied unilaterally or as a set by the countries, but this does not mean the application of interim agreements. Therefore, it is important to make uniform the concept of business facilitation measures, which covers actions that have at least one of the following characteristics:
 - to expand on information about trade and investment flows of the countries of the hemisphere,
 - to promote greater transparency of regulatory systems and national policies, through the dissemination of background regarding legislation and other data,
 - to simplify or cut down on the administrative procedures necessary for the economic transactions engaged in within the region,
 - to promote the conforming of the domestic legislation to the commitments assumed vis-à-vis the WTO,
 - to make viable the financial and technical resources necessary for the application of the above-mentioned measures.
8. The importance of improving the infrastructure of the countries in the region should be recognized in order to facilitate trade and investment flows. An adequate supply of infrastructure services is essential for the preferences negotiated in the FTAA to be able to effectively influence trade growth and attracting investments. The participation of multilateral financial institutions of the hemisphere in financing the infrastructure of the countries of the region is considered relevant.
9. Given the importance of the FTAA negotiations to the competitive insertion of Latin American industry, the participation of the private enterprise sector through exchange mechanisms is essential on two levels:
 - On the national level, creation or consolidation of the mechanisms for consultation and participation of the private sector with their respective governments is recommended, and;
 - On the hemispheric level, strengthening of the institutional mechanisms for consultation and participation of the private sector in the official negotiating structure is recommended.

- 1 The Latin American Industrial Association, LAIA, is an international, non-governmental association made up of the organizations most representative of private industrial companies of Latin America in each country, for the purpose of representing and defending the common interests of the industrial sector in the region and promoting interchange and cooperation among its members.

The member entities of the LAIA are: Union Industrial Argentina, Camara Nacional de Industrias (Bolivia), Confederacao Nacional da Industria (Brazil), Sociedad de Fomento Fabril (Chile), Asociaci3n Nacional de Industriales (Colombia), Federaci3n Nacional de Camaras de Industrias del Ecuador, Confederaci3n de Camaras Industriales de los Estados Unidos Mexicanos, Sindicato de Industriales de Panama, Union Industrial Paraguaya, Sociedad Nacional de Industrias (Peru), Asociaci3n de Industriales de Puerto Rico, Camara de Industrias del Uruguay and the Confederaci3n Venezolana de Industriales.