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EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

Buehl

See also see
307
Malcolm Lee
9-23

September 22, 1997

MEMORANDUM FOR ROBERT KYLE

FROM:

Fred Montgomery

SUBJECT:

Section 108 Report

Section 108 of the NAFTA implementing legislation requires the President to submit to the appropriate Congressional committees a written report containing recommendations on future free trade area (FTA) negotiations. The enclosed report and transmittal letter to the President is submitted in fulfillment of this requirement.

Enclosure

Call
Linda E
103-555-
9871

112
Atty
67440
Very concerned
last -
"highly
sensitive"
W & M!!

Bob needs to
get his
comments in

Linda all reviewed
at Buehl level
Factor needs
to be for/should
be pointing to
send for per.
signature
→ left that
for BE's comments
Marking up
We need
to send it
up -
Need his
comments
on cover
notes
not re report
needed

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

September 22, 1997

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Section 108 of the NAFTA implementing legislation requires you to submit to the appropriate Congressional committees a written report containing recommendations on future free trade area (FTA) negotiations. The enclosed Report, which is being submitted in connection with the Administration's fast track legislation, fulfills this requirement.

The NAFTA legislation requires the Report to contain: (a) recommendations for free trade area negotiations, if any, with any foreign country identified in an earlier report mandated by this legislation, which, as required, I submitted on May 1, 1997; (b) specific negotiating objectives that are necessary for this purpose; and (c) legislative proposals to ensure adequate consultative and approval arrangements with the Congress.

The May 1 report reiterated that the United States is committed to a free trade agreement with Chile. The new Report notes that we are similarly committed to maintain the momentum necessary to conclude the Free Trade Area of the Americas (FTAA) by no later than 2005, with concrete progress by the year 2000.

Both reports focus on two regions: Latin America and the Caribbean, and Asia and the Pacific. As you know, these areas are experiencing the fastest economic growth in the world, and are a major focus of recent U.S. trade policy initiatives. In addition, the Report notes that we have embarked on an initiative to support Africa's march toward freedom and open markets, and that, in the future, free trade agreements may be negotiated with certain reform-minded African countries.

The legislation's second and third requirements are satisfied by reference to the Administration's fast track proposal. That proposal addresses both negotiating objectives and legislative provisions for the kinds of agreements described in the Report that would need implementing legislation.

In sum, the report recommends that we negotiate a comprehensive free trade agreement with Chile and continue the process towards completion of the FTAA.

It indicates further that, while the Administration is not now prepared to recommend other specific countries as candidates for future free trade area negotiations, we do not foreclose the possibility where such agreements would advance U.S. economic and strategic interests.

Sincerely,



Charlene Barshefsky

**REPORT TO CONGRESS ON
FUTURE FREE TRADE AREA NEGOTIATIONS**

REPORT TO THE CONGRESS ON
RECOMMENDATIONS ON FUTURE FREE TRADE AREA NEGOTIATIONS

Section 108 of the NAFTA implementing legislation (PL 103-182, 107 STAT 2057) requires that the President submit to the appropriate Congressional committees a report containing recommendations on future free trade area negotiations. More specifically, the report is to contain: (a) recommendations for free trade area negotiations, if any, with any foreign country identified in a report submitted on May 1, 1997, by the U.S. Trade Representative; (b) specific negotiating objectives that are necessary for this purpose; and (c) legislative proposals to ensure adequate consultative and approval arrangements with the Congress. This report is designed to fulfill this requirement.

Summary

Since the end of the Cold War, trade and economic development have emerged as fundamental strategic issues. The strength and prosperity of the United States depends increasingly on our ability to create and maintain trade relationships that are beneficial to us and to our trading partners. We must, therefore, continue to identify those markets that present growth opportunities, ensure access to those markets, and do so in such a way as to create enduring relationships that foster not only short-term economic prosperity, but also our long-term economic security. These relationships promote stability and prosperity so that our trading partners will also be partners in the pursuit of security and peace, and will join us in combating common cross-border threats such as drug trafficking, international crime, and terrorism.

As was true when we issued the July 1, 1994 report under Section 108, we remain committed to completing a comprehensive trade agreement with Chile. We are similarly committed to maintain the momentum necessary to conclude the Free Trade Area of the Americas (FTAA) by no later than 2005, with concrete progress by the turn of the century, in accordance with the Miami Summit Declaration. While the Administration has not, at this time, targeted any other free trade area negotiations, we are open to considering additional arrangements, particularly where they would advance our trade, foreign policy and other important national priorities. For example, we have embarked on an initiative to support Africa's march toward political and economic reform and open markets. In the future, free trade agreements may be negotiated with certain reform-minded African countries, as well as with countries in other regions.

This report, like the May 1, 1997 report, covers all regions of the world and selected countries. As in the May 1 report, the Latin America and the Caribbean and Asia-Pacific regions are discussed in some detail. These regions are experiencing the fastest economic growth in the world and have been a major focus of recent regional U.S. trade policy efforts.

Priority Countries and Regions

Latin America and the Caribbean

The May 1, 1997 report addressed the impressive growth we have seen during this decade in U.S. exports to Latin America and the Caribbean. This growth is a result of fundamental and dramatic changes in economic, fiscal and trade policies in the countries of the region. Since our July 1994 report, these policy changes have gained momentum. The countries of the region are abandoning the protectionism and heavy government intervention of the past for market-oriented policies that will increase their ability to compete in the global economy. They have been reducing their tariff and non-tariff barriers, through the implementation of their Uruguay Round obligations, as well as through unilateral reductions. State-owned enterprises are being privatized; laws on intellectual property protection are being modernized; and macroeconomic reforms and realistic exchange rate regimes have been introduced.

The greater openness of Latin American economies has stimulated a resurgence of activity toward economic integration in the region, and this activity has been expanding in scope and intensity. In fact, no region of the world has a more active agenda of free trade agreement (FTA) negotiations than Latin America. At the sub-regional level during the past year we have witnessed, for example, the conclusion of the Chile-Canada FTA, the MERCOSUR-Chile FTA, the MERCOSUR-Bolivia FTA, and the initiation of negotiations between Mexico and MERCOSUR, Mexico and Peru, Mexico and Ecuador, MERCOSUR and most of the Andean Community, Panama and Chile, Mexico and the Northern Triangle of Central America (Guatemala, El Salvador and Honduras), and between Central America and the islands of the Caribbean. Furthermore, our traditional trading partners are seized by the opportunities that exist to expand trade with Latin America. The European Union (EU) has launched with Mexico, MERCOSUR and Chile talks aimed at concluding a reciprocal trade agreement to eliminate substantially all barriers to trade. Chile and the EU have agreed on a target date of 1999 to conclude such an agreement.

While such sub-regional agreements can contribute both to hemisphere-wide liberalization and to multilateral liberalization in the WTO, the expansion of these sub-regional preferential trade arrangements could put many American and other non-member suppliers at a disadvantage in such markets compared to suppliers from member countries, even when the arrangements are consistent with the WTO. In fact, any time a trade agreement is concluded that reduces barriers among the parties, and those parties do not include the United States, U.S. producers are put at a competitive disadvantage in that market. U.S. exporters are discovering every day the real and growing commercial costs of U.S. non-participation in these ongoing trade negotiations.

An additional danger of such FTA's proceeding without U.S. involvement is that they may begin to address non-tariff issues in ways incompatible with U.S. interests. Thus far, the FTAs in the hemisphere, other than NAFTA, are essentially tariff elimination arrangements. They are not yet comprehensive agreements that cover other trade and trade-related measures, such as government procurement, investment, intellectual property protection (IPR), sanitary and phytosanitary

measures, product standards, and services. It would be beneficial, therefore, to develop region-wide disciplines in these areas and shape them in America's interests before others seize the initiative and shape the rules of trade.

Moreover, our ability to engage outward-looking countries in negotiations -- either in the FTAA or bilaterally -- can solidify the movement toward the open trade policies that we espouse and practice. Central American leaders, for example, have communicated their willingness to build their trade relationship with the United States on the basis of reciprocal market opening. Similarly, the interest in proceeding with the FTAA remains real as evidenced by the Trade Ministers agreeing at Belo Horizonte, Brazil in May 1997 to recommend that their leaders initiate negotiations of an FTAA at their next Summit of the Americas to be held in Santiago, Chile in April 1998.

In light of the growth opportunities that exist in the region, and the prospects for promoting economic prosperity and stability in our hemisphere, we recommend the following free trade area negotiations:

Chile: We remain fully committed to negotiating a comprehensive free trade arrangement with Chile. Chile continues to pursue the democratic, open market policies we seek to reinforce throughout the hemisphere. Chile is aggressively pursuing trade agreements and has recently completed an "association" free trade agreement with MERCOSUR and a comprehensive free trade agreement with Canada. An agreement with Chile would be the first step in building the FTAA.

Free Trade Area of the Americas: Since the Summit of the Americas in Miami in December 1994, the trade Ministers of the 34 democratic countries of the hemisphere have been meeting annually to prepare for the negotiation of the FTAA. The Miami Summit Declaration and Plan of Action provide the overall framework for the construction of the FTAA. It included the following commitments by all 34 Leaders:

- balanced and comprehensive agreements to maximize market openness through high levels of discipline covering, inter alia, tariffs; non-tariff barriers (NTBs) in goods and services; agriculture; subsidies; investment; intellectual property rights (IPR); government procurement; product standards; safeguards; rules of origin; anti-dumping and countervailing duties (AD/CVD); sanitary and phytosanitary (SPS) procedures; dispute settlement; and competition policy;
- concrete progress by the turn of the century;
- to further secure the observance and promotion of workers' rights; and
- to make our trade liberalization policies and our environmental policies mutually supportive.

At the Denver Trade Ministerial in June 1995, the 34 countries agreed that the FTAA will be an undertaking in which all countries will assume all of the obligations of the FTAA. It also was agreed at Denver that the FTAA will be WTO-consistent. Thus, the FTAA will have the WTO obligations as its baseline.

The FTAA, however, needs to go beyond the WTO and be future-oriented. It must be responsive to new technologies and new ways of doing business, and it should draw from the best, most appropriate practices in the sub-regional arrangements. In other words, we aim for the FTAA to be "the state of the art" in trade and investment agreements when it is concluded.

The Third FTAA Trade Ministerial, which took place in Belo Horizonte, Brazil in May 1997, set out a very clear work plan for the FTAA countries in the coming year to enable our leaders to initiate negotiations on the full range of issues included in the Miami Declaration and Plan of Action. More specifically, the Ministers created a Preparatory Committee of Vice Ministers to prepare recommendations on how the FTAA negotiations should proceed -- including objectives, approaches, structure and venue -- for decision by the Ministers at their next meeting in San Jose, Costa Rica in March 1998. We will need the advice of the Congress and the various economic interests in our society to help us define our objectives and priorities in the FTAA negotiations.

Asia Pacific Region

The Asia-Pacific region, as defined by membership in the Asia Pacific Economic Cooperation (APEC) forum, continues to be a primary focus of U.S. trade policy efforts. This region, and in particular the developing and newly industrialized economies of East Asia, continues to be one of the fastest growing regions in the world, and already accounts for 62% of U.S. exports. Moreover, though Asia Pacific trade has accounted for over half of U.S. total trade for several years, trade and economic ties with APEC countries continue to grow in importance. U.S. exports to the developing economies of Asia, for example, grew 30% between 1994 and 1996, reaching \$102 billion. While imports were flat, U.S. exports to the seven members of ASEAN (Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam) alone grew by 13% in 1996, reaching nearly \$43 billion and making ASEAN collectively our fourth largest trading partner.

Though there are still formidable barriers to trade and investment in the APEC region, there is also a strong impetus to reduce barriers in the region. A number of APEC economies are pursuing unilateral economic liberalization and deregulation programs. These are buttressed by the APEC decision, taken in November 1994, to achieve "free and open trade and investment" in the entire region in the early years of the next century.

Economic integration of the APEC region will continue with or without active U.S. participation and leadership. Economic growth in the region has always been presaged on growth in trade, and Asia Pacific countries will continue to actively explore ways of expanding that trade. ASEAN countries are already actively engaged in a regional effort to expand trade and integrate their economies. Other large economies in Asia, such as Japan, Korea, China and Taiwan, are similarly engaged in aggressively expanding their trading networks and opportunities. A failure by the United States to participate in and shape these efforts could significantly diminish the

opportunities for U.S. firms and workers as we enter what some are calling the “Pacific century.” As in the case of Latin America, we also could be disadvantaged by exclusionary subregional preferential trade arrangements.

Thus, the United States has been pursuing an activist trade policy in the Asia Pacific region aimed at further opening these fast growing markets, and expanding opportunities for American companies and workers. The United States has played a pivotal role in shaping APEC, committing in 1994 in principle to free and open regional trade. Since then, APEC has taken important steps toward implementing that commitment, including the pursuit of liberalization in key sectors. Thus, with U.S. leadership, APEC’s strong endorsement of the Information Technology Agreement (ITA) in November 1996 gave critical impetus to the successful conclusion of the ITA at the WTO. Similarly, the active participation of key Asian economies in the WTO basic telecommunications agreement was secured with a strong push from APEC. Finally, building on these successes, APEC trade ministers in May 1997 agreed on an expedited program to explore market opening in other key sectors. Ministers also endorsed active participation in the WTO financial services negotiations to be concluded by December 1997.

Bilateral FTAs between the United States, the largest APEC economy, and other APEC economies, in particular ones with a proven commitment to open trade, could be a catalyst to opening the entire region, accelerating market access opportunities for U.S. exports, and fulfilling the APEC mandate. While we do not recommend specific FTA negotiations at this time, the Administration will consider such agreements in the context of fulfilling its broader objective of opening and expanding markets in this dynamic region, and advancing its security interests in this strategically important area.

Africa

In the case of Africa -- a region rich in resources and potential -- nations that are making dramatic strides toward democracy and prosperity should be engaged. As African economies grow, America’s prosperity and security will benefit. Many nations are embracing economic and political reforms, privatization, and open markets. We intend to work closely with reform minded African nations to promote these goals. We will be prepared to negotiate free trade agreements with countries that have successfully implemented reforms to further integrate them into the international trading system when we and they agree that it is mutually advantageous to do so.

Europe and the Middle East

The Leaders at the United States-European Union Summit in December 1995 recognized the major advantages from expanding trade between their two regions, which were already each other’s largest market for goods and services. In 1995 two-way trade in goods and services amounted to more than \$360 billion, and the United States and the EU accounted for one-half of each other’s outward foreign direct investment flows. While the Leaders did not envisage a free trade agreement (FTA), they agreed to create the New Transatlantic Marketplace (NTM) “...by progressively reducing or eliminating barriers that hinder the flow of goods, services and capital between us.” They commissioned a “joint study” to examine how best to achieve this objective. Because U.S. and EU tariffs are already very low, attention has been focused primarily on non-

tariff barriers. The recently concluded U.S.-EU Mutual Recognition Agreement illustrates the type of progress envisaged under the NTM.

The European countries have very active programs for negotiating FTAs. The major group with which the EU has FTAs is the European Free Trade Association (EFTA) -- Iceland, Liechtenstein, Norway and Switzerland. Both the EU and EFTA have been negotiating free trade agreements with many of the countries of Central and Eastern Europe and the Mediterranean. The EU has signed association agreements and other types of free trade arrangements with the Czech Republic, Slovakia, Hungary, Poland, Bulgaria, Romania, Latvia, Lithuania, Estonia, Albania, Slovenia, Israel, Algeria, Morocco, and Tunisia. The EU has also negotiated a customs union with Turkey. Among other things, these arrangements provide for phased-in free trade in a number of sectors, notably excluding the agricultural sector, between the respective countries and the EU. EFTA has negotiated free trade agreements with Romania, Hungary, Bulgaria, the Czech Republic, Slovakia, Turkey, Israel, Poland, Slovenia, and Albania. Furthermore, six central European countries are members of the Central European Free Trade Agreement, three countries (Estonia, Latvia, Lithuania) are joined in the Baltic Free Trade Agreement, and the New Independent States have free trade among themselves.

While the main obstacles to trade in the EU are non-tariff barriers, many of the Central European countries, the New Independent States and Russia retain high tariffs. As these countries enter FTAs or association agreements, the tariff preferences enjoyed by firms in the EU and EFTA members could become a more significant problem for U.S. exporters. We will, therefore, continue to examine the impact of these preferences on U.S. exports.

With respect to the Middle East, economic growth in the region supports our national security objectives and generates markets for U.S. exports. Increasing trade levels will be essential if these economies are to generate jobs, know-how and prosperity. Regional leaders have grasped this reality and are lowering trade barriers and negotiating free trade agreements with the EU. Measures to lower barriers to U.S. trade in the region will reinforce these efforts, and will increase U.S. exports. Moreover, closer bilateral trade relations with reform-minded countries in the region would signal U.S. support for economic reform efforts underway in the region.

Specific Negotiating Objectives

In general, the Administration's negotiating objectives for the kinds of agreements described in this report are really a subset of the negotiating objectives contained in our proposal for renewed trade agreement authority and fast track procedures.

However, as we are not now engaged in formal FTA negotiations, we have not identified "specific negotiating objectives" for any potential agreement. Specific negotiating objectives would be developed, in consultation with Congress, as part of commencing formal negotiations towards reaching such an agreement. They will vary depending on the particular arrangement being negotiated.

As noted above, our overall goal is to reduce barriers to trade and open markets for U.S. goods and services, and, at the same time, create enduring relationships that foster not only short-term economic prosperity, but our long-term economic security. Where a comprehensive agreement with a country or countries is consistent with those general goals, we believe we should explore whether agreements could be reached that would, in fact, advance our trade, foreign policy and other important national interests.

Legislative Proposals

In addition to negotiating objectives, the Administration's legislative proposal contains specific notice and consultations provisions. These procedures would apply to any agreements described in this report that would need legislation in order to be implemented by the United States.

The proposal provides the President authority to implement by proclamation certain limited categories of tariff reduction agreements. In particular, the proposal provides the President with authority to reduce U.S. tariffs that are above 5 percent *ad valorem* up to 50 percent. The President would be able to eliminate duties set at 5 percent *ad valorem* or less. In addition, the proposal provides for the application of fast track procedures to bilateral, regional or multilateral agreements entered into by the President that reduce additional tariff barriers as well as non-tariff barriers.

The proposal requires extensive consultation with the Congress for agreements subject to fast track procedures. The President would have to provide Congress with written notice of his intention to enter into negotiations at least 90 days before doing so. The proposal also requires that, before and after submission of the notice, the President must consult with the House Committee on Ways and Means, the Senate Finance Committee and other relevant Congressional committees. The President would be required to identify his negotiating objectives and any related agreements that may be entered into.

Furthermore, the President would have to notify the House and the Senate of his intention to enter into an agreement at least 90 days in advance of signing it and, prior to entering into an agreement, the President would be obligated to consult with the House Committee on Ways and Means and Senate Finance Committee, as well as any other Congressional committees that have jurisdiction over issues that would be affected by the agreement. Congress would be able to rescind fast track if the President has not consulted adequately.

Attachment: Merchandise Trade Data on Major Countries and Regions

US EXPORTS OF GOODS TO FTAA COUNTRIES

1996

(Millions of US dollars)

	Total US Exports	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Exports not elsewhere classified	Agriculture	Petroleum	High Technology	Manufact'd Goods
Antigua	82	16	18	18	3	13	1	12	14	0	8	60
Argentina	4,516	79	1,363	2,218	236	448	18	152	157	37	850	4,213
Bahamas	725	139	210	122	64	112	0	79	135	82	32	481
Barbados	222	47	64	52	4	33	0	22	52	11	19	155
Belize	107	15	25	24	9	22	1	10	16	1	4	88
Bolivia	269	39	56	140	11	15	2	6	40	1	72	223
Brazil	12,699	461	3,789	6,063	576	1,458	108	243	561	245	3,283	11,279
Canada	132,584	6,811	29,373	42,925	34,357	13,876	483	4,759	6,863	1,014	18,850	119,952
Chile	4,132	105	1,016	1,943	505	386	20	155	128	113	729	3,766
Colombia	4,709	551	1,381	1,779	262	598	34	123	608	99	600	3,907
Costa Rica	1,814	212	541	322	89	566	3	81	217	30	125	1,540
Dominica	34	4	14	7	3	3	0	3	10	1	2	22
Dominican Rep.	3,183	321	788	659	156	1,180	6	73	412	73	74	2,637
Ecuador	1,257	129	472	441	53	120	7	35	156	28	71	1,046
El Salvador	1,072	145	316	185	48	351	4	46	192	47	43	821
Grenada	36	10	6	9	3	3	0	5	9	0	3	25
Guatemala	1,564	190	544	276	95	389	2	68	272	94	55	1,172
Guyana	137	27	32	49	4	16	1	8	29	2	6	105
Haiti	474	182	81	49	29	96	0	35	188	21	6	248
Honduras	1,841	101	441	204	55	748	3	90	132	85	38	1,388
Jamaica	1,491	196	456	228	62	466	1	81	204	143	55	1,105
Mexico	56,761	4,579	16,543	18,559	8,266	6,519	65	2,228	5,367	1,295	5,703	48,778
Nicaragua	262	53	58	68	22	48	1	12	65	4	17	186
Panama	1,378	147	411	295	69	386	7	62	148	135	92	1,026
Paraguay	897	30	38	582	27	210	1	8	33	3	428	821
Peru	1,767	296	392	766	88	167	4	54	307	26	202	1,409
St Chris.-Nevis	39	4	8	14	2	6	0	5	4	1	5	32
St Lucia	84	13	28	12	3	17	0	11	13	10	4	58
St Vincent & Gren.	45	18	9	6	2	4	0	6	18	0	1	24
Suriname	222	25	69	73	14	24	1	17	25	0	6	191
Trinidad & Tobago	665	126	211	207	15	51	3	52	132	31	36	486
Uruguay	484	13	131	186	27	102	1	24	16	9	97	440
Venezuela	4,741	424	1,208	2,100	444	396	60	110	467	28	401	3,991
Total	240,092	15,509	60,072	80,563	45,603	28,831	841	8,675	16,989	3,670	31,915	211,684
World	622,827	55,466	147,183	252,393	64,166	70,070	14,924	18,625	60,562	6,388	154,881	522,660
Share of World	38.5%	28.0%	40.8%	31.9%	71.1%	41.1%	5.6%	46.6%	28.1%	57.5%	20.6%	40.5%

US IMPORTS OF GOODS FROM FTAA COUNTRIES

1996

(Millions of US dollars)

	Total US Imports	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Agriculture	Petroleum	High Technology	Manufact'd Goods
Antigua	9	0	6	0	0	1	1	0	0	0	8
Argentina	2,278	636	1,359	58	33	132	60	730	783	12	652
Bahamas	165	54	54	1	0	46	11	2	9	28	87
Barbados	41	4	1	20	0	6	10	1	0	0	36
Belize	68	41	6	1	0	18	5	31	2	0	22
Bolivia	275	12	159	0	0	100	4	14	16	0	200
Brazil	8,762	1,070	3,637	1,058	941	1,921	135	1,349	151	247	6,522
Canada	156,506	7,765	59,870	24,163	47,063	9,965	7,680	6,730	15,519	11,590	120,444
Chile	2,256	991	1,120	14	7	82	41	753	16	1	885
Colombia	4,273	775	2,444	11	8	868	188	1,121	1,947	1	1,064
Costa Rica	1,974	696	135	161	4	916	62	682	0	80	1,229
Dominica	8	0	1	1	0	4	2	0	0	0	7
Dominican Rep.	3,575	314	259	553	5	2,360	83	369	0	293	3,087
Ecuador	1,916	938	836	3	2	109	27	539	756	1	112
El Salvador	1,074	135	42	133	0	758	8	101	0	88	831
Grenada	4	2	0	1	0	0	0	1	0	1	2
Guatemala	1,673	635	157	1	1	864	16	660	60	0	914
Guyana	109	35	59	1	0	10	4	10	0	0	39
Haiti	143	7	12	4	0	118	3	6	0	0	135
Honduras	1,786	389	37	1	13	1,351	24	277	0	0	1,366
Jamaica	839	67	209	9	1	527	26	48	0	3	589
Mexico	72,963	4,221	13,430	15,594	23,324	13,835	2,559	3,713	6,765	4,743	60,965
Nicaragua	350	138	41	0	0	167	3	80	0	1	192
Panama	346	202	43	9	2	57	33	115	18	3	110
Paraguay	42	2	30	3	0	8	2	9	0	3	32
Peru	1,261	191	757	6	3	279	24	154	268	1	702
St Chris.-Nevis	23	0	0	20	0	1	1	0	0	1	23
St Lucia	22	0	3	6	0	11	2	0	0	0	22
St Vincent & Gren.	7	0	0	1	0	5	1	0	0	0	6
Suriname	97	6	85	1	0	1	5	0	0	0	14
Trinidad & Tobago	1,017	50	930	3	0	13	21	22	417	0	518
Uruguay	260	69	93	1	0	83	14	62	0	0	177
Venezuela	12,903	168	12,440	37	139	46	74	102	11,131	1	1,244
Total	277,035	19,596	98,254	41,874	71,548	34,654	11,108	17,682	37,857	17,111	202,337
World	791,315	35,701	199,303	229,005	130,052	171,112	26,141	32,568	71,013	130,306	659,867
Share of World	35.0%	54.9%	49.3%	18.3%	55.0%	20.3%	42.5%	54.3%	53.3%	13.1%	30.7%

US BALANCE OF TRADE IN GOODS WITH FTAA COUNTRIES

1996

(Millions of US dollars)

	Overall U.S. Goods Balance	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Exports not elsewhere classified	Agriculture	Petroleum	High Technology	Manufact'd Goods
Antigua	73	15	13	18	3	12	1	12	14	0	8	52
Argentina	2,237	(557)	4	2,160	203	316	(42)	152	(573)	(746)	838	3,560
Bahamas	560	85	156	121	64	66	(11)	79	133	73	4	393
Barbados	181	43	63	32	4	27	(9)	22	51	11	19	119
Belize	38	(26)	19	23	9	8	(3)	10	(15)	(1)	4	64
Bolivia	(6)	28	(103)	140	11	(85)	(2)	6	26	(15)	72	23
Brazil	3,938	(609)	153	5,005	(365)	(463)	(27)	243	(788)	95	3,036	4,757
Canada	(23,922)	(954)	(30,497)	18,761	(12,706)	3,911	(7,196)	4,759	133	(14,505)	7,261	(492)
Chile	1,876	(886)	(104)	1,930	498	304	(21)	155	(625)	97	728	2,881
Colombia	435	(224)	(1,083)	1,768	254	(269)	(134)	123	(512)	(1,848)	599	2,843
Costa Rica	(160)	(483)	405	161	85	(350)	(59)	81	(465)	30	44	311
Dominica	26	4	14	6	3	(1)	(2)	3	10	1	2	15
Dominican Rep.	(392)	7	528	106	151	(1,180)	(77)	73	43	73	(218)	(450)
Ecuador	(659)	(810)	(364)	438	52	11	(21)	35	(383)	(729)	70	934
El Salvador	(2)	10	274	32	48	(408)	(4)	46	90	47	(58)	(110)
Grenada	32	8	6	8	3	3	0	5	9	0	2	23
Guatemala	(109)	(445)	387	275	94	(474)	(14)	68	(388)	33	54	257
Guyana	27	(9)	(28)	48	4	6	(3)	8	19	2	5	66
Haiti	330	175	69	45	29	(21)	(2)	35	181	21	6	113
Honduras	(155)	(268)	404	202	41	(603)	(22)	90	(145)	85	38	32
Jamaica	652	129	248	220	62	(61)	(25)	81	156	143	52	516
Mexico	(16,202)	358	3,113	2,966	(15,058)	(7,316)	(2,494)	2,228	1,654	(5,470)	960	(12,187)
Nicaragua	(88)	(86)	17	68	22	(119)	(3)	12	(15)	4	16	(6)
Panama	1,032	(55)	368	286	68	330	(26)	62	33	117	89	917
Paraguay	858	28	8	879	27	206	(9)	8	23	3	421	789
Peru	505	105	(366)	760	84	(112)	(20)	54	153	(241)	200	708
St Chris.-Nevis	16	4	8	(7)	2	6	(1)	5	4	1	3	10
St Lucia	62	13	24	6	3	6	(1)	11	12	10	4	36
St Vincent & Gren.	38	17	9	5	2	(1)	(0)	6	18	0	1	18
Suriname	128	20	(17)	73	14	23	(4)	17	25	0	6	177
Trinidad & Tobago	(352)	76	(718)	204	15	39	(18)	52	109	(386)	36	(32)
Uruguay	224	(56)	38	185	27	19	(13)	24	(46)	9	97	263
Venezuela	(8,162)	256	(11,232)	2,063	306	350	(14)	110	365	(11,103)	400	2,747
Total	(36,943)	(4,087)	(38,182)	38,688	(25,945)	(5,823)	(10,267)	8,675	(694)	(34,187)	14,803	9,346
World	(168,488)	19,765	(52,120)	23,388	(65,885)	(101,043)	(11,217)	18,625	27,994	(64,625)	24,575	(137,207)

US EXPORTS OF GOODS TO APEC MEMBERS

1996

(Millions of US dollars)

	Total US Exports	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Exports not elsewhere classified	Agriculture	Petroleum	High Technology	Manufact'd Goods
Australia	11,992	297	2,501	5,788	1,108	1,448	257	592	301	20	2,956	11,347
Brunei	375	1	9	266	2	35	2	60	1	0	200	371
Canada	132,584	6,811	29,373	42,925	34,357	13,876	483	4,759	6,863	1,014	18,850	119,952
Chile	4,132	105	1,016	1,943	505	386	20	155	128	113	729	3,766
China	11,878	1,313	1,401	5,732	180	480	13	159	2,080	63	3,184	9,131
Hong Kong	13,956	1,348	3,316	6,507	276	2,067	22	419	1,471	38	4,595	11,781
Indonesia	3,965	516	1,363	1,754	122	117	22	70	847	7	687	2,856
Japan	67,536	12,351	15,071	24,793	4,596	8,448	1,191	1,085	11,620	604	20,179	46,969
Korea, South	26,583	2,998	7,028	13,033	723	1,652	778	371	3,828	456	9,460	20,413
Malaysia	8,521	538	1,232	8,031	54	413	62	194	610	7	4,917	7,747
Mexico	56,761	4,579	16,543	18,559	8,266	6,519	65	2,228	5,367	1,295	5,703	48,778
New Zealand	1,727	81	438	764	58	199	27	160	88	3	426	1,573
Papua New Guinea	69	2	6	54	1	3	0	3	4	0	18	65
Philippines	6,125	816	867	3,867	118	290	55	112	877	92	2,972	5,001
Singapore	16,685	250	3,162	11,471	209	1,000	115	479	281	254	8,425	15,955
Taiwan	18,413	2,719	4,461	8,386	720	956	878	294	2,953	244	6,880	14,404
Thailand	7,211	407	1,883	3,842	158	470	276	177	569	16	2,717	6,379
Total	388,613	35,130	92,371	155,713	51,452	38,360	4,267	11,318	37,887	4,227	92,880	326,489
World	622,827	55,466	147,183	252,393	64,166	70,070	14,924	18,625	60,562	6,388	154,881	522,660
Share of World	62.4%	63.3%	62.8%	61.7%	80.2%	54.7%	28.6%	60.8%	62.6%	66.2%	60.0%	62.5%

US IMPORTS OF GOODS FROM APEC MEMBERS

1996

(Millions of US dollars)

	Total US Imports	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Agriculture	Petroleum	High Technology	Manufact'd Goods
Australia	3,854	691	1,777	493	233	323	338	794	250	269	2,035
Brunei	49	0	0	0	0	46	3	0	0	0	49
Canada	156,506	7,765	59,870	24,163	47,063	9,965	7,680	6,730	15,519	11,590	120,444
Chile	2,256	991	1,120	14	7	82	41	753	16	1	885
China	51,495	662	4,214	8,741	750	36,725	404	568	405	3,827	49,928
Hong Kong	9,867	102	367	2,533	68	6,307	491	92	0	1,664	9,742
Indonesia	8,213	737	2,381	694	173	4,177	52	1,529	543	583	5,831
Japan	115,218	343	11,875	54,372	34,689	11,795	2,144	255	20	30,522	114,503
Korea, South	22,667	177	2,627	12,279	2,458	4,649	476	84	73	9,522	22,275
Malaysia	17,825	160	1,148	10,249	234	5,785	250	370	81	9,627	17,265
Mexico	72,963	4,221	13,430	15,594	23,324	13,835	2,559	3,713	6,765	4,743	60,965
New Zealand	1,464	709	402	124	41	66	123	676	28	41	604
Papua New Guinea	86	26	59	0	0	0	0	25	59	0	1
Philippines	8,162	674	170	3,793	294	3,134	98	593	0	3,470	7,436
Singapore	20,340	92	772	17,383	179	1,246	688	47	118	15,560	20,093
Taiwan	29,911	296	3,024	16,272	862	8,993	464	155	1	9,937	29,517
Thailand	11,336	1,618	804	4,126	282	4,296	210	875	5	2,666	9,318
Total	532,212	19,264	104,038	170,830	110,658	111,423	15,998	17,258	23,882	104,020	470,890
World	791,315	35,701	199,303	229,005	130,052	171,112	26,141	32,568	71,013	130,306	659,867
Share of World	67.3%	54.0%	52.2%	74.6%	85.1%	65.1%	61.2%	53.0%	33.6%	79.8%	71.4%

US BALANCE OF TRADE IN GOODS WITH APEC MEMBERS

1996

(Millions of US dollars)

	Overall U.S. Goods Balance	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Exports not elsewhere classified	Agriculture	Petroleum	High Technology	Manufact'd Goods
Australia	8,137	(394)	724	5,295	875	1,126	(81)	592	(492)	(230)	2,688	9,312
Brunei	327	1	9	266	2	(11)	(1)	60	1	0	199	323
Canada	(23,922)	(954)	(30,497)	18,761	(12,706)	3,911	(7,196)	4,759	133	(14,505)	7,261	(492)
Chile	1,876	(886)	(104)	1,930	498	304	(21)	155	(625)	97	728	2,881
China	(39,517)	651	(112)	(3,009)	(570)	(36,245)	(391)	159	1,512	(342)	(662)	(40,797)
Hong Kong	4,088	1,246	2,950	3,975	208	(4,240)	(469)	419	1,379	38	2,931	2,039
Indonesia	(4,248)	(221)	(1,018)	1,060	(51)	(4,059)	(29)	70	(682)	(536)	104	(2,974)
Japan	(47,683)	12,008	3,196	(29,579)	(30,093)	(3,347)	(953)	1,085	11,365	584	(10,343)	(67,534)
Korea, South	3,916	2,821	4,401	754	(1,735)	(2,997)	302	371	3,744	383	(62)	(1,862)
Malaysia	(9,303)	376	84	(4,218)	(179)	(5,372)	(187)	194	240	(74)	(4,710)	(9,519)
Mexico	(16,202)	358	3,113	2,966	(15,058)	(7,316)	(2,494)	2,228	1,654	(5,470)	960	(12,187)
New Zealand	263	(628)	36	640	17	134	(95)	160	(588)	(25)	386	969
Papua New Guinea	(16)	(23)	(54)	54	1	2	0	3	(21)	(59)	18	65
Philippines	(2,038)	143	697	73	(176)	(2,844)	(42)	112	284	92	(498)	(2,436)
Singapore	(3,655)	158	2,390	(5,912)	29	(246)	(553)	479	234	136	(7,135)	(4,138)
Taiwan	(11,498)	2,423	1,436	(7,886)	(142)	(8,037)	414	294	2,798	243	(3,057)	(15,112)
Thailand	(4,125)	(1,211)	1,078	(284)	(125)	(3,826)	67	177	(306)	11	51	(2,939)
Total	(143,600)	15,865	(11,667)	(15,116)	(59,206)	(73,063)	(11,732)	11,318	20,629	(19,656)	(11,141)	(144,401)
World	(168,488)	19,765	(52,120)	23,388	(65,885)	(101,043)	(11,217)	18,625	27,994	(64,625)	24,575	(137,207)

US EXPORTS OF GOODS TO EUROPEAN UNION (15) MEMBERS

1996

(Millions of US dollars)

	Total US Exports	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Exports not elsewhere classified	Agriculture	Petroleum	High Technology	Manufact'd Goods
Austria	2,009	22	126	562	914	275	7	103	28	0	357	1,945
Belgium	12,520	577	4,593	3,063	810	3,163	101	214	674	15	1,498	9,546
Denmark	1,730	119	367	922	21	206	24	72	188	1	657	1,468
Finland	2,438	99	221	578	105	178	1,176	81	126	1	1,529	2,128
France	14,428	477	3,048	8,345	332	1,629	137	459	490	73	5,883	13,199
Germany, West	23,474	1,199	4,117	12,068	2,181	2,584	633	692	1,439	15	8,371	21,177
Greece	820	115	159	234	28	132	125	28	139	4	175	618
Ireland	3,660	157	708	2,197	17	447	24	110	211	11	1,719	3,377
Italy	8,785	536	2,722	3,851	226	1,066	148	235	787	32	2,568	6,820
Luxembourg	242	1	74	110	4	20	28	6	1	0	82	238
Netherlands	16,615	1,823	4,629	7,469	357	1,755	240	341	2,015	264	5,295	13,415
Portugal	960	272	197	332	15	82	27	35	290	0	222	561
Spain	5,486	937	1,406	2,029	210	611	133	160	1,060	7	1,265	3,737
Sweden	3,429	119	491	1,986	228	329	81	195	128	3	1,444	3,137
United Kingdom	30,916	1,027	7,566	16,044	918	3,740	513	1,108	1,148	24	11,076	28,658
Total	87,680	5,396	20,960	39,731	5,012	11,537	2,669	2,375	6,387	417	28,356	74,493
World	622,827	55,466	147,183	252,393	64,166	70,070	14,924	18,625	60,562	6,388	154,881	522,660
Share of World	14.1%	9.7%	14.2%	15.7%	7.8%	16.5%	17.9%	12.8%	10.5%	6.5%	18.3%	14.3%

US IMPORTS OF GOODS FROM EUROPEAN UNION (15) MEMBERS

1996

(Millions of US dollars)

	Total US Imports	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Agriculture	Petroleum	High Technology	Manufact'd Goods
Austria	2,199	46	416	700	257	703	77	36	0	215	2,138
Belgium	6,779	154	1,796	1,168	903	2,387	371	136	227	626	6,375
Denmark	2,137	329	388	692	18	521	191	416	10	148	1,733
Finland	2,345	49	932	885	32	373	74	55	174	191	2,100
France	18,630	1,417	4,051	7,611	1,015	3,652	884	958	178	4,849	16,861
Germany, West	38,943	670	7,585	15,075	10,049	3,894	1,669	712	124	4,459	37,901
Greece	496	90	266	13	0	88	38	159	47	4	276
Ireland	4,798	280	987	1,561	27	1,510	433	140	0	1,639	4,463
Italy	18,222	1,321	3,377	4,959	472	7,582	511	1,303	95	1,275	16,680
Luxembourg	203	1	139	35	10	7	12	1	3	2	198
Netherlands	6,617	876	1,957	1,947	60	1,114	663	1,149	188	1,006	5,238
Portugal	1,016	79	306	167	11	432	20	62	93	54	835
Spain	4,281	548	1,464	795	265	1,014	195	507	234	221	3,451
Sweden	7,158	216	1,035	2,623	2,227	684	373	75	26	964	6,880
United Kingdom	28,892	933	7,007	10,987	2,367	5,606	1,992	399	2,814	6,595	24,862
Total	102,387	5,313	22,199	34,815	12,855	22,263	4,943	5,126	1,140	14,468	94,799
World	791,315	35,701	199,303	229,005	130,052	171,112	26,141	32,568	71,013	130,306	659,867
Share of World	12.9%	14.9%	11.1%	15.2%	9.9%	13.0%	18.9%	15.7%	1.6%	11.1%	14.4%

US BALANCE OF TRADE IN GOODS WITH EUROPEAN UNION (15) MEMBERS

1996

(Millions of US dollars)

	Overall U.S. Goods Balance	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Exports not elsewhere classified	Agriculture	Petroleum	High Technology	Manufact'd Goods
Austria	(190)	(24)	(290)	(138)	657	(428)	(70)	103	(8)	0	142	(193)
Belgium	5,741	422	2,796	1,895	(93)	776	(269)	214	537	(212)	872	3,172
Denmark	(408)	(210)	(22)	230	3	(315)	(166)	72	(227)	(9)	509	(265)
Finland	93	50	(711)	(307)	73	(195)	1,102	81	71	(173)	1,338	28
France	(4,202)	(939)	(1,003)	734	(682)	(2,022)	(747)	459	(468)	(105)	1,034	(3,662)
Germany, West	(15,469)	529	(3,467)	(3,007)	(7,868)	(1,310)	(1,036)	692	727	(110)	3,912	(16,724)
Greece	324	25	(108)	220	28	44	87	28	(20)	(43)	171	342
Ireland	(1,139)	(122)	(279)	636	(10)	(1,063)	(410)	110	71	11	80	(1,086)
Italy	(9,437)	(786)	(655)	(1,107)	(246)	(6,516)	(363)	235	(516)	(63)	1,293	(9,860)
Luxembourg	38	(0)	(65)	74	(6)	13	16	6	(0)	(3)	80	40
Netherlands	9,997	947	2,672	5,522	297	641	(423)	341	866	77	4,289	8,178
Portugal	(56)	193	(109)	165	3	(350)	7	35	228	(93)	167	(275)
Spain	1,205	388	(58)	1,235	(55)	(403)	(61)	160	554	(227)	1,044	286
Sweden	(3,730)	(97)	(544)	(637)	(1,999)	(354)	(293)	195	53	(24)	480	(3,744)
United Kingdom	2,024	94	558	5,057	(1,449)	(1,866)	(1,479)	1,108	748	(2,790)	4,481	3,796
Total	(14,707)	83	(1,240)	4,916	(7,843)	(10,726)	(2,273)	2,375	1,261	(723)	13,888	(20,306)
World	(168,488)	19,765	(52,120)	23,388	(65,885)	(101,043)	(11,217)	18,625	27,994	(64,625)	24,575	(137,207)

US EXPORTS OF GOODS TO SUB-SAHARAN AFRICA

1996

(Millions of US dollars)

	Total US Exports	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Exports not elsewhere classified	Agriculture	Petroleum	High Technology	Manufact'd Goods
Angola	268	26	29	181	12	15	0	5	28	1	23	231
Benin	27	2	4	4	3	13	0	1	2	0	1	13
Botswana	29	1	0	7	2	1	6	11	1	0	3	27
Burkina Faso	10	3	3	3	0	1	0	0	3	0	1	5
Burundi	2	0	0	1	0	1	0	0	0	0	1	1
Cameroon	71	3	13	46	3	5	0	1	3	0	4	59
Cape Verde	68	5	0	60	1	0	0	1	5	0	60	62
Central African Rep.	4	0	0	3	0	1	0	0	0	0	1	3
Chad	3	2	0	0	0	0	0	0	2	0	0	1
Comoros	0	0	0	0	0	0	0	0	0	0	0	0
Congo	62	7	6	46	0	1	1	2	7	0	5	55
Djibouti	8	2	1	1	0	5	0	0	2	0	0	2
Equatorial Guinea	17	0	3	13	0	0	0	0	0	0	0	17
Eritrea	14	7	0	5	0	0	0	1	8	0	1	6
Ethiopia	148	36	24	62	4	5	11	5	36	0	19	110
Gabon	56	0	3	42	6	3	0	1	0	0	2	54
Gambia	8	2	2	2	0	3	0	0	2	0	0	5
Ghana	295	63	61	126	12	22	1	11	64	0	9	206
Guinea	87	12	12	34	4	14	0	10	12	2	4	59
Guinea-Bissau	7	0	4	2	0	0	0	0	0	4	0	3
Ivory Coast	141	20	57	40	10	11	0	3	20	2	5	110
Kenya	104	10	31	35	9	12	4	4	10	0	20	89
Lesotho	3	2	0	0	0	0	0	0	2	0	0	1
Liberia	50	37	1	2	1	4	0	4	35	0	0	13
Madagascar	12	2	1	7	1	1	0	0	2	0	2	10
Malawi	13	0	1	5	1	4	0	2	0	0	2	10
Mali	18	0	2	10	3	3	0	1	0	0	2	16
Mauritania	15	1	2	7	0	5	0	0	1	0	1	10
Mauritius	25	1	2	14	0	8	0	1	0	0	5	25
Mozambique	23	10	1	6	1	4	0	1	10	0	1	10
Namibia	22	5	0	6	6	1	0	4	5	0	3	17
Niger	27	1	5	3	1	17	0	1	1	0	1	7
Nigeria	816	159	130	474	19	27	0	8	177	17	26	617
Rwanda	37	33	0	1	0	2	0	1	33	0	1	3
Sao Tome/Principe	0	0	0	0	0	0	0	0	0	0	0	0
Senegal	56	5	14	19	3	12	0	2	7	0	5	33
Seychelles	103	1	1	100	0	2	0	0	1	0	98	102
Sierra Leone	28	15	2	3	0	6	0	1	15	0	1	9
Somalia	4	3	0	0	0	1	0	0	3	0	0	1
South Africa	3,106	281	851	1,290	205	314	16	150	288	29	536	2,597
Sudan	50	16	3	28	2	1	0	0	16	0	9	34
Swaziland	2	1	0	1	0	0	0	0	0	0	0	2
Tanzania	50	5	6	22	2	14	0	2	5	0	8	34
Togo	20	4	2	8	1	5	0	0	5	0	3	13
Uganda	17	4	2	7	0	4	0	0	4	0	3	12
Zaire	73	24	7	26	1	12	0	3	24	0	5	39
Zambia	46	0	5	16	10	11	0	3	0	0	5	43
Zimbabwe	91	0	15	44	21	7	1	2	1	0	14	89
Total	6,140	810	1,305	2,814	346	578	41	246	840	58	891	4,865
World	622,827	55,466	147,183	252,393	64,166	70,070	14,924	18,625	60,562	6,388	154,881	522,660
Share of World	1.0%	1.5%	0.9%	1.1%	0.5%	0.8%	0.3%	1.3%	1.4%	0.9%	0.6%	0.9%

US IMPORTS OF GOODS FROM SUB-SAHARAN AFRICA 1996

(Millions of US dollars)

	Total US Imports	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Agriculture	Petroleum	High Technology	Manufact'd Goods
Angola	2,687	0	2,678	0	0	1	8	0	2,678	0	9
Benin	18	0	17	0	0	0	1	1	12	0	5
Botswana	27	0	1	0	0	24	2	0	0	0	27
Burkina Faso	4	0	4	0	0	0	0	4	0	0	0
Burundi	2	1	1	0	0	0	0	1	0	0	0
Cameroon	64	10	49	1	0	4	0	21	35	1	7
Cape Verde	0	0	0	0	0	0	0	0	0	0	0
Central African Rep.	0	0	0	0	0	0	0	0	0	0	0
Chad	7	0	5	0	0	0	2	0	0	0	2
Comoros	6	6	0	0	0	0	0	2	0	0	0
Congo	315	2	293	0	0	19	0	3	289	0	24
Djibouti	0	0	0	0	0	0	0	0	0	0	0
Equatorial Guinea	76	0	76	0	0	0	0	0	75	0	1
Eritrea	2	0	1	0	0	0	0	0	0	0	1
Ethiopia	35	22	5	6	0	0	1	24	0	6	8
Gabon	1,949	1	1,944	0	0	0	3	1	1,916	0	4
Gambia	2	0	0	0	0	2	0	0	0	0	2
Ghana	171	40	21	0	0	109	1	32	3	0	114
Guinea	116	2	109	0	0	3	3	2	14	0	6
Guinea-Bissau	0	0	0	0	0	0	0	0	0	0	0
Ivory Coast	397	283	92	11	0	10	2	310	53	0	32
Kenya	107	33	30	4	0	37	2	55	5	3	46
Lesotho	65	0	0	0	0	65	0	0	0	0	65
Liberia	27	0	0	0	0	26	0	0	0	0	27
Madagascar	46	22	7	0	0	16	1	26	0	0	15
Malawi	72	14	57	0	0	1	0	71	0	0	2
Mali	5	0	2	1	0	2	1	1	0	1	4
Mauritania	5	0	5	0	0	0	0	0	0	0	0
Mauritius	217	22	1	11	0	179	4	14	0	9	193
Mozambique	27	24	2	0	0	0	0	25	0	0	1
Namibia	27	11	13	0	0	1	2	0	1	0	14
Niger	1	0	0	0	0	0	0	0	0	0	1
Nigeria	5,849	10	5,833	0	0	2	4	34	5,798	0	13
Rwanda	9	7	1	0	0	0	0	7	0	0	0
Sao Tome/Principe	0	0	0	0	0	0	0	0	0	0	0
Senegal	5	1	1	0	0	2	0	0	0	0	5
Seychelles	3	0	0	0	0	0	2	0	0	0	2
Sierra Leone	22	1	2	0	0	19	0	0	0	0	20
Somalia	0	0	0	0	0	0	0	0	0	0	0
South Africa	2,323	118	1,764	119	64	197	61	107	14	12	1,789
Sudan	19	6	12	0	0	0	0	7	0	0	2
Swaziland	30	8	4	0	0	17	0	8	0	0	19
Tanzania	19	5	3	0	0	10	1	4	0	0	12
Togo	4	1	3	0	0	0	1	1	1	0	2
Uganda	16	16	0	0	0	0	0	16	0	0	0
Zaire	250	2	158	0	0	90	1	3	124	0	116
Zambia	64	0	60	0	0	3	1	0	0	0	64
Zimbabwe	133	18	96	1	1	15	2	49	0	0	77
Total	15,226	685	13,353	157	65	856	110	832	11,017	34	2,730
World	791,315	35,701	199,303	229,005	130,052	171,112	26,141	32,568	71,013	130,306	659,867
Share of World	1.9%	1.9%	6.7%	0.1%	0.0%	0.5%	0.4%	2.6%	15.5%	0.0%	0.4%

US BALANCE OF TRADE IN GOODS WITH SUB-SAHARAN AFRICA 1996

(Millions of US dollars)

	Overall U.S. Goods Balance	Foods, feeds and beverages	Industrial supplies and materials	Capital goods except automotive	Automotive vehicles parts and engines	Consumer goods (non-food) except automotive	Military type goods	Exports not elsewhere classified	Agriculture	Petroleum	High Technology	Manufact'd Goods
Angola	(2,419)	26	(2,649)	181	12	14	(8)	5	28	(2,677)	23	222
Benin	9	2	(13)	4	3	13	(1)	1	1	(12)	1	8
Botswana	2	1	(0)	7	2	(23)	4	11	1	0	2	1
Burkina Faso	6	3	(1)	3	0	1	(0)	0	(0)	0	1	5
Burundi	0	(1)	(1)	1	0	1	(0)	0	(1)	0	1	1
Cameroon	6	(7)	(36)	45	3	1	(0)	1	(18)	(34)	3	53
Cape Verde	67	5	0	60	1	0	(0)	1	5	0	60	62
Central African Rep.	4	0	0	3	0	1	(0)	0	(0)	0	1	3
Chad	(4)	2	(5)	0	0	0	(2)	0	2	0	0	(1)
Comoros	(6)	(6)	(0)	0	0	(0)	(0)	0	(2)	0	0	(0)
Congo	(253)	4	(287)	46	0	(18)	0	2	4	(288)	5	31
Djibouti	8	2	1	1	0	5	0	0	2	0	0	2
Equatorial Guinea	(59)	0	(73)	13	0	0	(0)	0	0	(75)	0	16
Eritrea	12	7	(1)	5	0	0	(0)	1	8	0	1	5
Ethiopia	113	14	19	56	4	4	10	5	12	0	13	102
Gabon	(1,893)	(1)	(1,941)	42	6	3	(3)	1	(1)	(1,916)	2	51
Gambia	7	2	2	2	0	1	(0)	0	2	0	0	3
Ghana	124	23	39	126	12	(87)	(1)	11	32	(2)	9	91
Guinea	(29)	11	(98)	34	4	12	(3)	10	10	(12)	4	53
Guinea-Bissau	7	(0)	4	2	0	0	0	0	0	4	0	3
Ivory Coast	(256)	(263)	(36)	30	10	1	(2)	3	(290)	(50)	5	78
Kenya	(2)	(23)	0	31	9	(26)	1	4	(45)	(5)	16	43
Lesotho	(63)	2	0	0	0	(65)	(0)	0	2	0	0	(65)
Liberia	23	37	1	2	1	(22)	(0)	4	35	0	0	(14)
Madagascar	(34)	(20)	(6)	7	1	(15)	(1)	0	(25)	0	2	(5)
Malawi	(59)	(13)	(56)	5	1	3	(0)	2	(70)	0	2	8
Mali	13	0	0	9	3	1	(1)	1	(1)	0	1	11
Mauritania	10	1	(3)	7	0	4	0	0	1	0	1	10
Mauritius	(192)	(22)	1	3	0	(171)	(4)	1	(13)	0	(3)	(168)
Mozambique	(4)	(14)	(1)	6	1	4	(0)	1	(16)	0	1	9
Namibia	(5)	(7)	(13)	6	6	0	(2)	4	5	(1)	3	3
Niger	26	1	5	2	1	17	(0)	1	1	0	1	6
Nigeria	(5,033)	149	(5,704)	474	19	25	(3)	8	143	(5,781)	26	604
Rwanda	29	26	(1)	1	0	2	(0)	1	26	0	1	3
Sao Tome/Principe	(0)	0	(0)	0	0	0	(0)	0	0	0	0	(0)
Senegal	50	4	13	19	3	11	(2)	2	7	0	4	28
Seychelles	100	1	0	99	0	2	(2)	0	0	0	98	100
Sierra Leone	6	14	0	3	0	(13)	(0)	1	15	0	1	(11)
Somalia	4	3	0	0	0	1	(0)	0	3	0	0	1
South Africa	784	164	(913)	1,171	142	117	(46)	150	181	15	524	808
Sudan	32	9	(9)	28	2	1	(0)	0	9	0	9	32
Swaziland	(28)	(7)	(4)	0	(0)	(17)	(0)	0	(8)	0	0	(16)
Tanzania	31	(0)	3	22	2	3	(1)	2	0	0	8	22
Togo	18	4	(0)	8	1	4	(1)	0	3	(1)	3	11
Uganda	1	(12)	2	7	0	4	(0)	0	(12)	0	3	12
Zaire	(177)	23	(151)	26	1	(78)	(0)	3	21	(123)	5	(77)
Zambia	(19)	(0)	(56)	16	10	8	(1)	3	(0)	0	5	(21)
Zimbabwe	(42)	(17)	(81)	43	19	(8)	(1)	2	(48)	0	14	13
Total	(9,086)	125	(12,048)	2,657	281	(278)	(69)	246	8	(10,959)	857	2,135
World	(168,488)	19,765	(52,120)	23,388	(65,885)	(101,043)	(11,217)	18,625	27,994	(64,625)	24,575	(137,207)

OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
EXECUTIVE OFFICE OF THE PRESIDENT
WASHINGTON, D.C. 20508



FROM: Bob Novick
Counselor to the USTR

FAX No. 202-395-4549
PHONE No. 202-395-9494

To: April
WITH:

DATE: 9/18

Malcolm Lee's Office

Total Pages: 30

Message:

If you need
anything else then my
direct line is 5-9647,

Thanks,
Katherine

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

Section 108 of the NAFTA implementing legislation requires you to submit to the appropriate Congressional committees a written report containing recommendations on future free trade area (FTA) negotiations. The enclosed Report, which is being submitted along with the Administration's fast track legislation, fulfills this requirement.

The legislation requires the Report to contain: (a) recommendations for free trade area negotiations, if any, with any foreign country identified in an earlier report mandated by this legislation, which, as required, I submitted on May 1, 1997; (b) specific negotiating objectives that are necessary for this purpose; and (c) legislative proposals to ensure adequate consultative and approval arrangements with the Congress.

The May 1 report reiterated that the United States is committed to a free trade agreement with Chile. The new Report notes that we are similarly committed to maintain the momentum necessary to conclude the Free Trade Area of the Americas (FTAA) by no later than 2005, with concrete progress by the year 2000.

Both reports focus on two regions: Latin America and the Caribbean, and Asia and the Pacific. As you know, these areas are experiencing the fastest economic growth in the world, and are a major focus of recent U.S. trade policy initiatives. In addition, the Report notes that we have embarked on an initiative to support Africa's march toward freedom and open markets, and that, in the future, free trade agreements may be negotiated with certain reform-minded African countries.

The legislation's second and third requirements are satisfied by reference to the Administration's fast track proposal. That proposal addresses both negotiating objectives and legislative provisions for the kinds of agreements described in the Report that would need implementing legislation.

In sum, the report recommends that we negotiate a comprehensive free trade agreement with Chile and continue the process towards completion of the FTAA.

It indicates further that, while the Administration is not now prepared to recommend other specific countries as candidates for future free trade area negotiations, we do not foreclose the possibility where such agreements would advance U.S. economic and strategic interests.

Sincerely,

Charlene Barshefsky

**REPORT TO CONGRESS ON
FUTURE FREE TRADE AREA NEGOTIATIONS**

To: Bob Kyle

This § 108 Report also has to
be submitted ~~on the same~~ on the same
day as the FT proposal. CB is reviewing
this weekend. (Chart not included.)

Bob N.

Section 108 Draft: September 10, 1997

REPORT TO THE CONGRESS ON

RECOMMENDATIONS ON FUTURE FREE TRADE AREA NEGOTIATIONS

Section 108 of the NAFTA implementing legislation (PL 103-182, 107 STAT 2057) requires that the President submit to the appropriate Congressional committees a report containing recommendations on future free trade area negotiations. More specifically, the report is to contain: (a) recommendations for free trade area negotiations, if any, with any foreign country identified in a report submitted on May 1, 1997, by the U.S. Trade Representative; (b) specific negotiating objectives that are necessary for this purpose; and (c) legislative proposals to ensure adequate consultative and approval arrangements with the Congress. This report is designed to fulfill this requirement.

Summary

Since the end of the Cold War, trade and economic development have emerged as fundamental strategic issues. The strength and prosperity of the United States depends increasingly on our ability to create and maintain trade relationships that are beneficial to us and to our trading partners. We must, therefore, continue to identify those markets that present growth opportunities, ensure access to those markets, and do so in such a way as to create enduring relationships that foster not only short-term economic prosperity, but also our long-term economic security. These relationships promote stability and prosperity so that our trading partners will also be partners in the pursuit of security and peace, and will join us in combating common cross-border threats such as drug trafficking, international crime, and terrorism.

As was true when we issued the July 1, 1994 report under Section 108, we remain committed to completing a comprehensive trade agreement with Chile. We are similarly committed to maintain the momentum necessary to conclude the Free Trade Area of the Americas (FTAA) by no later than 2005, with concrete progress by the turn of the century, in accordance with the Miami Summit Declaration. While the Administration has not, at this time, targeted any other free trade area negotiations, we are open to considering additional arrangements, particularly where they would advance our trade, foreign policy and other important national priorities. For example, we have embarked on an initiative to support Africa's march toward political and economic reform and open markets. In the future, free trade agreements may be negotiated with certain reform-minded African countries, as well as with countries in other regions.

This report, like the May 1, 1997 report, covers all regions of the world and selected countries. As in the May 1 report, the Latin America and the Caribbean and Asia-Pacific regions are discussed in some detail. These regions are experiencing the fastest economic growth in the world and have been a major focus of recent regional U.S. trade policy efforts.

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1 SEC. 108. CONGRESSIONAL INTENT REGARDING FUTURE
2 ACCESSIONS.

3 (a) IN GENERAL.—Section 101(a) may not be con-
4 strued as conferring Congressional approval of the entry
5 into force of the Agreement for the United States with
6 respect to countries other than Canada and Mexico.

7 (b) FUTURE FREE TRADE AREA NEGOTIATIONS.—

8 (1) FINDINGS.—The Congress makes the fol-
9 lowing findings:

10 (A) Efforts by the United States to obtain
11 greater market opening through multilateral ne-
12 gotiations have not produced agreements that
13 fully satisfy the trade negotiating objectives of
14 the United States.

15 (B) United States trade policy should pro-
16 vide for additional mechanisms with which to
17 pursue greater market access for United States
18 exports of goods and services and opportunities
19 for export-related investment by United States
20 persons.

21 (C) Among the additional mechanisms
22 should be a system of bilateral and multilateral
23 trade agreements that provide greater market
24 access for United States exports and opportuni-
25 ties for export-related investment by United
26 States persons.

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(D) The system of trade agreements can and should be structured to be consistent with and complementary to, existing international obligations of the United States and ongoing multilateral efforts to open markets.

(2) REPORT ON SIGNIFICANT MARKET OPENING.—No later than May 1, 1994, and May 1, 1997, the Trade Representative shall submit to the President, and to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives (hereafter in this section referred to as the “appropriate Congressional committees”), a report which lists those foreign countries—

(A) that—

(i) currently provide fair and equitable market access for United States exports of goods and services and opportunities for export-related investment by United States persons, beyond what is required by existing multilateral trade agreements or obligations; or

(ii) have made significant progress in opening their markets to United States exports of goods and services and export-re-

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1 lated investment by United States persons:
2 and

3 (B) the further opening of whose markets
4 has the greatest potential to increase United
5 States exports of goods and services and export-
6 related investment by United States persons, ei-
7 ther directly or through the establishment of a
8 beneficial precedent.

9 (3) **PRESIDENTIAL DETERMINATION.**—The
10 President, on the basis of the report submitted by
11 the Trade Representative under paragraph (2), shall
12 determine with which foreign country or countries, if
13 any, the United States should seek to negotiate a
14 free trade area agreement or agreements.

15 (4) **RECOMMENDATIONS ON FUTURE FREE**
16 **TRADE AREA NEGOTIATIONS.**—No later than July 1,
17 1994, and July 1, 1997, the President shall submit
18 to the appropriate Congressional committees a writ-
19 ten report that contains—

20 (A) recommendations for free trade area
21 negotiations with each foreign country selected
22 under paragraph (3);

23 (B) with respect to each country selected,
24 the specific negotiating objectives that are nec-

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1 essary to meet the objectives of the United
2 States under this section; and

3 (C) legislative proposals to ensure ade-
4 quate consultation with the Congress and the
5 private sector during the negotiations, advance
6 Congressional approval of the negotiations rec-
7 ommended by the President, and Congressional
8 approval of any trade agreement entered into
9 by the President as a result of the negotiations.

10 (5) GENERAL NEGOTIATING OBJECTIVES.—The
11 general negotiating objectives of the United States
12 under this section are to obtain—

13 (A) preferential treatment for United
14 States goods;

15 (B) national treatment and, where appro-
16 priate, equivalent competitive opportunity for
17 United States services and foreign direct invest-
18 ment by United States persons;

19 (C) the elimination of barriers to trade in
20 goods and services by United States persons
21 through standards, testing, labeling, and cer-
22 tification requirements;

23 (D) nondiscriminatory government pro-
24 curement policies and practices with respect to
25 United States goods and services;

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1 (E) the elimination of other barriers to
2 market access for United States goods and
3 services, and the elimination of barriers to for-
4 eign direct investment by United States per-
5 sons;

6 (F) the elimination of acts, policies, and
7 practices which deny fair and equitable market
8 opportunities, including foreign government tol-
9 eration of anticompetitive business practices by
10 private firms or among private firms that have
11 the effect of restricting, on a basis that is in-
12 consistent with commercial considerations, pur-
13 chasing by such firms of United States goods
14 and services;

15 (G) adequate and effective protection of in-
16 tellectual property rights of United States per-
17 sons, and fair and equitable market access for
18 United States persons that rely upon intellec-
19 tual property protection;

20 (H) the elimination of foreign export and
21 domestic subsidies that distort international
22 trade in United States goods and services or
23 cause material injury to United States indus-
24 tries;

25 (I) the elimination of all export taxes;

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1 (J) the elimination of acts, policies, and
2 practices which constitute export targeting; and

3 (K) monitoring and effective dispute settle-
4 ment mechanisms to facilitate compliance with
5 the matters described in subparagraphs (A)
6 through (J).

7 **SEC. 109. EFFECTIVE DATES; EFFECT OF TERMINATION OF**
8 **NAFTA STATUS.**

9 (a) **EFFECTIVE DATES.—**

10 (1) **IN GENERAL.**—This title (other than the
11 amendment made by section 107) takes effect on the
12 date of the enactment of this Act.

13 (2) **SECTION 107 AMENDMENT.**—The amend-
14 ment made by section 107 takes effect on the date
15 the Agreement enters into force between the United
16 States and Canada.

17 (b) **TERMINATION OF NAFTA STATUS.**—During any
18 period in which a country ceases to be a NAFTA country,
19 sections 101 through 106 shall cease to have effect with
20 respect to such country.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE
WASHINGTON, D.C. 20508

September 10, 1997

MEMORANDUM FOR AMBASSADOR BARSHEFSKY

FROM: Bob Novick

SUBJECT: Section 108 Report

Attached for your review is the revised draft of the Section 108 Report. Originally required to be submitted by July 1, the report has been on hold pending preparation of the Administration's proposed fast track legislation. This version, which was earlier cleared in substance by the TPSC, reflects the proposed legislation. Also attached is a draft transmittal letter to the President, and a copy of the Section 108 language.

Attachments