

Administration of Barack Obama, 2011

Message to the Congress Transmitting Legislation To Implement the United States-Panama Trade Promotion Agreement

October 3, 2011

To the Congress of the United States:

I am pleased to transmit legislation and supporting documents to implement the United States-Panama Trade Promotion Agreement (Agreement). The Agreement is an important part of my Administration's efforts to spur economic growth, increase exports, and create jobs here in the United States, while promoting our core values. The Agreement will create significant new opportunities for American workers, farmers, ranchers, manufacturers, investors, and businesses by opening Panama's market and eliminating barriers to U.S. goods, services, and investment.

The Agreement also represents an important development in our relations with Panama, and accords with the goal, as expressed by the Congress in the Caribbean Basin Trade Partnership Act, to conclude comprehensive, mutually advantageous trade agreements with beneficiary countries of the Caribbean Basin Initiative trade preference program. The Agreement further reflects a commitment on the part of the United States to sustained engagement in support of democracy, economic growth, and opportunity in Panama and the region.

Panama is one of the fastest growing economies in Latin America. Upon entry into force of the Agreement, Panama will immediately eliminate its tariffs on over 87 percent of U.S. exports of consumer and industrial goods and on more than half of U.S. exports of agricultural goods. Panama will eliminate most other duties on U.S. exports within a 15-year transition period. Eighty-five percent of U.S. businesses exporting to Panama are small and medium-sized enterprises. The elimination of duties provided for in the Agreement will help to level the playing field for them and for all U.S. exporters, based on 2010 trade flows, as approximately 98 percent of our imports from Panama already enjoy duty-free access to the U.S. market. In addition, the Agreement will give American service providers greater access to Panama's \$20.6 billion services market.

The Agreement contains state of the art provisions to help protect and enforce intellectual property rights, reduce regulatory red tape, and eliminate regulatory barriers to U.S. exports. The Agreement also contains the highest standards for protecting labor rights, carrying out covered environmental agreements, and ensuring that key domestic labor and environmental laws are enforced, combined with strong remedies for noncompliance. Panama has already made significant reforms related to the obligations it will have under the labor chapter.

As a part of an ambitious trade agenda, it is important that the Congress renew a strong and robust Trade Adjustment Assistance Program consistent with reforms enacted in 2009. Renewal of that program is necessary to support Americans who need training and other services when their jobs are adversely affected by trade. As we expand access to other markets abroad, we need to ensure that American workers are provided the tools needed to take advantage of these opportunities and are not left behind in the global economy.

Approval of the Agreement is in our national interest. The Agreement will strengthen our economic and political ties with Panama, support democracy, and contribute to further

economic integration in our hemisphere and economic growth in the United States. I urge the Congress to enact this legislation promptly.

BARACK OBAMA

The White House,
October 3, 2011.

Categories: Communications to Congress : Panama-U.S. trade promotion agreement, message transmitting legislation.

Subjects: Commerce, international : U.S. exports :: Expansion; Economy, national : Strengthening efforts; Employment and unemployment : Job creation and growth; Employment and unemployment : Job training assistance; Labor, Department of : Trade Adjustment Assistance program; Panama : Economic growth and development; Panama : Free trade agreement with U.S.; Panama : Relations with U.S.

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