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# Beyond NAFTA— Latin America

## I. Developments in the Latin American Trade Agreements

In December 1994, the Summit of the Americas called for hemispheric trade integration through the creation of the Free Trade Agreement of the Americas (FTAA) by the year 2005. However, movement toward the accomplishment of this objective is already discernible in foreign investment figures. In 1994, total foreign direct investment in Latin America and the Caribbean rose to approximately \$22 billion, compared with \$19 billion in 1993.<sup>1</sup> In addition, existing trade arrangements throughout the Americas "are becoming more outward-looking through reduction in tariff rates vis-a-vis the rest of the world."<sup>2</sup> At the same time, new arrangements such as the Southern Cone Common Market (MERCOSUR) and the North American Trade Agreement (NAFTA) are "expected to increase international trade and foster growth."<sup>3</sup>

Despite the overall progress toward hemispheric integration, recent developments have raised questions about the feasibility of the FTAA, which have been relied upon by members of the U.S. Congress to suggest that "the southern economies aren't as bright prospects for economic cooperation as earlier thought."<sup>4</sup> Moreover, such members point to the devaluation of the Mexican peso as among the biggest concerns of U.S. and international investors. Indeed, the U.S. opposition to the proposed Mexican "rescue package" was so fierce that it raised serious doubts about whether the U.S. is ready "for genuine partnership with its Latin American neighbors."<sup>5</sup> Even so, if the U.S. had actually turned its back on Mexico, "the prospects for hemispheric cooperation of any sort would have dimmed considerably."<sup>6</sup>

However, regardless of the uneasiness caused by Mexico's economic crisis, it is extremely unlikely that the peso's precipitous decline will be "paralleled by a similar drop in foreign direct investment, principally because the latter is driven more by longer-term structural and strategic considerations."<sup>7</sup> According to Manuela Rangel, Economic Relations Director of the Latin American Economic System, which includes twenty-seven Latin American countries, although the Mexican peso crash had its biggest impact on North American investors, it "had little effect on intra-regional investment and trade initiatives."<sup>8</sup>

Moreover, it is important to note that the agreed-upon steps toward the long-term goal of hemispheric free trade "are being taken as scheduled."<sup>9</sup>

Another recent development that has raised some questions on the possibility that the FTAA will be created in the near future is the continuing border dispute between Ecuador

1. The Reuter European Business Report, *Foreign Investment in Mexico Could Slump, UN Says* (Mar. 16, 1995), available on LEXIS.
  2. International Monetary Fund, Finance and Development, *Latin America and the Caribbean in the 1990s; Latin America and the Caribbean: The Challenges Ahead* (Mar. 1995), available on LEXIS.
  3. *Id.*
  4. The Christian Science Monitor, *Assessing the Consequences of the Peso Crisis* (Mar. 23, 1995), available on LEXIS.
  5. *Id.*
  6. *Id.*
  7. The Reuter European Business Report, *supra* note 1.
  8. The Christian Science Monitor, *supra* note 4.
  9. *Id.*
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and Peru, both of which are members of the Andean Pact. Interestingly enough, these hostilities "broke out just as the Andean Pact finally set a common external tariff — itself a preparation for a proposed merger with the [MERCOSUR] trade union."<sup>10</sup> Given that numerous countries have in the past been able to conduct trade negotiations in the midst of territorial disputes, the situation between Peru and Ecuador is certainly not unusual nor does it pose an insurmountable threat to the countries' ability to work together as members of the same trade agreement in the common pursuit of economic integration."<sup>11</sup>

Even though concerns remain that those recent developments will inevitably "derail integration," many international trade commentators still see a huge potential for the possibility of hemispheric trade."<sup>12</sup> Among other things, they note that "[i]n line with the trend toward liberalization, domestic price controls have been reduced or lifted in most countries, and business activity has been deregulated in a number of sectors."<sup>13</sup> FTAA supporters also point to the fact that many developing countries in the region have renewed their access to international capital markets."<sup>14</sup>

Perhaps even more significant indicators that a hemispheric trading zone is beginning to be underway are the specific steps that are actually being taken pursuant to the Summit Declaration that was drafted for the formation of the FTAA. In accordance with the FTAA's "Plan of Action," trade experts from each country met in January to determine the industries where customs barriers can be alleviated first."<sup>15</sup> Meanwhile, the Organization of American States (OAS) Special Committee on Trade has been studying the existing trade arrangements with a view of extracting common elements in order to find ways to bring the agreements together. The Summit leaders directed the Committee to have a report on its work prepared by June 30th, 1995, when the trade ministers meet to review the preliminary report and to decide on areas for immediate consideration."<sup>16</sup> Sponsored by the U.S. in Denver, Colorado, the hemispheric meeting of trade ministers will present an opportunity to decide "how to implement the 'building block' approach for putting together the hemisphere's 24 trade agreements."<sup>17</sup> The meeting will also host a "hemispheric forum" sponsored by the U.S. Department of Commerce that will bring together North and South American business leaders."<sup>18</sup>

The next ministerial meeting, already scheduled to occur in March of 1996, will allow the trade ministers to review the final report by the Special Committee and to establish timetables for subsequent work.<sup>19</sup> That spring ministerial meeting is hoped to include key

10. Business Latin America, *Trade Pacts: Best-laid Plans in Mexico* (Feb. 6, 1995), available on LEXIS. Inter Press Service, *Latin America: Numerous Border Disputes A Threat to Peace* (Feb. 1, 1995), available on LEXIS.
11. Inter Press Service, *supra* note 10.
12. Business Latin America, *supra* note 10.
13. International Monetary Fund, Finance and Development, *supra* note 2.
14. *Id.*
15. Information Access Co., Caribbean Update, *The Region: Hemispheric Free Trade Targeted* (Jan. 1995), available on LEXIS.
16. 12 Int'l Trade Rep. (BNA), No. 3, p. 134 (Jan. 18, 1995).
17. The Christian Science Monitor, *supra* note 4.
18. *Id.*
19. 12 Int'l Trade Rep. (BNA), *supra* note 16.

private-sector leaders and will be hosted by U.S. Trade Representative Michael Kantor and U.S. Commerce Secretary Ron Brown. It is hoped that this meeting will contribute to the "arduous but important work of developing sound regulatory systems, improving product standards and conformity assessment procedures, simplifying customs documentation, and helping governments to evaluate and modernize commercial laws."<sup>20</sup>

In addition to the aforementioned ministerial meetings, representatives from Western hemispheric regional and subregional groups met on March 13-14, 1995 and agreed to implement an "inter-institutional coordination mechanism" to work on the follow-up to the Summit of the Americas.<sup>21</sup> This newly-formed coordination mechanism includes representatives from the Organization of American States OAS, the Inter-American Institute for Cooperation on Agriculture, the Latin American Integration Association and the organization of Eastern Caribbean States.<sup>22</sup> Recognizing the importance of coordinating their work, the participating groups agreed to consult with members of the NAFTA and MERCOSUR.<sup>23</sup> Their follow-up meeting is planned for May in Montevideo, Uruguay.<sup>24</sup>

The concrete steps that are presently being taken towards the eventual creation of the FTAA clearly provide for an optimistic outlook for the hemispheric region as a whole. In view of the fact that the existing Latin American trade groups are increasingly expanding their trading zones, the FTAA's existence is also becoming more of a reality. As the Western Hemisphere holds over 20 diverse trading arrangements, schemes for eventual harmonization will need to be developed with support from the OAS, the Inter-American Development Bank (IADB) and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC).<sup>25</sup> In sum, the feasibility of the FTAA cannot be too far in the future.

#### A. THE SOUTHERN CONE COMMON MARKET (MERCOSUR)

At present, the members of the Southern Cone Common Market, MERCOSUR, include Brazil, Argentina, Uruguay and Paraguay. The MERCOSUR is South America's largest sub-regional trade pact, linking 211 million people and accounting for nearly fifty percent of Latin America's economic output.<sup>26</sup> In recent months, European officials have "dramatically stepped up their courting of Latin countries."<sup>27</sup> Indeed, about half of

20. American Chamber of Commerce of Mexico, Business Mexico, *At the Summit of Hemispheric Relations* (Jan./Feb. 1995).

21. 12 Int'l Trade Rep. (BNA) No. 11, p. 507 (Mar. 15, 1995).

22. *Id.*

23. *Id.*

24. *Id.*

25. American Chamber of Commerce of Mexico, Business Mexico, *Consensus in the Americas; Free Trade by 2005* (Jan./Feb. 1995).

26. Australian Financial Review (AFR), *supra* note 7. Financial Post (FINPO), *USA: Existing Agreements Complicate FTAA Deal* (Dec. 17, 1994), available on WESTLAW. Sunday Age (Melbourne) (SMAGE), *USA: Summit Push for a Free-Trade Hemisphere*, (Dec. 11, 1994), available on WESTLAW. Australian Financial Review (AFR), *Australia: Australia Can be a NAFTA Mini-Amigo-Chile*, (Dec. 13, 1994), available on WESTLAW.

27. The Christian Science Monitor, *supra* note 4.

MERCOSUR's external trade is dominated by European nations. Hence, such figures make it all the more urgent for the U.S., along with the rest of the Western hemisphere, to continue to work diligently toward the liberalization of trade, leading to the eventual formation of the FTAA.

The MERCOSUR began to operate as a tariff-free trade union on January 1, 1995 and its signatories have expressed a willingness to include new members.<sup>28</sup> According to Jorge Campbell, the Argentine Secretary for International Relations, as of June 30, 1995 "all MERCOSUR agreements with other members of the Association for Latin American Integration [ALADI] will be successfully renegotiated."<sup>29</sup> ALADI is "an economic cooperation group and preferential arrangement" made up of Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela.<sup>30</sup> During the second half of 1995, the MERCOSUR members plan to initiate negotiations with the European Union as well as with other American countries interested in participating in the free trade zones. It is hoped that MERCOSUR's willingness to expand its trading arena will result in MERCOSUR becoming the "main negotiating partner with NAFTA" during the creation of the FTAA.<sup>31</sup> It is hoped that MERCOSUR's willingness to expand its trading arena will result in MERCOSUR becoming the "main negotiating partner with NAFTA" during the creation of the FTAA.<sup>32</sup>

### *1. Negotiations with the Andean Pact*

The Andean Pact, whose participants include Venezuela, Colombia, Ecuador, Peru and Bolivia, only recently expanded its trade potential through the establishment of a common external tariff among its members that covers approximately ninety percent of all traded goods.<sup>33</sup> In addition, despite the border conflict between Ecuador and Peru, trade officials from MERCOSUR and the Andean Group began negotiations in February of this year with respect to a possible merger of the two groups which would cover virtually all of South America.<sup>34</sup> This merger has begun to be referred to as the "SAFTA" (South American Free Trade Area).<sup>35</sup>

The fact that Colombia (a member of both the Andean Pact and the Group of Three), continues to pursue its own trade negotiations with individual MERCOSUR countries, may appear to conflict with its participation in the Andean Pact's merger, negotiations with

28. *Id.*

29. 12 Int'l Trade Rep. (BNA), No. 1, p. 17 (Jan. 4, 1995).

30. 12 Int'l Trade Rep. (BNA) No. 6, p. 269 (Feb. 8, 1995).

31. 12 Int'l Trade Rep. (BNA), *supra* note 29.

32. Financial Times, *Survey of Mercosur*, (Jan. 25, 1995), available on LEXIS.

33. 11 Int'l Trade Rep. (BNA) No. 47, p. 1842 (Nov. 30, 1994; Inter Press Service, *Mercosur-Andean Pact: Blocs Consider Extending Bilateral Accords* (Nov. 1, 1994), available on LEXIS.

34. Inter Press Service, *South America-Trade: Talks Begin Between Mercosur, Andean Pact* (Jan. 3, 1995), available on LEXIS. Business Latin America, *Management Alert in Latin America* (Feb. 20, 1995), available on LEXIS. Reuters World Service, *Reuter Business News Highlights*, (Feb. 3, 1995), available on LEXIS. The Christian Science Monitor, *supra* note 4.

35. Inter Press Service, *Latin America: Regional Integration Takes Top Priority* (Feb. 23, 1995), available on LEXIS.

MERCOSUR as a trade bloc. Nevertheless, Colombia's efforts to effectuate certain bilateral agreements with the four MERCOSUR countries are believed by Latin American diplomatic sources to actually serve "as a means of pressuring other Andean Pact members to hurry up the groups' integration with the Southern Cone customs union."<sup>36</sup> Indeed, this is the very reason why Colombia has pushed for hemispheric economic integration and even considered the possibility of accepting MERCOSUR's common external tariffs on an individual basis.<sup>37</sup> Colombia's Ambassador to Argentina, Victor G. Ricardo, has aptly characterized Colombia's trading stance: "right now we are studying all the possibilities that lead to integration."<sup>38</sup>

## B. THE GROUP OF THREE

The Group of Three, also known as "the G-3 Accord," consists of Colombia, Venezuela and Mexico. Although this commercial agreement has only been in effect since January 1, 1995, it is already expected to create a new common market of 136 million people, becoming one of the largest free trade zones created in Latin America after the NAFTA.<sup>39</sup> The Group of Three was initiated with a phase that will gradually reduce tariffs (10 per cent eliminated each year) over a ten-year period while "sensitive sectors" such as agriculture, agro-industries, and the automobile industry will be handled in a special manner.<sup>40</sup> Aside from gradually lowering trade barriers among the three nations, the Group of Three has also established commercial standards and a dispute-resolution mechanism.<sup>41</sup> Perhaps even more significantly, the G-3 represents a golden opportunity for Colombia and Venezuela to introduce their products to members of the NAFTA.<sup>42</sup>

### 1. *The Colombian Perspective on the Mexican Currency Crisis*

Serious questions were raised as to the successful implementation of the G-3 Accord at the time when the severity of Mexico's currency crisis became fully disclosed. Indeed, one of the first consequences of the Mexican peso devaluation was a notable distortion in the flow of G-3 goods. More specifically, the devaluation of the Mexican peso initiated a flood of inexpensive Mexican imports to Colombia and Venezuela while exports from Colombia and Venezuela to Mexico became more expensive.<sup>43</sup> Despite these initial economic drawbacks, Colombian Foreign Trade Minister Daniel Mazuera has expressed confidence in the fact that the G-3 Accord, which includes protection clauses set up to face such irregular situ-

36. Inter Press Service, *Latin America: Regional Integration Takes Top Priority* (Feb. 23, 1995), available on LEXIS.

37. *Id.*

38. *Id.*

39. Reuter Newswire, *Colombia: Latin Leaders to Proclaim Faith in Free Markets* (June 13, 1994), available on WESTLAW. Inter Press Service, *Trade: Colombia, Mexico and Venezuela set Mid-Term Goals in G3* (Jan. 6, 1995), available on LEXIS.

40. Inter Press Service, *Id.*

41. *Id.*

42. BBC Summary of World Broadcasts, *Regional Reaction: Foreign Minister Remains Optimistic About G-3 Despite Mexican Devaluation* (Jan. 17, 1995), available on LEXIS).

43. Business Latin America, *supra* note 10. BBC Summary of World Broadcasts, *supra* note 42.

ations, will not be drastically affected by the devaluation.<sup>44</sup> Moreover, in order to prevent future currency problems from becoming more widespread, the Colombian government, businessmen and bankers have unilaterally agreed that one of the first initiatives to be taken in the G-3 process is "the harmonization of foreign exchange policies to ensure that drastic currency fluctuations in one of the countries does not negatively affect the others."<sup>45</sup> This plan is a practical one worthy of pursuit and Minister Mazuera has praised the current commercial agreement because it presently allows the three partners "to protect local industries when confronted with exchange distortions."<sup>46</sup>

## 2. *The Current Status of Venezuela*

Similarly to Colombia, Venezuela has the advantage of being a member of both the Andean Pact and the Group of Three.<sup>47</sup> Nevertheless, Venezuela's present economic controls and recession have been perceived by neighboring countries as a potential problem, particularly because the country's exports have been significantly reduced as a result of its economic slump.<sup>48</sup>

However, despite Venezuela's economic problems, some sectors are enjoying significant progress. Ford de Venezuela, for instance, has reaped the benefits of the tariff-free zone between Colombia and Venezuela, which has been in place since 1992.<sup>49</sup> In 1993, total automobile exports amounted to 4,600 while in 1994, exports rose to an amazing 8,500.<sup>50</sup> Similar results were also reported by Venezuelan steel and automobile-parts manufacturers.<sup>51</sup> In addition to individual companies, successes, it is becoming an undeniable trend that Venezuela's long-established multinational companies "continue expansion plans, national companies are going international, and firms from other Latin American countries are entering the Venezuelan market."<sup>52</sup> For example, in response to "Venezuela's high raw material costs, low domestic demand, tight credits and limited productive capacity," footwear manufacturers have developed as their long-term strategy the sending of an industry-wide trade delegation to investigate the relevant markets in Colombia.<sup>53</sup> In addition, these manufacturers are seriously considering the pursuit of "joint ventures with Colombian, Mexican and other Latin American manufacturers to promote and distribute footwear exports within the Andean Pact countries and the Group of Three as well as establishing intra-regional factories for needed components."<sup>54</sup> Venezuelan food processor Mavesa, on the other hand, has already experienced regional expansion by successfully plac-

44. BBC Summary of World Broadcasts, *supra* note 42.

45. *Id.*

46. *Id.*

47. Inter Press Service, *supra* note 10.

48. Business Latin America, *supra* note 10.

49. *Id.*

50. *Id.*

51. *Id.*

52. *Id.*

53. Information Access Co., *Footwear Industry Survives Against the Odds* (Feb. 1995), available on LEXIS.

54. *Id.*

ing its margarine and mayonnaise in Colombia and continues to be optimistic about further expansion.<sup>55</sup> Moreover, other Latin American companies are moving into the Venezuelan markets, including numerous Mexican companies such as the cement giant Cementos Mexicanos and the Mexican food company Bimbo, both which entered Venezuela last year.<sup>56</sup>

### 3. *The Future of the G-3*

Although seemingly exclusive in name, the Group of Three envisions an expansion of its membership in the near future. However, as the possibility of Venezuela's inclusion in the NAFTA is "fairly theoretical," Venezuelans may nonetheless look forward to the regional expansion of the G-3 Accord.<sup>57</sup> According to Pedro Noyola, Mexico's Undersecretary for Trade and Foreign Investment, Mexico hopes to expand the Group of Three to include all Andean Pact countries as well as Costa Rica and all of Central America.<sup>58</sup> Indeed, it is probably only a matter of time before the Group of Three is extended to MERCOSUR, giving it access to an additional 201 million consumers.<sup>59</sup>

## C. THE CARIBBEAN BASIN INITIATIVE

The Caribbean Basin consists of twenty-four member nations. In 1983, the United States Congress passed a trade program known as the Caribbean Basin Initiative (CBI) to provide duty-free treatment to most products exported from the Caribbean Basin to the U.S. market.<sup>60</sup> This program, implemented in 1984 and permanently established in 1990, has fostered the continuing growth of bilateral trade between the United States and the CBI nations.<sup>61</sup> Approximately forty to fifty percent of the imports of CBI nations come from the U.S., while the U.S. exports to those nations have expanded by more than 100 percent.<sup>62</sup>

Since the implementation of the NAFTA, Caribbean exporters have contended that the region's industry is losing market share to Mexico because of Mexico's competitive advantage stemming from its tariff-free access under the NAFTA.<sup>63</sup> Caribbean exporters have suggested that lower labor costs, due to the recent sharp depreciation of the peso, "make Mexico an ever more competitive base for export-driven manufacturing."<sup>64</sup> Such con-

55. Business Latin America, *supra* note 10.

56. *Id.*

57. Information Access Co., *supra* note 53.

58. Reuter Textline, Euromoney Trade Finance and Banker International, *South America: South American Trade Tangles* (June 30, 1994), available on LEXIS.

59. American Chamber of Commerce of Mexico, Business Mexico, *What Does All the Wheeling and Dealing Mean for Mexico? Hemispheric Free Trade Has its Consequences* (Jan./Feb. 1995), available on LEXIS.

60. Inter Press Service, *Caribbean-Trade: Caribbean Export Bill Faces Its Best Chance* (Mar. 29, 1995), available on LEXIS.

61. Reuter Textline, Lloyds List, *Bid to Bring Caribbean into NAFTA* (Jan. 27, 1995), available on LEXIS.

62. Inter Press Service, *supra* note 60.

63. Inter Press Service, *supra* note 60.

64. Caribbean Update, *The Region: NAFTA-like Benefits for Caribbean?* (Mar. 1995), available on LEXIS.

tentions are based on several findings, including statistics revealing that, although both Mexico and the Caribbean apparel imports "had an annual growth rate of approximately 25 percent before NAFTA. . . . by 1994, the growth rate from Caribbean Basin countries declined to 14.6 percent, while the growth rate from Mexico jumped to 48.8 percent."<sup>65</sup> Similar findings show that because of NAFTA's lowered duties, "Mexican exports are growing by 45 percent annually, while in the 24-nation Caribbean Basin growth has slipped to 10 percent."<sup>66</sup> Another dramatic effect of the shift in investor interest from the CBI nations to Mexico is the fact that in Guatemala alone 74 apparel factories have closed and 20,000 jobs have been eliminated since September 1994.<sup>67</sup>

In view of these findings, Caribbean exporters fear that unless certain steps are taken there may eventually be a total disregard for the preferences that the U.S. Congress previously accorded CBI exports, thus giving rise to a complete diversion of trade to Mexico.<sup>68</sup> However, one of the most promising solutions to the CBI trade imbalances is the recently proposed Caribbean Basin Trade Security Act which, if approved, would offer far greater access to the U. S. market "over the next six years for exports from the current beneficiaries of the Caribbean Basin Initiative."<sup>69</sup> The proposed Caribbean Basin Trade Security Act legislation has already been approved by the House Ways and Means Trade Subcommittee on March 29, 1995 and will soon be presented to the full House Ways and Means Committee.<sup>70</sup> Under the bill, the CBI beneficiaries would enjoy NAFTA-equivalent benefits for a transitional period.<sup>71</sup> These benefits, however, would be contingent on a periodic review by the United States of the Caribbean countries to ensure that those nations have "satisfactorily opened their markets to U.S. products in return for trade concessions."<sup>72</sup> The paramount factors that the U.S. would review include considerations such as the protection of intellectual property rights and worker rights.<sup>73</sup> Although the bill enjoys current bipartisan support, a remaining hurdle to be addressed is how the U.S. government will recover the \$1 billion in tariffs that it would thereafter be unable to collect from Caribbean apparel imports.<sup>74</sup>

If successful, the proposed legislation would allow the CBI nations to enjoy parity with Mexico in accessing the U.S. market.<sup>75</sup> Perhaps more importantly, the Caribbean Basin

65. 12 Int'l Trade Rep. (BNA) No. 11, p. 505 (Mar. 15, 1995).

66. Gannett News Service, *House Committee Studies NAFTA Impact on Caribbean Basin* (Feb. 10, 1995), available on LEXIS.

67. 25 Daily News Record No. 47, p. 9 (Mar. 9, 1995). Gannett News Service, *supra* note 69. Inter Press Service, *Caribbean-Economy: Region Sees Hops in New "Parity" Legislation* (Mar. 17, 1995), available on LEXIS. 12 Int'l Trade Rep. (BNA), *supra* note 68.

68. The Financial Post, *Free Trade Winds Weaken: U.S. Argues Caribbean Nations Aren't Yet Ready for NAFTA-like Deal* (Feb. 11, 1995).

69. Inter Press Service, *supra* note 60.

70. BNA Int'l Trade Daily, *Caribbean Basin: Ways-Means Trade Subcommittee Moves CBI Parity Measure to Full Committee* (Mar. 31, 1995), available on LEXIS.

71. *Id.*

72. *Id.*, Inter Press Service, *supra* note 60.

73. BNA Int'l Trade Daily, *supra* note 70.

74. Inter Press Service, *supra* note 60.

75. Inter Press Service, *supra* note 60.

Trade Security Act would serve as a means of encouraging the CBI nations to "adopt the market-opening reforms that would prepare them to join NAFTA at some later date."<sup>76</sup>

## II. Conclusion

Although challenges in the Americas remain with respect to certain internal problems such as high inflation, regional conflicts and widespread poverty, the recent activities of existing trade agreements show a clear trend toward liberalization of domestic markets and a renewed access to international capital markets.<sup>77</sup> In view of the numerous trade developments that are continuously occurring, a hemispheric economic integration through the FTAA is becoming more of a reality as we approach the end of the century. As the head of the Inter-American Development Bank, Enrique Iglesias, notes, "[t]he easiest path towards hemispheric free trade will be for countries to team up in regional blocs, and for these to later merge into the FTAA."<sup>78</sup> Given that such regional blocs are in existence and are actively seeking to expand their membership to countries that are current members of other trade groups, it will not be too long before climatic negotiations occur between the NAFTA and a SAFTA, leading to the creation of the FTAA.

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76. BNA International Trade Daily, *U.S. Trade Official Opposes Approach Taken in Caribbean parity Legislation* (Feb. 13, 1995).

77. International Monetary Fund, Finance and Development, *supra* note 2.

78. Information Access Co., Caribbean Update, *supra* note 15.