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# Impact of International Trade Law on National Law-Making in the Western Hemisphere

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*[The following outline is from lectures delivered at a comparative law seminar on "The Impact of Treaties on National Law" in Jakarta, Bandung and Sulawesi under the auspices of the Ministry of Justice of Indonesia in 1996. Professor Carl focused on the Latin American experience, while other lecturers examined the situation in the European Union, and in Indonesia with the Association of Southeast Asia Nations (ASEAN).]*

## I. Introduction.

A. The last decade has witnessed the creation of an intricate network of international conventions, regional agreements, and bilateral treaties, as well as domestic laws in other countries requiring target nations to revise their own national laws.

B. Examples include:

1. Pressures exerted by legislation of other countries on a target nation to change its own national laws, e.g., laws of the United States imposing punitive tariffs on products of a target country for its failure to enact an acceptable patent law.

2. Bilateral Treaties: a number of bilateral treaties have obligated their members to make changes in domestic laws concerning foreign investment and trade practices.

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3. Multi-national agreements, such as the 1994 GATT/WTO Agreements[1] calling for numerous changes in national laws of member countries.

    a. 130 nations have now ratified the Final Act and become World Trade Organization (WTO) members.

    b. Canada, the United States, and all Latin American states are members, except Ecuador which is applying.

4. Regional Economic Integration Associations: For example, a regional common market may establish minimum standards that all its members must satisfy for admission of foreign investors; the domestic legislation of the members might impose higher standards, but could not fall beneath the standards set forth in the common agreement.

    a. The most important integration unit in the Western Hemisphere is the North America Free Trade Agreement,[2] which has required changes in the national laws of all three of its members. Free Trade Associations have also been formed among Mexico, Chile, and Canada. Chile is negotiating to join NAFTA.

    b. For other integration units, see Annex A.

    c. Free Trade Association of the Americas (FTAA): On June 30, 1995, 34 nations in the Western Hemisphere approved a declaration outlining the framework for establishing a free-trade zone for Central, North and South America, and the Caribbean by Year 2005.

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1. General Agreement on Tariffs and Trade, Oct. 30, 1947, 61 Stat. (5), (6), 55 U.N.T.S. 194 [hereinafter GATT 1947]. The final texts of the GATT Uruguay Round Agreements, including the Agreement Establishing the World Trade Organization as signed on April 15, 1994, are available in LEXIS, Intlaw Library, GATT File. Selected portions of the Final Act are published at General Agreement on Tariffs and Trade - Multilateral Trade Negotiations (The Uruguay Round): Final Act Embodying the Results of the Uruguay Round of Trade Negotiations, Dec. 15, 1993, 33 I.L.M. 1, 1125 (1994). The text of the Uruguay Round legal instruments in 31 volumes, including all three official language texts and the complete market access schedules of all participants, is available from the GATT Secretariat Publications Office for 3,750 Swiss francs: telephone (+41) 22 739-5208, fax (+41) 22 739-5458.
2. North American Free Trade Agreement, drafted Aug. 12, 1992, revised Sept. 6, 1992, U.S.-Can.-Mex., 32 I.L.M. 605 (entered into force Jan. 1, 1994) [hereinafter "NAFTA"].

## II. Reasons for these dramatic changes in Latin America:

A. Import substitution: To promote import substitution, developing nations in Latin America surrounded their infant industries with protective tariffs, provided various financial and tax incentives, and imposed local content requirements and restrictions on foreign exchange. The purpose was to induce both national and foreign companies to use local goods and services to the maximum extent possible.

B. Import substitution worked very well for Latin America during the '50s and '60s and achieved significant growth. Nevertheless, the products manufactured for these protected markets were often not of as high quality as goods on the world market and cost substantially more. Each of these nations had small markets of middle and upper class consumers who could afford such consumer goods. Eventually, these small markets were saturated and the businesses could not grow.

C. Meanwhile, the Latin American nations had incurred enormous foreign debts and could not service this debt.

1. To surmount these problems, the United States, the World Bank, and the International Monetary Fund encouraged these nations to:

a. privatize or sell off their government owned companies;

b. eliminate barriers to the operation of free markets;

c. lower their tariff barriers; and

d. remove obstacles to foreign investment.

e. The rationale was that these countries would then become more competitive and could increase exports, thereby earning the foreign exchange required to repay their foreign debts.

2. Latin America did increase its exports to the industrialized world, but subsequently encountered protectionism in the North.

a. One third of the products from the developing world were blocked by quotas when shipped to the industrialized nations.

b. During the past decade, as 60 developing nations were reducing trade restrictions, 20 of the top 24 industrialized nations were raising them.[3]

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3. Robert S. Greenberger, *North South Split: With Cold War Over Poorer Nations Face Neglect by the Rich*, WALL ST. J., May 14, 1992, at A1.

3. Meanwhile, the United States was running enormous trade deficits and Europe was encountering serious unemployment problems.

   a. Leaders in the United States felt that the United States could no longer prevail in the manufacturing of goods, but rather, our competitiveness lay in two newer areas: technology and services.

      (1) If the United States were to accept increasing imports of goods from other nations, it had to ensure that it had an offsetting competitive advantage elsewhere, e.g. technology. Thus, the United States pushed for other nations to adequately protect intellectual property rights, such as copyrights and patents.

      (2) The United States emphasized that while competitively weak in the manufactured goods sector, it is strong in the field of services, such as insurance, shipping, information and computers, and telecommunications. Services account for 70% of American jobs. Thus, the United States urged the creation of a free trade systems for services.

      (3) Latin America, on the other hand, was not enthusiastic about this prospect. In 1987, Latin American had suffered a $5 billion deficit in services and feared competition from the outside.

## III. National laws as pressuring target nations to change their laws with the goal of opening markets to United States exports.

A. United States.

1. Antidumping Actions.

   a. Dumping occurs when a product is offered in a United States market at a price lower than in its home market. In retaliation, an additional tariff or antidumping duty may be added to the item.[4]

   b. Since 1979, there have been 113 antidumping investigations of Latin American products such as cement, film, and steel. Thirty adverse decisions are in still effect.

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4. 19 U.S.C. §§1673-73h, 1675, 1677, 1677a-77c, 1677e-77k (1988).

2. Subsidies and Countervailing Duties.

   a. If a target nation grants export or domestic subsidies to a company, the importing country may impose a countervailing duty to offset the advantage of that subsidy.[5]

   b. United States has assessed countervailing duties against Argentine imports benefitting from tax deductions for exports and Brazilian imports that had received loans on terms available only to exporters.

   c. Other instances where countervailing duties have been applied include: Venezuelan aluminum where government provided power at preferential rates; below market loans by Mexico to a company for the company's use in privatization costs; and the provision of coal by Argentina to coal producers at preferential prices.

3. Section 301 of the United States Trade Act of 1974[6] allowed the United States Trade Representative to take action against a foreign government for "unreasonable or inequitable" trade practices.

   a. The statute specifically identifies as unreasonable, for example, failure to adequately protect intellectual property rights or toleration of private anti-competitive conduct.

   b. Either the United States government or a private party may petition for such action.

   c. Actions under Section 301 include: increased duties; other trade restraints; and/or pressure on a target nation to change its law to eliminate the objectionable practice.

   d. Between 1975 and 1994 there were eleven Section 301 investigations against Latin American countries, all involving Argentina or Brazil. The United States imposed retaliatory measures in two of those investigations. In one case, the United States raised tariffs on leather hides from Argentina. In the other, the United States imposed new tariffs of 100% on various Brazilian products, such as televisions and microwaves, in retaliation for inadequate pharmaceutical patent protection.

   e. Among other areas, Brazil's Informatics Law governs computer software, imposes import restrictions, and local content and export performance requirements. In 1985, under a Section 301 action, the Brazilian law

5. *See* 19 U.S.C. § 1671ff.
6. 19 U.S.C. § 2242ff (1988 & Supp. 1993).

was attacked for restricting American trade and investment in this sector. The investigation brought about the enactment of a new software law in Brazil.

(1) Brazil is the largest software market in the world.

(2) 20% of all software sold there is manufactured in Brazil. Would such development have occurred without these special Brazilian incentive laws?

4. Section 301 deals with any type of onerous trade barrier; the USTR must identify "foreign priority country practices" requiring trade liberalization to increase United States exports.[7]

   a. In 1989, the USTR cited Brazil's import licensing system as it was applied to manufactured goods as being such a barrier. Brazil thereupon eliminated the system.

5. Section 337 Exclusion Proceedings:[8] These proceedings allow the United States to exclude imports from producers that engage in unfair trade practices, as well as products that infringe on United States intellectual property rights. As a result of GATT/WTO agreements, the United States amended this law to improve its procedural fairness.

6. United States legislation calls for annual governmental reports on the acts, policies or practices of foreign countries that constitute significant barriers to United States exports or foreign direct investment. These reports can lead to countervailing duty actions or to Sections 301 or 337 sanctions.

7. In using these unilateral trade tools, the United States has incurred a great deal of hostility. Developing nations in particular resent efforts by the United States to impose a particular law upon them and view this as a new form of colonialism.

B. Mexico

1. Until 1988, only the European Union (EU), Canada, and Australia had unfair trade regulatory systems to rival the United States regulatory system.

7. *See* 19 U.S.C. § 2420 (1988).
8. 19 U.S.C. § 1337 (1988 & Supp. 1993).

2. Starting in 1988 Mexico began using similar laws against alleged unfair trade practices of other nations.[9] Mexico has now supplanted Canada as the fourth most active user of these laws; by 1993, Mexico had approximately 140 unfair trade cases in its administrative pipeline.

## IV. Bilateral Investment Treaties Between the United States and Latin America.

A. The United States has signed 16 agreements on trade and investment with Latin American and Caribbean nations.[10]

B. These treaties provide substantial protection for United States investors, guaranteeing, for example, most favored nation treatment for investment, adequate and freely transferable compensation for expropriation, free convertibility of earnings and capital, freedom from performance requirements, and access to international arbitration of investment disputes through bodies such as the International Center for the Settlement of Investment Disputes (ICSID).

## V. The 1994 GATT/WTO Agreements:

Known as the Uruguay Round, these complex multilateral agreements are a package deal. WTO members must accept and be bound by all of them. They are "are integral parts of this Agreement, binding on all Members."[10.5] WTO members may not pick and choose the portions of the GATT/WTO 1994 agreements to which they will adhere.[11] This is a significant change from the prior GATT arrangement.

A. Transparency. Transparency[12] is a key principle of these Agreements. Transparency means that measures affecting trade must be known to those affected; all standards and procedures must be easily available through appropriate notices and prompt publication in standard publications, such as an official journal.

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9. *See* Craig R. Giesze, *Mexico's New Antidumping and Countervailing Duty System: Policy and Legal Implications, as well as Practical Business Risks and Realities, for United States Exporters to Mexico in the Era of the North American Free Trade Agreement*, 25 ST. MARY'S L.J. 885 (1994).
10. The United States has signed framework agreements on trade and investment with Colombia, Ecuador, Chile, Honduras, Costa Rica, Venezuela, El Salvador, Peru, Panama, Nicaragua, MERCOSUR, CARICOM, Guatemala, Dominican Republic, Mexico and Bolivia. These framework agreements are all fairly similar; for example see the Chilean agreement in 29 I.L.M. 1404 (1990).
10.5. *See* Final Act Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, Apr. 15, 1994, *reprinted in* Final Texts of the GATT Uruguay Round Agreements Including the Agreement Establishing the World Trade Organization *as signed on* Apr. 15, 1994, at 17.
11. *Id.*, art. II, at 2.
12. *Id.*, art. X.

B. The agreements include:

1. Multilateral Agreements on Trade in Goods: these consist of thirteen substantive agreements on goods, including the GATT 1994 (which explicitly incorporates the whole of GATT 1947). It also includes sub agreements on:

a. Agriculture[13]

(1) All non-tariff barriers must be converted into tariffs (tarrification), i.e. quotas replaced.

(2) Developed nations must reduce their export subsidies by 36% over a six-year period.

(a) Developing counties have ten years to reduce their subsidies by 24%.

(3) Members must reduce support for domestic agricultural programs, such as price supports, marketing loans, acreage payments and input subsidies (such as on seed, fertilizer and irrigation).

(a) Developed countries must reduce their support by 20% over a six-year period.

(b) Developing countries must reduce their support levels by 13% over 10 years.

b. Agreement on Sanitary and Phytosanitary (SPS) measures and the Agreement on Technical Barriers to Trade (TBT).

(1) It is often hard to distinguish between a legitimate health or safety concern and a protectionist measure. For years, the United States excluded certain beef from Argentina on the grounds that their cattle suffered from hoof and mouth disease; Argentina claimed this was a false pretense and merely a protectionist device of the United States

(2) Under both the SPS and TBT agreements, a government may impose legitimate measures to protect health and safety or to maintain product standards.

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13. *Id.*, Agriculture Agreement, art. 4

(3) To ensure that these measures are not merely disguised protectionist devices, they must:

(a) be based on international standards or guidelines where they exist; and

(b) be made transparent (through notice and publication).

(4) Developing countries will receive some additional time to meet these requirements and industrialized nations are obligated to assist developing nations in developing these standards.

c. Textiles Agreement: The MFA (MultiFibre Agreement) had limited the exports of textiles and clothing from developing nations and affected one fourth of all exports from the Third World.

(1) The new Textile Agreement requires the phase-out of all textile and clothing quotas over a ten-year period.

(2) Textiles and clothing will be integrated into the normal GATT/WTO regime with tariffs replacing quotas.

(3) Tariffs of industrialized nations on these products will be reduced by about one quarter over a 5 year period.

d. Trade Related Investment Measures (TRIMs) Agreement.

(1) These are government restrictions that restrict foreign investors. They include local content requirements, local equity requirements, demands that a company's exports equal its imports; restrictions on access to foreign exchange, etc.

(2) Developing countries have between 5 and 7 years to eliminate such measures.

e. Antidumping.

(1) This agreement allows for more speedy means for resolving antidumping disputes.

(2) But cost calculations are difficult. In implementing the new GATT/WTO agreements, the United States passed legislation making it easier for United States companies to prove that foreign competitors are guilty of dumping. This provision of the United States law may be questioned by a WTO review panel.

f. Subsidies and countervailing measures including tax incentives, low cost government loans and grants, etc.

(1) Export subsidies are to be eliminated. Developing nations have 8 years to phase out export subsidies.

(2) Three type of domestic subsidies will be allowed:

(a) certain types of research and development;

(b) assistance to disadvantaged regions; and

(c) one-time assistance for adaptation to new environmental requirements.

(3) An Agreement on Civil Aircraft will place limits on government subsidies to this industry.

2. The new General Agreement on Trade in Services (GATS).

a. This envisions a free trade regime for services. Annexes are to define which sectors are covered.

b. Some countries agreed to open their markets for legal services, accounting, and software.

c. The United States would like to obtain "national treatment" for service providers, e.g., such as banks.

d. The United States agreed to open its doors to foreign financial-services firms, but asserted the right to limit access after July 1995 to firms from nations that do not reciprocate.

3. The new Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPs).

a. Requires members to adopt laws establishing minimum standards of protection applicable to several types of intellectual property: patents; trademarks; copyrights (including computer programs); trade secrets; semiconductor chip layout designs; industrial designs; and general technical know-how.

b. Patents must be protected for at least 20 years; this required the United States to change its law, increasing patent protection from 17 to 20 years.

c. Copyrights must be protected for not less than 50 years and trade marks not less than seven years.

d. Developing countries have five years to amend their laws to comply with these standards; in some exceptional cases 10 years may be available.

(1) Intellectual property issues have been a major source of friction between the United States and Latin American.

(2) The United States has indicated strong dissatisfaction with the protection of patents, trademarks, and copyrights in Argentina, Brazil, Chile, Colombia, Peru, and Venezuela.

(3) The Argentine example is illustrative. Argentine patent law was considered by the United States as defective, especially in the area of pharmaceutical products.

(a) The Argentine Congress passed a new patent law, but it did not conform to TRIPS. The Argentine president vetoed it for this reason.

(b) As a response, the Argentine president issued a decree adopting the TRIPS provisions.

(c) Congress overturned the key provisions of that decree and passed another law in conflict with TRIPS.

(d) Meanwhile, the United States is pressuring Argentina for a TRIPs compatible law and the Argentine president is insisting that he will somehow persuade the legislature to pass an acceptable law.

C. Environmental concerns: Partly to allay the fears of environmentalists, the trade pact allows any member to withdraw from the WTO after six months' notice. The United States is setting up its own panel to review WTO decisions.

## VI. Regional Integration Units.

A. NAFTA (North American Free Trade Association--Canada, Mexico, and the United States).

1. NAFTA covers many of the same areas as the GATT/WTO agreements, but generally applies higher or more comprehensive standards than the GATT. Where there is a conflict between the two, the NAFTA provisions control.

2. Investment.

a. The provisions regarding investment are more comprehensive that those of GATT/WTO. Inter alia, they provide for investors in NAFTA accessor-countries freedom from performance requirements and the free transferability of funds from investments.

b. Previously, foreign companies had been limited to not more than 51% ownership and even less in certain industrial sectors.

c. In 1993, Mexico adopted a new investment law to conform to the NAFTA.[14]

(1) A few "strategic areas" (petroleum, electricity) continue to be reserved for the Mexican government; a few sectors, e.g. development banks, are still reserved for Mexican nationals.

(2) Most other activities are open to 100% ownership by foreigners.

d. Other laws Mexico revised to conform to the NAFTA agreement include: antitrust, competition, and anti-monopoly laws; customs legislation; forestry laws (to allow foreign ownership); seaports, navigation, and fishing; and legislation on the execution of international treaties.

e. Services: Foreign financial institutions, such as bank subsidiaries, can now apply to do business in Mexico.

f. Intellectual Property: The NAFTA provides more comprehensive protection than the GATT/WTO provisions.

g. Side Agreements on Labor and Environment: Emphasis on enforcement of environmental and health and safety standards.

B. Other regional organizations, such as the ANDEAN Common Market.

1. In the 1970s, this organization imposed severe restrictions on foreign investment and the transfer of foreign technology, e.g. a prohibition against more than 49% foreign ownership in any enterprise.

2. In 1992 and 1993, new agreements turned the authority to regulate these issues back to the member-nations.

14. Mexico, Foreign Investment Act of 1993, 33 I.L.M. 207 (1994).

3. Colombia and Peru have recently enacted laws on intellectual property; although the protection is improved, the United States still considers it inadequate.

## VII. Does total free trade involve some disadvantages for developing countries?

A. How can domestic enterprises within the developing nations compete with the powerful transnational enterprises (TNE)?

1. According to the World Bank, the TNE's control 70% of world trade. 15 TNE's have gross incomes larger than the gross domestic product of more than 120 nations.[15]

2. Successful local enterprises are often swallowed up by the TNEs. For example, of some 700 new manufacturing firms established in Latin America during one period, 46% of them were created by buying out existing local firms.[16]

3. Freer markets produce greater wealth for upper and middle classes, but little of this wealth trickles down to the lower economic groups.

4. When Brazil privatized and modernized her big steel mill, one third of its workers lost their jobs.[17] In such economies, workers frequently cannot find alternative employment.

B. Free trade impact on environment.

1. The free trade model requires goods to be shipped long distances all over the world. Transport involved in international trade is estimated to account for one-eighth of all world oil consumption. The four billion tons of freight transported on ships in 1991 consumed as much energy as was used by Brazil and Turkey combined.[18]

2. Transport fueled by oil produces global warming, acid deposits, local air pollution and uses a non-renewable resource.

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15. T. Lang & C. Hines, The New Protectionism: Protecting the Future Against Free Trade 34 (1993) [hereinafter "Lang"].
16. R. Barnet & R. Muller, Global Reach: The Power of Multinational Corporations 139 (1974) [hereinafter "Barnet"].
17. *Emerging Powers: Brazil and Mexico* (Wall Street J. Report, PBS television broadcast, Jan 19, 1996).
18. Lang, *supra* note 15, at 61.

3. Would it not be less damaging environmentally to grow, produce, and consume many items locally?

C. Concern about intellectual property rights may be warranted. It is important to consider what steps are being taken to prevent strong suppliers from taking advantage of weak recipients (local companies and developing countries) in the licensing process.

1. Technology Transfer.

a. Technology suppliers have frequently placed oppressive provisions in these licensing contracts--provisions that may well have been illegal in the supplier's home nation.

b. An example would be a clause prohibiting the licensee from attacking the validity of a patent.

c. One study revealed that of over 400 technology transfer contracts between global companies and their subsidiaries in Ecuador, Peru, Bolivia, Chile, and Colombia, 80% of them totally prohibited exports of products produced by the technology.[19]

d. To ensure fairness, many Latin American nations had adopted technology transfer laws prohibiting such unfair or anti-competitive clauses. These laws also brought the government into the negotiation process in an effort to ensure the amount of royalties being paid was reasonable.

e. Under pressure from the free market enthusiasts, these technology transfer laws have now been repealed or weakened. Without such laws, it is unclear whether there are adequate protections against exploitation for the weaker nation.

2. Copyrights.

a. It is often simply not practical for a developing country to adopt a developed country's standards in these areas. A strong, western-style copyright regime will eat up resources in the instituting, monitoring, and enforcing of such a system.

b. Access to books, computers, and software is especially important in education; they can be prohibitively expensive for the local educational institutions and students.

19. BARNET, *supra* note 16, at 163.

c. Some experts believe there may be as much piracy of intellectual property here in the United States as there is around the world, largely because the United States has such a large market.

3. Patents.

a. Many developing nations do not allow the patenting of pharmaceutical products; Indian experts object that the new rules will greatly increase the cost of medicines and preclude the poor from obtaining them.

b. Many Indians likewise object to the patenting of agricultural products, most particularly seeds.

D. Reliance on exports--increased dependency on the industrialized world.

1. A nation and a company can develop a product for a particular market and then lose that market through no fault of their own. An example of this would be the occurrence of a recession in the importing nation.

2. The TRIMS agreement would exclude limitations on foreign investment. However, Mexico in the 1970s limited the percentage of foreign ownership in Mexican companies because it feared a loss of control of its economy. These fears were not completely unfounded: one study showed that 69% of Mexico's mineral industry was owned by foreign companies.

3. With the ever-present threat of protectionism, developing nations cannot depend upon exports to the North to suffice as the sole solution for their economies.

4. Although import substitution on the national level may now be exhausted, it could be a vital source of strength on a regional level. Rather than relying heavily on markets of the developed countries, the advanced developing nations could shift sales of some of their intermediate and capital goods to lower-income developing countries. Such products often incorporate labor intensive technology which is more appropriate to the needs of Third World countries. The import substitution process could work in the future for developing regions, such as ASEAN, if the regional industries begin supplying the larger regional market instead of the narrower national markets.

5. Import substitution on a regional basis, however, can be undercut if national tariff reductions compel the regional producer to compete with the outside TNEs on the same basis.

E. How can new industries be created and fostered in the developing world if government assistance and protective tariffs are prohibited?

1. Historically, tariffs have played a key role in protecting infant industries. The United States depended heavily on such tariffs for its own economic development.

2. Without special government incentives, how can developing nations promote new innovative businesses?

a. When Brazil in the late 1960s wished to manufacture small planes suited to her special needs, the private sector refused to accept the risk involved. Consequently, Brazil resorted to the creation of a government corporation, EMBRAER.

b. In addition to purchasing shares in EMBRAER, the Brazilian government devised a variety of tax incentives to induce the public to purchase such shares, and imposed the tariffs required to protect the products of this new venture. In time, EMBRAER became a profitable operation capable of selling its products on the world market, not only to developing nations, but also to the industrialized countries.[20] Without the initial assistance from the government, it is unlikely an airplane industry would have developed in Brazil.

## VII. Conclusion.

This brief survey shows that foreign laws and international norms can now significantly impact a country's domestic laws. Some of these new norms can impose demanding obligations, which can be difficult for developing nations to meet. The WTO time-limits for compliance--typically, five to seven years--are short. Developing countries should explore the possibility of cooperative action to seek a postponement from their industrialized partners of the WTO deadlines, especially in the area of TRIPS, TRIMS, and subsidies.

20. *See* Beverly M. Carl, *The Brazilian Aircraft Industry and the Use of Law as a Tool for Development*, 50 J. AIR L. & COM. 513-586 (1985).

# ANNEX A

ECONOMIC INTEGRATION ORGANIZATIONS IN LATIN AMERICA AND NORTH AMERICA

1. ANCOM (The Andean Common Market): Bolivia, Colombia, Ecuador, Peru, and Venezuela.

2. CACM (The Central American Common Market): Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.

3. CARICOM (The Caribbean Common Market): Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent, Trinidad and Tobago.

4. LAIA (ALADI, The Latin American Integration Association): Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Mexico, Paraguay, Peru, Uruguay, and Venezuela.

5. MERCOSUR (Southern Cone Common Market): Argentina, Brazil, Paraguay, and Uruguay.

6. NAFTA (The North American Free Trade Association): Canada, Mexico, and the United States.

7. Group of Three: Mexico, Colombia, and Venezuela.

8. Under the auspices of LAIA (ALADI), a number of bilateral and trilateral trade agreements have also been concluded, such as Venezuela and Caricom, Chile and Mexico, Chile, and Argentina.

9. FTAA (Free Trade Association of the Americas): On June 30, 1995, 34 nations in Western Hemisphere approved a declaration outlining the framework for establishing a free-trade zone for Central, North and South America, and the Caribbean by Year 2005.