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Paraguay Could be Added to Andean Trade Preference Program

Legislation introduced in both the House and Senate April 1 would add Paraguay as a beneficiary under the Andean Trade Promotion and Drug Eradication Act. The ATPDEA currently provides duty-free access to numerous products from Colombia, Ecuador and Peru but is slated to expire Dec. 31. Sen. Jon Cornyn, R-Texas, said the bills' sponsors are urging their colleagues to add Paraguay as a beneficiary country when they consider reauthorizing the ATPDEA later this year.

Sen. Bill Nelson, D-Fla., said the new legislation "is aimed at opening new avenues of commerce and cooperation with Paraguay in an effort to bring greater stability to the region that has been historically troubled by drug trafficking and U.S. concerns over terrorist activity." Nelson noted that Paraguay is one of the poorest nations in Latin America and that its exports to the U.S. totaled just \$68 million in 2007, in part because of the duty preferences the U.S. provides to competing items from other countries in the region.

Cornyn pointed out that the ATPDEA has "fostered much greater economic cooperation between the Andean region and the U.S." and that the free trade agreements the U.S. has signed with Peru and Colombia were one result of this cooperation, suggesting that an FTA with Paraguay could be a future possibility as well.