GLOBAL TRADE

Uruguay signs trade alliance with U.S.

Uruguay became the first South American nation to sign a Trade Investment Framework Agreement with the United States, a format Washington has used in Africa and Asia.

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MONTEVIDEO, Uruguay - The United States and Uruguay on Thursday signed a pact laying down guidelines for boosting trade between the two countries, a move Uruguayan officials said is key to the small South American nation's future economic growth.

The so-called Trade Investment Framework Agreement, or TIFA, calls for a bilateral group on investments and commerce to meet at least once a year to identify areas of future trade liberalization.

Uruguay is the first South American nation to sign a TIFA with the United States, a format Washington has used to expand trade ties with several African and Asian partners.

OTHER TREATIES

A joint investment treaty signed between Uruguay and the United States was signed earlier this decade. Deputy U.S. Trade Representative John Verbena joined aides to President Tabaré Vázquez in signing the agreement at the ceremony at the Government House in the Uruguayan capital of Montevideo.

"In the world we are living in today, investment and trade go hand-in-hand with expansion and the creation of new opportunities," Uruguay's Economy Minister Danilo Astori said.

Uruguay is one of the smaller South American economies and is still recovering from a bruising 2002 economic meltdown brought on by recessions in neighboring Brazil and Argentina.

The TIFA signing comes as Venezuelan President Hugo Chávez has led an effort to forge regional trade alliances aimed at diminishing Washington's economic and political influence in the region.
**EXPORTS DESTINATION**

Uruguay's central bank said exports to the United States totaled $472.1 million in the 12-month period ending in November 2006 -- nearly half the total made up of beef and leather goods. The United States is the second-largest destination for Uruguayan exports after Brazil.

Meanwhile, U.S. exports to Uruguay totaled $404 million in the period, it said, making the United States the biggest supplier of goods and services after the Mercosur trade partner nations of Brazil, Argentina and Venezuela.