

**American Nurses Association • American Public Health Association • Center for Policy  
Analysis on Trade and Health (CPATH)**

**Singapore and Chile Free Trade Agreements: Test Cases for Protecting Health**

**July 17, 2003**

Dear Member of Congress:

The U.S.-Singapore and U.S.-Chile Free Trade Agreements (FTAs) pose important problems for health and health care services.

These agreements cannot be fairly viewed as test cases for support of free trade. They offer only minor economic benefits to the U.S., according to the U.S. International Trade Commission (ITC), as both economies are small and already relatively open to trade. However, they are troubling as precedents for other trade agreements, including the Free Trade Area of the Americas (FTAA), and for trade objectives regarding health and health care.

The agreements would:

- Impede access to life-saving medicines. This contradicts the support of the Trade Act of 2002 for the Doha provisions, intended to modify the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).
  - Patents can be extended beyond the 20-year term required by TRIPS. (Singapore)
  - Requires a 5-year waiting period before governments can provide generic producers access to the test data produced by pharmaceutical companies, delaying affordable access to medicines. (Singapore)
  - Restrictions on how governments provide marketing approval and sanitary permits for medicines. Pharmaceutical companies could block production of generic medicines.
- Ease the terms of trade on tobacco products.
- Open the door to further privatization and deregulation of vital human services including standards for health care professionals, and provision of health care and water, sectors better addressed through open international collaboration rather than through commercial trade negotiations. While some services and some professions are exempted from coverage by some trade rules, these exemptions are too narrow to assure full protection.

**Health Care Professionals Migration**

Singapore exempts nurses and midwives, physicians, pharmacists and contact lens practitioners from local presence and national treatment rules, meaning that it can require these professionals to be resident in and registered in Singapore. Only physicians and pharmacists, however, are exempt from the market access rules (number and supply of services).

Chile exempts nurses and physiotherapists from market access rules (number and supply of services) but not from other rules.

The US lists no specific exclusions for health care professionals. The agreements call for professional bodies generally to develop mutually acceptable standards for training, licensing and recognition, and where there is agreement, encourages countries to develop procedures for temporary licensing.

## Water and Sanitation

Singapore exempts sewage treatment and potable water from most rules (National Treatment, Market Access, etc.) but not from Domestic Regulation (standards can be no more burdensome than necessary). Chile exempts drinking water and waste water from the National Treatment and Most-Favored Nation rules, but not from Market Access, and permits such services to be supplied by corporations established in accordance with Chilean law, which could be foreign. The US lists no exemptions.

- Grant foreign private investors greater rights than US investors. Under NAFTA, similar provisions have led to lawsuits by private companies that overturned important health and environmental protections. Again, this contradicts the negotiating objectives of the Trade Act of 2002.

**Other social and public services are poorly defined, leaving trade tribunals rather than elected officials and regulators to decide whether basic public health protections are barriers to trade.** Covered services include **income security or insurance, social security or insurance, social welfare, public education, health, and child care.** Trade panels are not required to have any expertise in health care or public health.

**We urge Congress to advocate for trade agreements that exclude vital human services such as health care and water, that improve access to life-saving medications, that support efforts to reduce access to dangerous substances.** Further, we encourage support for enforceable commitments to advancing population health, and to achieving universal access to health care and to safe, affordable water in the U.S. and internationally. The U.S.- Singapore and U.S. – Chile Free Trade Agreements do not meet these objectives. In addition, they should not serve as models for other trade agreements.

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