



# Trade Facts

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## Free Trade with Colombia

### Brief Summary of the U.S. – Colombia Trade Promotion Agreement

- **Market Access for U.S. Consumer and Industrial Products:** Over eighty percent of U.S. exports of consumer and industrial products to Colombia will become duty-free immediately, with remaining tariffs phased out over 10 years. Key U.S. exports will gain immediate duty-free access to Colombia. Colombia agreed to allow trade in remanufactured goods, and will join the WTO Information Technology Agreement.
- **New Opportunities for U.S. Farmers and Ranchers:** U.S. farm exports to Colombia that will receive immediate duty-free treatment include high quality beef, cotton, wheat, soybeans, soybean meal; key fruits and vegetables including apples, pears, peaches, and cherries; and many processed food products including frozen french fries and cookies. U.S. farm products that will benefit from improved market access include pork, beef, corn, poultry, rice, fruits and vegetables, processed products, and dairy products. The United States and Colombia have worked to resolve sanitary and phytosanitary barriers to agricultural trade, including on food safety inspection procedures for beef, pork, and poultry.
- **Textiles and Apparel – Promoting Cooperation and Benefits:** Textiles and apparel will be duty-free and quota-free immediately if the products meet the agreement's rule of origin, promoting new opportunities for U.S. and Colombian fiber, yarn, fabric and apparel manufacturing.
- **Strong Protections for U.S. Investors:** The Agreement establishes a stable legal framework for U.S. investors operating in Colombia. All forms of investment are protected under the Agreement. U.S. investors will enjoy in almost all circumstances the right to establish, acquire, and operate investments in Colombia in an equal footing with local investors. Investor protections will be backed by a transparent, binding international arbitration mechanism.
- **Expanded Access to Services Markets:** Colombia will accord substantial market access across their entire services regime, including financial services. Colombia agreed to eliminate measures that require U.S. firms to hire national rather than U.S. professionals and phase-out market restrictions in cable television. Colombia also agreed that both mutual funds and pension funds in its territory will be allowed to use portfolio managers in the U.S.
- **Greater Protection for Intellectual Property Rights:** The Agreement provides for improved standards for the protection and enforcement of a broad range of intellectual property rights, which are consistent with both U.S. standards of protection and enforcement, and with emerging international standards. Such improvements include state-of-the-art protections for digital products such as U.S. software, music, text, and videos; stronger protection for U.S. patents, trademarks and test data, including an electronic system for the registration and maintenance of trademarks; and further deterrence of piracy and counterfeiting by criminalizing end-use piracy.

- **The Digital Age:** The United States and Colombia agreed to provisions on e-commerce that commits all parties to non-discriminatory treatment of digital products. The parties agreed not to impose customs duties on digital products transmitted electronically. Additionally, the agreement requires procedures for resolving disputes about trademarks used in Internet domain names.
- **Internationally-recognized Labor Rights:** The Agreement includes an enforceable reciprocal obligation for the countries to adopt and maintain in their laws and practice the core internationally-recognized labor rights as stated in the 1998 ILO Declaration on Fundamental Principles and Rights at Work, including a prohibition on the worst forms of child labor. Neither Party may waive or derogate from the laws that implement this obligation in a manner affecting trade or investment. There is also an enforceable obligation to effectively enforce labor laws related to those rights and to working conditions. These labor obligations are subject to the same dispute settlement procedures and enforcement mechanisms as obligations in other Chapters of the Agreement. The Agreement also establishes a Cooperative Mechanism for the governments to develop cooperative activities aimed at promoting and advancing fundamental labor rights.
- **Commitments and Cooperation to Protect the Environment:** The Agreement commits parties to effectively enforce their own domestic environmental laws and adopt, maintain and implement laws, regulations, and all other measures to fulfill obligations under covered multilateral environmental agreements (MEAs). All obligations in the Environment Chapter are subject to the same dispute settlement procedures and enforcement mechanisms as obligations in other Chapters of the Agreement. The Chapter calls for a public submissions process with an independent secretariat for environmental matters to ensure that views of civil society are appropriately considered. There is also an environmental cooperation agreement that provides a framework for undertaking environmental capacity building in Colombia.
- **Trade Capacity Building: Development and Trade Together:** The Agreement creates a Trade Capacity Building Committee, which will help Colombia build its capacity to implement the obligations of the agreement and to benefit more broadly from the opportunities it creates. Assistance programs to be discussed by the committee include, for example, programs for small and medium-sized enterprises and farmers, and programs for improvements in transportation infrastructure and telecommunications. The U.S. Government has provided a total of approximately \$150 million in trade capacity building (TCB) assistance to Colombia for the fiscal years 2004 through 2006. Colombia also benefited from U.S. Government provided trade capacity building assistance to Andean regional programs, totaling more than \$8.5 million for the same period. Multilateral lenders such as the Inter-American Development Bank and the World Bank provide additional trade-related assistance in support of the agreement.
- **Fair and Open Government Procurement:** U.S. suppliers are granted non-discriminatory rights to bid on contracts from a broad range of Colombian government ministries, agencies, public enterprises, and regional governments. The agreement requires the use of fair and transparent procurement procedures, such as advance notice of purchases and timely and effective bid review procedures.
- **An Open and Competitive Telecommunications Market:** Users of Colombian telecom networks are guaranteed reasonable and nondiscriminatory access to the network. This prevents local firms from having preferential or "first right" of access to telecom networks. U.S. phone companies obtained the right to interconnect with Colombian dominant suppliers' fixed networks at nondiscriminatory and cost-based rates.
- **Increased Transparency:** The Agreement's dispute settlement mechanisms provide for open public hearings, public access to documents, and the opportunity for third parties to submit views. Transparency in customs operations will aid express delivery shipments and will require more open

and public processes for customs rulings and administration. For custom procedures, Colombia committed to publish laws and regulations on the Internet, and will ensure procedural certainty and fairness. Colombia also committed to make public their responses to significant comments received on proposed technical regulations.

- **Dispute Settlement:** Core obligations, including labor and environment provisions, are subject to the dispute settlement mechanism of the agreement.