

U.S.-Colombia Free Trade Agreement Market Access Results

Infrastructure and Machinery

Trade and Tariffs

This sector includes various types of large machinery, hand tools, and energy generation equipment. Infrastructure and machinery products accounted for 12.2 percent of total U.S. industrial exports to Colombia in 2007, totaling \$763 million. The top U.S. exports in this sector were pumps, compressors, and parts thereof; taps, cocks, and valves; generator parts; and interchangeable hand tool parts. Colombian tariffs range between zero and 20 percent with an average of 11.1 percent.

Colombian exports to the United States in this sector totaled \$82 million in 2007, or 1.2 percent of total Colombian industrial exports to the United States. Top Colombian exports to the United States were transformers, insulated conductors, molds for glass, and metal hand tools. The United States' tariffs range between zero and 12 percent, averaging 2 percent. All Colombian exports in this sector enter the United States duty-free under the Andean Trade Preference Act (ATPA) and Andean Trade Promotion and Drug Eradication Act (ATPDEA) tariff preferences.

Tariff Elimination

Tariffs will be phased out according to five tariff elimination categories: immediate elimination, equal cuts over five years, unequal cuts over five years, equal cuts over seven years, and equal cuts over ten years. Tariff elimination under the unequal five-year staging category will proceed with a 10 percent tariff cut in years one and two, a 30 percent cut in year three, a 20 percent cut in year four, and the remaining 30 percent tariff cut in year five.

For infrastructure and machinery products, 70 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on another 6 percent of U.S. exports will be eliminated over five years, and 1 percent will be eliminated over seven years. Duties on the remaining 23 percent of U.S. exports will be eliminated over ten years.

Tariffs on high-value machinery products such as pumps and compressors, filtration equipment, earth-sorting machinery, and printing machinery will be eliminated immediately upon implementation of the Agreement.

The United States agreed to consolidate all ATPA and ATPDEA tariff preferences into the final tariff elimination schedules. This means that all infrastructure and machinery exports from Colombia will continue to receive duty-free treatment.

Tools. Colombia will eliminate tariffs on 27 percent of U.S. tool exports immediately upon implementation of the Agreement. Tariffs on another 46 percent of U.S. exports will be eliminated over five years. Duties on the remaining 27 percent of U.S. exports will be eliminated over ten years.

Energy Equipment. Colombia will eliminate tariffs on 65 percent of U.S. energy equipment exports immediately upon implementation of the Agreement. Tariffs on another 10 percent of U.S. exports will be eliminated over five years, and 3 percent over seven years. Duties on the remaining 22 percent of U.S. exports will be eliminated over ten years.

Non-Tariff Barriers

Colombia will eliminate its prohibition on the importation of remanufactured infrastructure and machinery goods, as defined in Chapter Four - Rules of Origin, on entry into force of the Agreement. Colombia will eliminate tariffs on most remanufactured infrastructure and machinery goods immediately and will phase out tariffs on a small number of remanufactured goods over 10 years.