

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

Construction Equipment

Trade and Tariffs

This sector is defined by the Uruguay Round sector agreement on construction equipment in the World Trade Organization.

Construction equipment accounted for 10.4 percent of total U.S. industrial exports to Colombia in 2007, totaling over \$653 million. The top U.S. exports in this sector included boring and sinking machinery and parts, dumpers, lifting machinery, and other miscellaneous parts and attachments. Colombian tariffs range between 5 and 15 percent, with an average of 12 percent.

Colombian exports to the United States in this sector totaled \$15 million in 2007, a negligible percentage of total industrial exports to the United States. Top Colombian exports to the United States included parts for lifting machinery, boring and sinking machinery, and electric winches. The United States is a signatory of the Uruguay Round sectoral agreement and as a result imposes zero duties on these products on an MFN basis.

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. A 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 construction equipment, 88 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on the remaining 12 percent of exports will be eliminated over five years.

Tariffs on high-value construction equipment including boring and sinking machinery, dumpers, bulldozers, and mechanical shovels will be eliminated immediately upon implementation of the Agreement.

Non-Tariff Barriers

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