

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

Metals and Ores

Trade and Tariffs

This sector includes both ferrous and non-ferrous metals, metal products, and ores. Products covered in the World Trade Organization Uruguay Round sector agreement on steel and the initiative on non-ferrous metals are included in this sector.

Metals and ores accounted for 3.7 percent of total U.S. industrial exports to Colombia in 2007, totaling over \$234 million. The top U.S. exports in this sector were ferrous waste and scrap, flat rolled steel, unwrought aluminum, and metal structures. Colombian tariffs range between zero and 20 percent with an average of 9.2 percent.

Colombian exports to the United States in this sector totaled nearly \$729 million in 2007, or 10.8 percent of Colombia's total industrial exports to the United States. Top Colombian exports to the United States were unwrought and waste gold, ferronickel, seamed steel casings, and aluminum doors. U.S. tariffs range between zero and 15 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 metals and ores, 46 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on another 37 percent of U.S. exports will be eliminated over five years. Duties on the remaining 17 percent of U.S. exports will be eliminated over ten years.

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

Steel. Colombia will eliminate tariffs on 38 percent of U.S. steel exports immediately upon implementation of the agreement. Tariffs on another 51 percent of U.S. exports will be eliminated over five years. Duties on the remaining 11 percent of U.S. exports will be eliminated over ten years.

Non-Ferrous Metals. Colombia will eliminate tariffs on 77 percent of U.S. non-ferrous metals exports immediately upon implementation of the agreement. Tariffs on another 15 percent of U.S. exports will be eliminated over five years. Duties on the remaining 8 percent of U.S. exports will be eliminated over ten years.