



The U.S.-Colombia Trade Promotion Agreement *Opportunities for the U.S. Footwear and Travel Goods Sector*

The U.S.-Colombia Trade Promotion Agreement would provide significant commercial opportunities for U.S. exporters:

- Colombia is the **27th largest** market for U.S. footwear and travel good exports.
- Estimated duties paid on exports of U.S. footwear and travel goods to Colombia were **over \$2.5 million** from 2008 to 2010. Tariff elimination could allow U.S. firms to reinvest in technology and production improvements.
- **Nearly 87 percent** of U.S. footwear and travel good exports to Colombia would receive duty-free treatment immediately upon implementation of the U.S.-Colombia Trade Promotion Agreement; Colombian footwear and travel good tariffs currently average 19.5 percent, ranging up to 20 percent.

Footwear and Travel Goods Sector Overview

- The footwear and travel goods sector accounted for nearly \$4.5 million in U.S. exports to Colombia over 2008-10 (average) or less than 1 percent of total U.S. industrial exports to Colombia.¹
- Top U.S. footwear and travel goods exports to Colombia include cases, bags, and rubber footwear.
- In 2009, U.S. production of footwear and travel goods was over \$2.4 billion.²
- The U.S. footwear and travel goods sector employed over 29,000 workers in the United States in 2009.³

Improved Market Access for U.S. Footwear and Travel Goods Exporters to Colombia

- Colombian footwear and travel goods tariffs currently average 19.5 percent, ranging from 15 to 20 percent.
- Nearly 87 percent of U.S. footwear and travel goods exports to Colombia would receive duty-free treatment immediately upon implementation of the trade agreement.⁴
- Tariffs on the remaining 13 percent of footwear and travel goods exports would be eliminated in equal cuts over ten years.

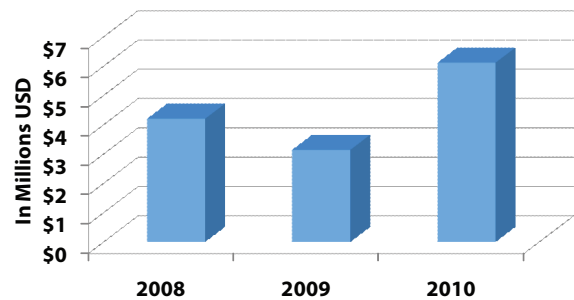
U.S. Footwear Industry Concerns Addressed by the U.S.-Colombia Trade Agreement

- U.S. tariffs on sensitive rubber/fabric and plastic/protective footwear items imported from Colombia would be eliminated in ten annual stages following implementation of the U.S.-Colombia FTA.

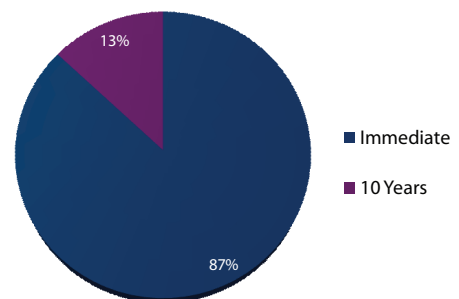
Key States Exporting to Colombia

- Top U.S. states exporting footwear and travel goods to Colombia include: Florida, Idaho, California, Montana, New York, Texas, Wisconsin, New Jersey, and Illinois.⁵

U.S. Footwear and Travel Goods Exports to Colombia Averaged \$4.5 Million



87% of U.S. Footwear and Travel Goods Exports to Colombia Would be Duty-Free Immediately



1 Global Trade Atlas. Calculations by the U.S. Department of Commerce based on import data as reported by Colombia. The definition for footwear and travel goods used in this report, unless otherwise cited, is based on Harmonized System (HS) Chapters 42 and 64.

2 U.S. Department of Commerce, U.S. Census Bureau, within NAICS 316. Shipments used as a best available proxy for production.

3 U.S. Department of Labor, Bureau of Labor Statistics, within NAICS 316 (non-seasonally adjusted data).

4 Data based on three-year average for 2008-2010.

5 U.S. Department of Commerce, U.S. Census Bureau.

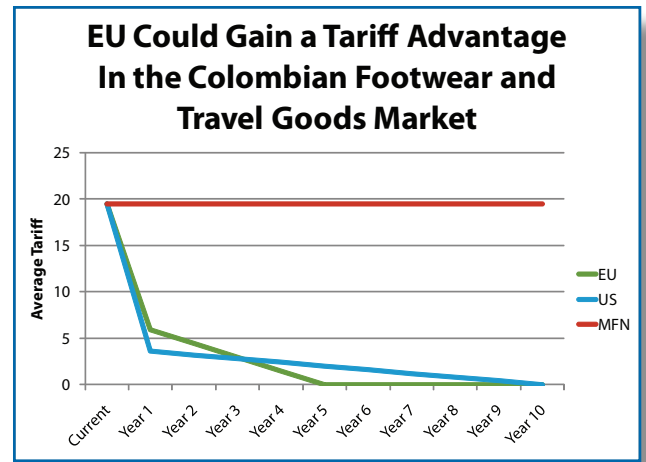
Foreign Competition in Colombian Market

- Colombia signed trade agreements with both the EU and Canada in November, 2008. Additionally, Colombia has FTAs in force with the rest of the Andean Community, Chile, Mexico, El Salvador, Guatemala, and Honduras. Colombia grants some preferential access to MERCOSUR, CARICOM, Costa Rica, Nicaragua, and Panama.
- Upon implementation of its agreement, EU footwear and travel good exporters would enjoy a 13.6 percent average tariff advantage over U.S. exports. However, if the U.S.-Colombia TPA is implemented at the same time, U.S. exports would have an immediate 2.3 percent average tariff advantage over the EU.⁶

Other Key Commitments by Colombia for the Footwear and Travel Goods Sector

Rules of Origin:

The U.S.-Colombia Trade Promotion Agreement rules of origin allow only U.S. and Colombian originating goods to receive preferential tariff treatment under the Agreement. The trade agreement rules of origin provide clear requirements for a good to be considered originating, including on goods wholly obtained or produced entirely in the territory of the United States or Colombia, as well as requirements on materials that are used in the production of the good.



⁶ U.S. Department of Commerce calculations based on EU-Colombia FTA and U.S.-Colombia Trade Agreement tariff commitments and Colombian 2010 Tariff Schedule.