



# The U.S.-Colombia Trade Promotion Agreement *Opportunities for the U.S. Wood and Lumber Sector*

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

- Estimated duties paid on exports of U.S. wood and lumber to Colombia were **over \$1.5 million** from 2008 to 2010. Tariff elimination could allow U.S. firms to reinvest in production improvements.
- **More than 84 percent** of U.S. wood and lumber exports to Colombia would receive duty-free treatment within five years of implementation of the U.S.-Colombia Trade Promotion Agreement; Colombian wood and lumber tariffs currently average 12 percent, ranging up to 20 percent.

## Wood and Lumber Sector Overview

- The wood and lumber sector accounted for over \$4.3 million in U.S. exports to Colombia over 2008-10 (average) or less than 1 percent of total U.S. industrial exports to Colombia.<sup>1</sup>
- Top U.S. wood and lumber exports to Colombia include construction formwork, railway ties, parts of tools, and pallets.
- In 2009, U.S. production of wood and lumber products was over \$54 billion.<sup>2</sup>
- The U.S. wood and lumber sector employed approximately 449,000 workers in 2009.<sup>3</sup>

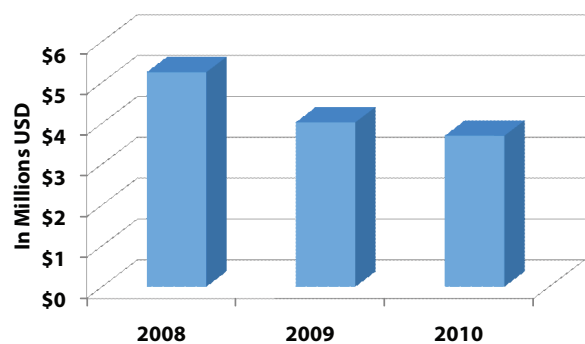
## Improved Market Access for U.S. Wood and Lumber Exporters to Colombia

- Colombian wood and lumber tariffs currently average 12 percent, ranging from 5 to 20 percent.
- Over 61 percent of U.S. wood and lumber exports to Colombia would receive duty-free treatment immediately upon implementation of the trade agreement.<sup>4</sup>
- Tariffs on an additional 24 percent of wood and lumber exports to Colombia would be eliminated over five years and tariffs on the remaining 15 percent of wood and lumber exports would be eliminated in equal cuts over ten years.

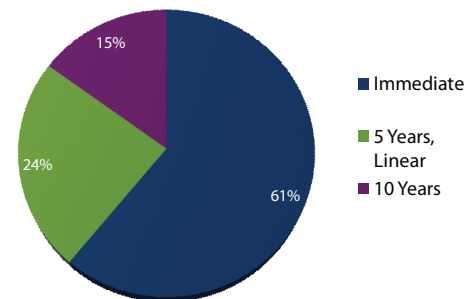
## Key States Exporting to Colombia

- Top U.S. states exporting wood and lumber to Colombia include: Florida, Virginia, Texas, Ohio, Wisconsin, Georgia, Alabama, California, and Arizona.<sup>5</sup>

**U.S. Wood and Lumber Exports to Colombia Averaged \$4.3 Million**



**85% of U.S. Wood and Lumber Exports to Colombia Would be Duty-Free Within 5 Years**



1 Global Trade Atlas. Calculation by the U.S. Department of Commerce based on import data as reported by Colombia. The definition for wood and lumber export figures used in this report, unless otherwise cited, is based on Harmonized System (HS) Chapter 44.

2 U.S. Department of Commerce, U.S. Census Bureau, within NAICS 321 and 337.

3 U.S. Department of Labor, Bureau of Labor Statistics, within NAICS 321 and 337.

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 wood and lumber exporters would enjoy a 2.7 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.<sup>6</sup>

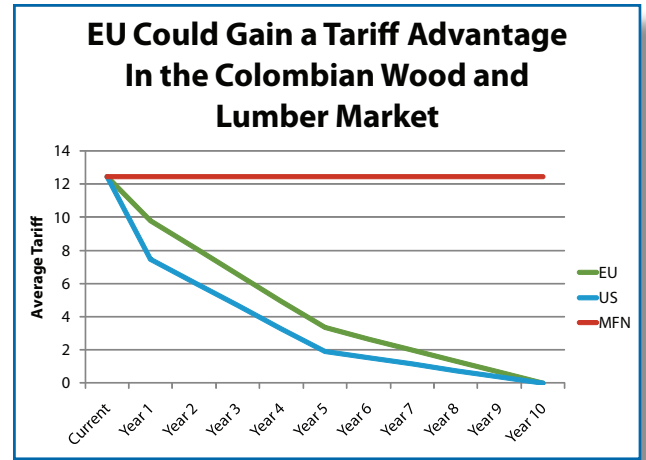
## Other Key Commitments by Colombia for the Wood and Lumber Sector

### 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.

### Intellectual Property Rights:

The U.S.-Colombia Trade Promotion Agreement requires high levels of intellectual property protection and enforcement, consistent with U.S. and international standards, and will support the growth of trade in valuable digital and other intellectual property-based products. The Agreement will provide for enhanced protections for trademarks, copyrights, and patents, such as the implementation a Colombian electronic trademark application system and on-line database, prohibitions on the circumvention of technological protection measures used by copyright holders, as well as ensuring that the parties will provide robust patent and test data protection.



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