



The U.S.-Colombia Trade Promotion Agreement

Opportunities for the U.S. Metals and Ores Sector

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

- Colombia is the **22nd largest** market for U.S. metal and ore exports.
- Estimated duties paid on exports of U.S. metals and ores to Colombia were **over \$132 million** from 2008 to 2010. Tariff elimination could allow U.S. firms to reinvest in technology and production improvements.
- **More than 84 percent** of U.S. metal and ore exports to Colombia would receive duty-free treatment within five years of implementation of the U.S.-Colombia Trade Promotion Agreement; Colombian metal and ore tariffs currently average 9.2 percent, ranging up to 20 percent.

Metals and Ores Sector Overview

- The metals and ores sector accounted for over \$350 million in U.S. exports to Colombia over 2008-10 (average) or 3.9 percent of total U.S. industrial exports to Colombia.¹
- Top U.S. metals and ores exports to Colombia include ferrous waste and scrap, flat-rolled products, and oil and gas line pipe.
- In 2009, U.S. production of metals and ores products was over \$246 billion (or nearly 6 percent of U.S. manufacturing output).²
- U.S. SMEs exported over \$307 million in metals and ores to Colombia in 2008.³
- The U.S. metals and ores sector employed over 629,000 workers in 2009.⁴

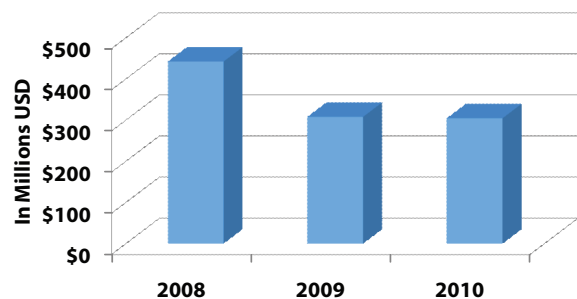
Improved Market Access for U.S. Metals and Ores Exporters to Colombia

- Colombian metals and ores tariffs currently average 9.2 percent, ranging from zero to 20 percent.
- Over 41 percent of U.S. metals and ores exports to Colombia would receive duty-free treatment immediately upon implementation of the trade agreement.⁵
- Tariffs on an additional 43 percent of metals and ores exports to Colombia would be eliminated over five years and tariffs on the remaining 16 percent of metals and ores exports would be eliminated in equal cuts over ten years.

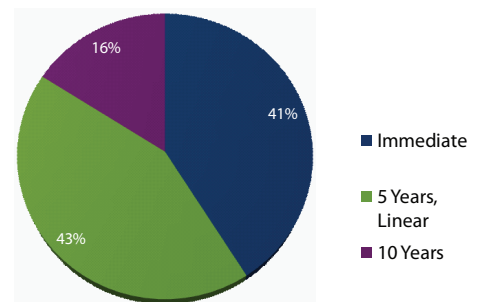
Selected Sub-Sectors:

- **Non-Ferrous Metals:** Colombia would eliminate its tariffs on 69 percent of U.S. non-ferrous metal exports immediately upon implementation of the trade agreement. Tariffs on an additional 23 percent of exports would be eliminated over five years, and tariffs on the remaining 8 percent of exports would be eliminated over ten years.

U.S. Metals and Ores Exports to Colombia Averaged \$351.5 Million



84% of U.S. Metals and Ores Exports to Colombia Would be Duty-Free Within 5 Years



1 Global Trade Atlas. Calculations by the U.S. Department of Commerce based on import data as reported by Colombia. The definition for metals and ores used in this report, unless otherwise cited, includes products within Harmonized System (HS) Chapters 26, 72, 73, 74, 75, 76, 78, 79, 80, 81, and HS Headings 7106 to 7112.

2 U.S. Department of Commerce, U.S. Census Bureau, selected NAICS codes within 331, 332, and 339. Shipments used as a best available proxy for production.

3 U.S. Department of Commerce, U.S. Census Bureau, NAICS 331 and 332.

4 U.S. Department of Labor, Bureau of Labor Statistics, selected NAICS codes within 331, 332, and 339 (non-seasonally adjusted).

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

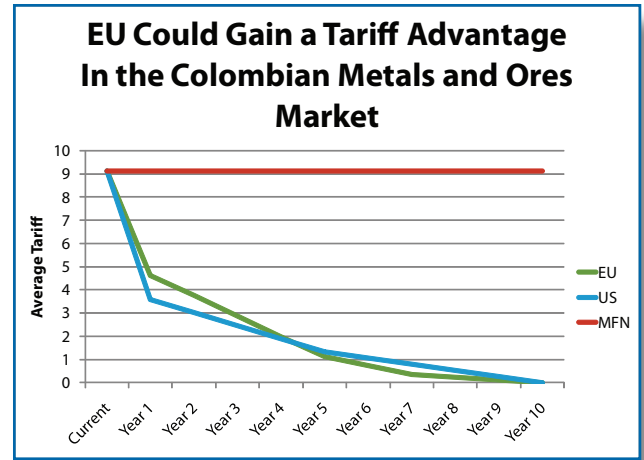
- **Steel:** Colombia would eliminate its tariffs on 40 percent of U.S. steel exports immediately upon implementation of the trade agreement. Tariffs on an additional 52 percent of exports would be eliminated over five years, and tariffs on the remaining 8 percent of exports would be eliminated over ten years.

Key States Exporting to Colombia

- Top U.S. states exporting metals and ores to Colombia include: Texas, Florida, Alabama, Pennsylvania, South Carolina, Missouri, Connecticut, New York, Arkansas, and Ohio.⁶

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 metals and ores exporters would enjoy a 4.5 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 1 percent average tariff advantage over the EU.⁷



Other Key Commitments by Colombia for the Metals and Ores Sector

Investment:

The U.S.-Colombia Trade Promotion Agreement establishes a strong and predictable legal framework for U.S. investors for all forms of investment. Under the Agreement, Colombia will provide U.S. investors substantive protections and due process rights that are consistent with U.S. legal principles and practice. The Agreement establishes an impartial dispute settlement mechanism for investors to pursue damages for breaches of these protections.

⁶ U.S. Department of Commerce, U.S. Census Bureau.

⁷ U.S. Department of Commerce calculations based on EU-Colombia FTA and U.S.-Colombia Trade Agreement tariff commitments and Colombian 2010 Tariff Schedule.