



The U.S.-Colombia Trade Promotion Agreement *Opportunities for the U.S. Paper and Paper Products Sector*

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

- Colombia is the **12th largest** market for U.S. paper and paper product exports.
- Estimated duties paid on exports of U.S. paper and paper products to Colombia were **over \$86 million** from 2008 to 2010. Tariff elimination could allow U.S. firms to reinvest in technology and production improvements.
- **More than 97 percent** of U.S. paper and paper product exports to Colombia would receive duty-free treatment within five years of implementation of the U.S.-Colombia Trade Promotion Agreement; Colombian paper and paper product tariffs currently average 12.5 percent, ranging up to 20 percent.

Paper and Paper Products Sector Overview

- The paper and paper products sector accounted for over \$260 million in U.S. exports to Colombia over 2008-10 (average) or 2.9 percent of total U.S. industrial exports to Colombia.¹
- Top U.S. paper and paper products exports to Colombia include woodpulp, uncoated kraftliner, and corrugated paper and paperboard.
- In 2009, U.S. production of paper and paper products was about \$155 billion.²
- U.S. SMEs exported nearly \$98 million in paper products to Colombia in 2008 and made up over 66 percent of all U.S. firms in the sector exporting to Colombia in that year.³

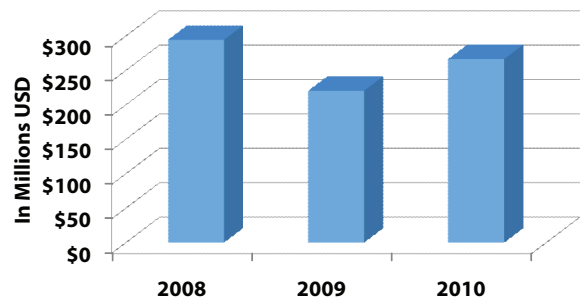
Improved Market Access for U.S. Paper and Paper Products Exporters to Colombia

- Colombian paper and paper products tariffs currently average 12.5 percent, ranging from zero to 20 percent.
- Nearly 51 percent of U.S. paper and paper products exports to Colombia would receive duty-free treatment immediately upon implementation of the trade agreement.⁴
- Tariffs on an additional 12 percent of paper and paper products exports to Colombia would be eliminated in equal cuts over five years and tariffs on 34 percent of exports would be eliminated by unequal cuts over five years. Tariffs on the remaining 3 percent of paper and paper products exports would be eliminated in equal cuts over ten years.

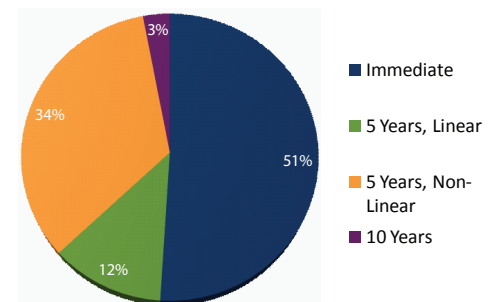
Key States Exporting to Colombia

- Top U.S. states exporting paper and paper products to Colombia include: Florida, Georgia, Pennsylvania, Texas, South Carolina, New York, Delaware, New Jersey, Alabama, and Louisiana.⁵

U.S. Paper and Paper Product Exports to Colombia Averaged \$260.3 Million



97% of U.S. Paper and Paper Product 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 paper and paper products in this report, unless otherwise cited, is based on Harmonized System (HS) Chapters 47-49.

2 U.S. Department of Commerce, U.S. Census Bureau, selected NAICS codes within 322, 323 and 339. Shipments used as a best available proxy for production.

3 U.S. Department of Commerce, U.S. Census Bureau, selected NAICS codes 322 and 323

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 paper and paper product exporters would enjoy a 4.2 percent average tariff advantage over U.S. exports.⁶

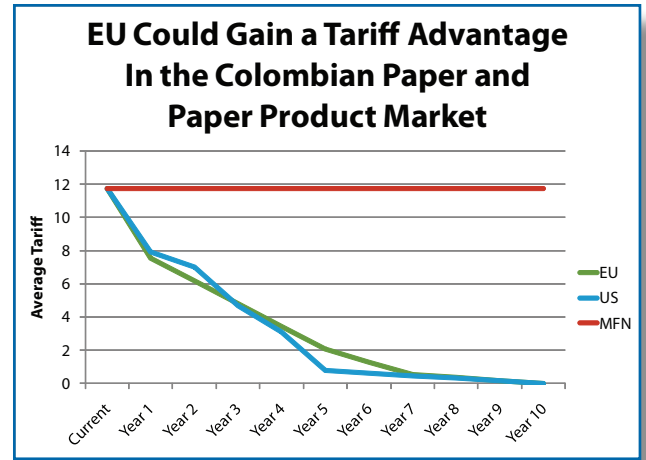
Other Key Commitments by Colombia for the Paper and Paper Products Sector

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.



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.