



The U.S.-Colombia Trade Promotion Agreement *Opportunities for the U.S. Aerospace 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. aerospace exports.
- Estimated duties paid on exports of U.S. aerospace products to Colombia were **over \$45 million** from 2008 to 2010. Tariff elimination could allow U.S. firms to reinvest in technology and production improvements.
- **Nearly 100 percent** of U.S. aerospace exports to Colombia would receive duty-free treatment immediately upon implementation of the U.S.-Colombia Trade Promotion Agreement; Colombian aerospace tariffs currently average 6.6 percent, ranging up to 15 percent.

Aerospace Sector Overview

- The aerospace sector accounted for over \$907 million in U.S. exports to Colombia over 2008-10 (average) or 10 percent of total U.S. industrial exports to Colombia.¹
- Top U.S. aerospace exports to Colombia include large airplanes and helicopters, propellers, turbojets, and other aircraft parts.
- In 2009, U.S. production of aerospace products was over \$172 billion.²
- The U.S. aerospace sector employed approximately 492,800 workers in 2009.³

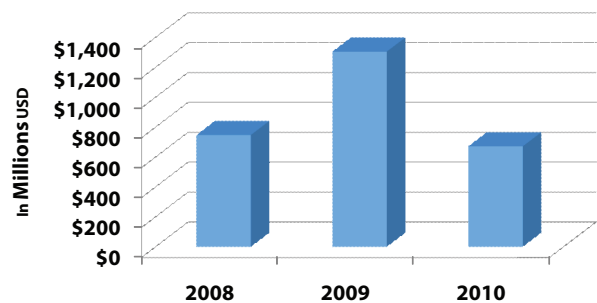
Improved Market Access for U.S. Aerospace Exporters to Colombia

- Colombian aerospace tariffs currently average 6.6 percent, ranging from zero to 15 percent.
- Nearly 100 percent of U.S. aerospace exports to Colombia would receive duty-free treatment immediately upon implementation of the trade agreement.⁴

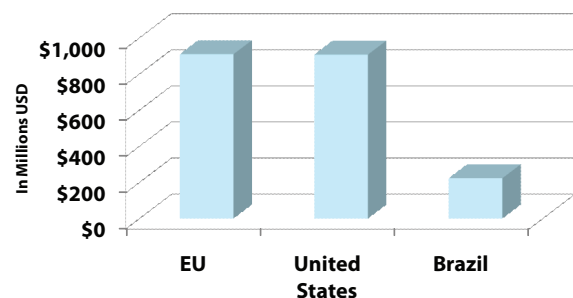
Key States Exporting to Colombia

- Top U.S. states exporting aerospace products to Colombia include: Florida, Texas, Alabama, Connecticut, Kansas, California, New York, Ohio, and Virginia.⁵

U.S. Aerospace Exports to Colombia Averaged \$907.4 Million



Colombian Imports of Aerospace Products (Avg. 2008-10)



1 Global Trade Atlas. Calculation based on import data as reported by Colombia. The definition for aerospace in this report, unless otherwise cited, is based on the product coverage under the WTO Civil Aircraft Agreement and includes products within HS 84, 85, 88, and 90.

2 U.S. Department of Commerce, U.S. Census Bureau, NAICS 33641. Shipments used as a best available proxy for production.

3 U.S. Department of Labor, Bureau of Labor Statistics, NAICS 33641 (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 aerospace exporters would enjoy a 3.8 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 5.1 percent average tariff advantage over the EU.⁶

Other Key Commitments by Colombia for the Aerospace Sector

Investment:

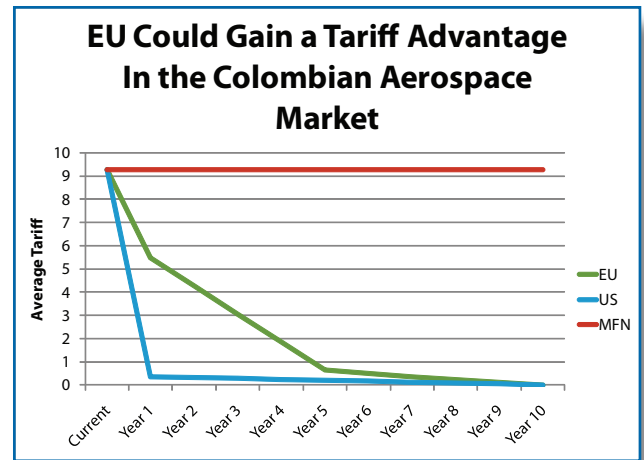
The U.S.-Colombia Trade Promotion Agreement establishes a strong and predictable legal framework for U.S. investors for all forms of investment. Under the Agreement, Colombia will provide U.S. investors substantive protections and due process rights that are consistent with U.S. legal principles and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

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.

Government Procurement:

The government procurement provisions of the U.S.-Colombia Trade Promotion Agreement guarantee non-discriminatory access to the procurements of most Colombian central government entities, including all key ministries and significant state-owned enterprises, as well as Colombia's regional governments. The Agreement also imposes strong disciplines on government procurement procedures, such as requiring advance public notice of purchases and provision of information to all interested suppliers, regarding covered procurement opportunities, as well as timely and effective domestic review procedures.



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.