



# The U.S.-Colombia Trade Promotion Agreement *Opportunities for the U.S. Consumer Goods Sector*

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

- Colombia is the **21st largest** market for U.S. consumer goods exports.
- Estimated duties paid on exports of U.S. consumer goods to Colombia were **over \$70 million** from 2008 to 2010. Tariff elimination could allow U.S. firms to reinvest in technology and production improvements.
- **Approximately 70 percent** of U.S. consumer goods exports to Colombia would receive duty-free treatment within five years of implementation of the U.S.-Colombia Trade Promotion Agreement; Colombian consumer goods tariffs currently average 15 percent, ranging up to 35 percent.

## Consumer Goods Sector Overview

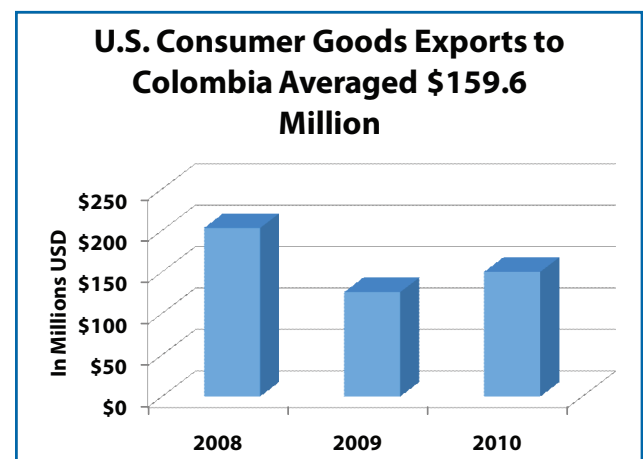
- The consumer goods sector accounted for nearly \$160 million in U.S. exports to Colombia over 2008-10 (average) or 1.8 percent of total U.S. industrial exports to Colombia.<sup>1</sup>
- Top U.S. consumer goods exports to Colombia include video and coin-operated games, washing machines, refrigerators, and exercise equipment.
- In 2009, U.S. production of consumer goods products was over \$154 billion (or nearly 4 percent of total U.S. manufacturing production).<sup>2</sup>
- The consumer goods sector employed over 1.2 million workers in the United States in 2009.<sup>3</sup>

## Improved Market Access for U.S. Consumer Goods Exporters to Colombia

- Colombian consumer goods tariffs currently average 15 percent, ranging from zero to 35 percent.
- Nearly 57 percent of U.S. consumer goods exports to Colombia would receive duty-free treatment immediately upon implementation of the trade agreement.<sup>4</sup>
- Tariffs on an additional 13 percent of consumer goods exports to Colombia would be eliminated over five years and tariffs on the remaining 30 percent of consumer goods exports would be eliminated in equal cuts over ten years.

### Selected Sub-Sectors:

- **Appliances:** Colombia would eliminate its tariffs on 70 percent of U.S. appliance exports immediately upon implementation of the trade agreement. Tariffs on an additional 2 percent of exports will be eliminated over five years, and tariffs on the remaining 28 percent of exports would be eliminated over ten years.
- **Furniture:** Colombia would eliminate its tariffs on 32 percent of U.S. furniture exports over five years. Tariffs on the remaining 68 percent of exports would be eliminated over ten years.



1 Global Trade Atlas. Calculations by the U.S. Department of Commerce based on import data as reported by Colombia. The definition for consumer goods in this report, unless otherwise cited, includes products within Harmonized System (HS) Chapters 46, 66, 69, 70, 71, 73, 82, 84, 85, 87, 89-92, and 94-97.

2 U.S. Department of Commerce, U.S. Census Bureau, within NAICS 323, 327, 332, 333, 334, 335, 336, 337, and 339. Shipments used as a best available proxy for production.

3 U.S. Department of Labor, Bureau of Labor Statistics, within NAICS 327, 332, 335, 336, 337, and 339 (based on non-seasonally adjusted data).

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

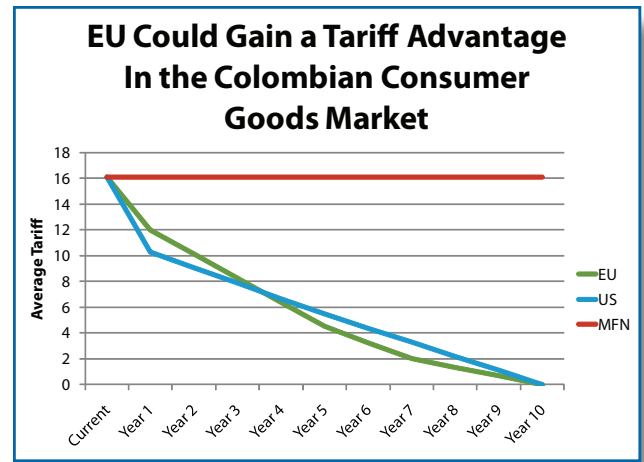
- **Recreational Goods:** Colombia would eliminate its tariffs on 29 percent of U.S. recreational goods exports immediately upon implementation of the trade agreement. Tariffs on an additional 37 percent of exports would be eliminated over five years, and tariffs on the remaining 34 percent of exports would be eliminated over ten years.

### Key States Exporting to Colombia

- Top U.S. states exporting consumer goods to Colombia include: Florida, New York, California, Ohio, Georgia, Oregon, Illinois, Texas, Nevada, and Wisconsin.<sup>5</sup>

### 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 consumer goods exporters would enjoy a 4.1 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 1.7 percent average tariff advantage over the EU.<sup>6</sup>



### Other Key Commitments by Colombia for the Consumer Goods Sector

#### 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>5</sup> U.S. Department of Commerce, U.S. Census Bureau.

<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.