TRADE AND EMPLOYMENT EFFECTS OF THE ANDEAN TRADE PREFERENCE ACT

Eighteenth Annual Report for 2011
Submitted to the Congress
Pursuant to Section 207 of the
Andean Trade Preference Act

Prepared by
The U.S. Department of Labor
Bureau of International Labor Affairs

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EXECUTIVE SUMMARY

The submission of this report to the Congress continues a series of reports by the U.S. Department of Labor on the trade and employment effects of the Andean Trade Preference Act (ATPA). The current report covers calendar year 2010 and represents the eighteenth in the series.

The ATPA, enacted on December 4, 1991, authorized the President to proclaim duty-free treatment for eligible articles from Bolivia, Colombia, Ecuador, and Peru. ATPA preferential duty treatment expired on December 4, 2001, but was renewed by the Andean Trade Promotion and Drug Eradication Act (ATPDEA) and applied to imports as of December 5, 2001. The ATPDEA significantly expanded the product coverage of the ATPA program. While the ATPA, as amended and expanded by the ATPDEA, was originally scheduled to expire on December 31, 2006. Since then, Congress authorized several short-term extensions of the program, before allowing the ATPA/ATPDEA to expire on February 12, 2011. The program remained expired until October 21, 2011, when it was renewed retroactively to the expiration and until July 31, 2013. Section 207 of the ATPA directed the Secretary of Labor to undertake a continuing review and analysis of the impact of ATPA/ATPDEA preferences on U.S. employment and submit a summary report of such analysis annually to the Congress.

Three of the original four ATPA countries – Colombia, Ecuador, and Peru – received benefits under the ATPA/ATPDEA in 2010. A total of $14.4 billion in U.S. imports from the beneficiary countries entered the United States duty-free under ATPA/ATPDEA provisions. This represented 51.1 percent of all U.S. imports from the beneficiary countries in 2010, but just 0.8 percent of total U.S. imports from all sources. Of the $14.4 billion in imports that entered duty-free under the provision of the ATPA/ATPDEA, approximately ten percent, or $1.4 billion, could have qualified for duty-free entry under the Generalized System of Preferences (GSP) or the United States – Peru Trade Promotion Agreement (PTPA) and, as such, were not benefits available exclusively under the ATPA/ATPDEA. U.S. imports from the beneficiary countries that benefited exclusively from the ATPA/ATPDEA were $13.0 billion in 2010, which represented 46.2 percent of all U.S. imports from the beneficiary countries, but just 0.7 percent of total U.S. imports from all sources.

The main finding of this report is that preferential tariff treatment under the provisions of the original ATPA and the ATPDEA amendments has neither had an adverse impact on, nor posed a significant threat to, overall levels of U.S. employment.

INTRODUCTION

The Andean Trade Preference Act (ATPA), enacted on December 4, 1991 (Pub. L. No. 102-182, Title II, 105 Stat. 1233), was part of a larger Andean Initiative that the United States launched that year. The primary goal of the Andean Initiative was to expand private sector opportunities and investment in nontraditional sectors of the Andean countries as an alternative to production of illegal drugs and to help them diversify their economies and expand their exports. The ATPA authorized the President to proclaim duty-free treatment for eligible articles from Bolivia, Colombia, Ecuador, and Peru. The President proclaimed duty-free treatment of certain eligible articles from Bolivia and Colombia on July 2, 1992, Ecuador on April 13, 1993, and Peru on August 11, 1993. ATPA preferential duty treatment expired on December 4, 2001, but was renewed by the Andean Trade Promotion and Drug Eradication Act (ATPDEA) to apply to imports as of December 5, 2001, as part of the Trade Act of 2002 (Pub. L. No. 107-210, Div. C, Title XXXI, 116 Stat. 1023) on August 6, 2002. The ATPDEA significantly expanded the product coverage of the ATPA program. The ATPA, as amended and expanded by the ATPDEA, will be referred to hereafter in this report as the ATPA. The ATPA was scheduled to expire on December 31, 2006. Since then, Congress authorized several short-term extensions of the program, before allowing the ATPA to expire on February 12, 2011. The program remained expired until October 21, 2011, when it was renewed retroactively to the expiration date and until July 31, 2013.

Because of Bolivia's failure to meet ATPA eligibility criteria related to counternarcotics cooperation, Presidential decisions have suspended Bolivia's designation as a beneficiary country under the ATPA since December 15, 2008.

The United States – Peru Trade Promotion Agreement (PTPA) entered into force on February 1, 2009. The PTPA makes permanent some benefits similar to the ones that Peru receives under the ATPA and further liberalizes trade with the United States in other areas. While benefits under the PTPA have replaced ATPA benefits in many instances, the PTPA did not entirely supplant the ATPA, and Peru remained a designated beneficiary country of the ATPA until December 31, 2010.[1]

Section 207 of the ATPA requires the Secretary of Labor, in consultation with other appropriate federal agencies, to undertake a continuing review and analysis of the impact of the implementation of the ATPA on U.S. labor. The legislation also directs the Secretary to submit an annual report to the Congress that presents a summary of the results of the review and analysis. This report is the eighteenth in a series of annual reports to the Congress pursuant to Section 207 of the ATPA. It presents a summary of the analysis of the impact of duty-free treatment of U.S. imports from beneficiary countries under the ATPA on U.S. trade and employment during calendar year 2010. This report focuses on the three beneficiary countries

[1] In some cases, items that would not qualify for duty-free entry under the PTPA may qualify for duty-free entry under the ATPA as the ATPA has less restrictive rules of origin than the PTPA. For example, the PTPA requires that apparel items be made from yarn and fabric produced in the United States or Peru to qualify for duty-free treatment. Under the ATPA, the yarn and fabric can be from the other ATPA beneficiary countries, in addition to the United States and Peru.

that received benefits under the ATPA in 2010: Colombia, Ecuador, and Peru (hereafter, "the beneficiary countries").[2]

First, this report reviews trends in U.S. trade with the three beneficiary nations and identifies the leading items in U.S. trade (imports and exports) with those nations. Next, U.S. imports from the beneficiary nations are examined with regard to the various ways they may enter duty free. The report then identifies U.S. trade preferences that are exclusively available to the beneficiary countries under the ATPA and the import product groups that have increased significantly or established significant U.S. market share since the extension of duty-free benefits offered exclusively by the ATPA. Finally, the report reviews domestic employment trends in the domestic industries that produce goods similar to those imports which received significant exclusive duty-free benefits under the ATPA. The report closes with some general conclusions on the impact of the ATPA on U.S. employment. All of the referenced data tables appear at the end of the report.

The value of U.S. imports for consumption and domestic exports used in this report are based on compilations of official statistics by the U.S. Department of Commerce, Bureau of the Census, and are extracted from the U.S. International Trade Commission's (USITC) Interactive Tariff and Trade Dataweb.[3] U.S. employment data are from the U.S. Department of Labor's Bureau of Labor Statistics (BLS).[4]

[2] Throughout this report, figures for imports from the "beneficiary countries" for years prior to 2009 include data for the original four beneficiary countries, including Bolivia. For reference, in 2008, U.S. imports from Bolivia under the ATPA accounted for just 0.8 percent of ATPA duty-free imports.
[3] The USITC Interactive Tariff and Trade Dataweb is available at http://dataweb.usitc.gov/. All trade data are in nominal terms.
[4] Unless otherwise noted, employment data are from BLS's Current Employment Statistics program and are available at www.bls.gov/ces. Data are not seasonally adjusted annual averages.

U.S. MERCHANDISE TRADE WITH THE ATPA BENEFICIARY COUNTRIES IN 2010

Total U.S. Trade with the Beneficiary Countries

U.S. imports from the three beneficiary countries in 2010 amounted to $28.2 billion (see Table 1). These imports accounted for 1.5 percent of total U.S. imports from all sources in 2010. U.S. exports to the beneficiary countries in 2010 amounted to $22.1 billion (see Table 2). These exports accounted for 2.0 percent of all U.S. exports to the world in 2010.

By broad industrial sector, 55.0 percent of U.S. imports from the beneficiary countries in 2010 were oil, gas, minerals and ores; 30.2 percent were manufactured products; 12.9 percent were agricultural products; and 1.9 percent were items entered under special classification provisions (see Table 1). By comparison, 88.8 percent of U.S. exports to the beneficiary countries in 2010 were manufactured products; 5.1 percent were agricultural products; 4.6 percent were entered under special classification provisions; 1.5 percent were oil, gas, minerals, and ores; and 0.1 percent were publishers' commodities (see Table 2).

Table 3 presents the 5-digit North American Industry Classification System (NAICS)-based industries where U.S. imports from the beneficiary countries in 2010 exceeded $200 million.[5] These 13 industries accounted for 89.9 percent of all U.S. imports from the beneficiary countries in 2010. Table 4 shows the 5-digit NAICS-based industries where U.S. exports to the beneficiary countries in 2010 exceeded $200 million. These 29 industries accounted for 77.5 percent of all U.S. exports to the beneficiary countries in 2010. U.S. imports from the beneficiary countries represent a less diverse set of industries than do U.S. exports to the beneficiary countries.

Duty Treatment of U.S. Imports from the ATPA Beneficiary Countries in 2010

Approximately 88 percent of all U.S. imports from the beneficiary countries entered the United States duty-free in 2010, while the remaining 12 percent was subject to an average 0.5 percent rate of duty (see Table 5). There are several ways that an item imported from the beneficiary countries could have received duty-free treatment. In order of decreasing value, imports from the beneficiary countries qualified for duty-free treatment as follows (see Tables 5 and 6):[6]

- Duty-free U.S. imports under the **ATPDEA amendments** were $13.0 billion in 2010 and accounted for 46.0 percent of all imports from the beneficiary countries in 2010, up from 39.0 percent in 2009. Colombia accounted for 65.9 percent of the value of duty-free U.S.

[5] For the purposes of relating international trade statistics to U.S. industrial output and employment, the Bureau of the Census has mapped 10-digit Harmonized Tariff Schedule (HTS) numbers used for U.S. exports and import statistics to their closest NAICS-based code, based on NAICS 2002. Some categories of traded items have no direct domestic counterpart and are classified in specially created NAICS-based 91000-99000 categories which have no direct domestic counterpart. For example, NAICS 99000—Special Classification Provisions, not otherwise specified or included, contains primarily imports and exports of low-value shipments not specified by kind, exposed film and prerecorded tapes, articles imported for repairs, returned goods, and articles donated to charity.

[6] In addition, in 2010, a small amount of imports from the beneficiary countries entered duty-free under the WTO Agreement on Trade in Civil Aircraft ($171,108).

imports under the ATPDEA amendments in 2010, followed by Ecuador (30.0 percent), and Peru (4.1 percent).

- **Normal Trade Relations (NTR) duty-free** U.S. imports were $7.9 billion and accounted for 28.2 percent of all imports from the beneficiary countries in 2010, down from 35.3 percent in 2009.[7] Colombia accounted for 61.7 percent of the value of NTR duty-free U.S. imports in 2010, followed by Peru (22.2 percent), and Ecuador (16.0 percent). NTR duty-free imports from the beneficiary countries consisted mainly of traditional products from the region such as gold and silver bullion, coal, coffee, and bananas.

- Duty-free U.S. imports from Peru under the **PTPA** were $2.2 billion and accounted for 7.9 percent of all imports from the beneficiary countries in 2010, up from 4.3 percent in 2009.[8]

- Duty-free U.S. imports under the **original ATPA** (excluding the ATPDEA amendments) were $1.5 billion and accounted for 5.2 percent of all imports from the beneficiary countries in 2010, down from 8.0 percent in 2009. Colombia accounted for 64.3 percent of the value of duty-free U.S. imports under the original ATPA (excluding the ATPDEA amendments) in 2010, followed by Ecuador (20.2 percent), and Peru (15.5 percent).

- Duty-free U.S. imports under the **Generalized System of Preferences (GSP)** were $212.8 million and accounted for 0.8 percent of all imports from the beneficiary countries in 2010, down from 1.3 percent in 2009.[9] Colombia accounted for 74.5 percent of the value of GSP duty-free U.S. imports from the beneficiary countries in 2010, followed by Ecuador (25.5 percent).[10]

In 2010, the average rate of duty paid on imports subject to duty ranged from 0.3 percent for dutiable items from Ecuador to 0.8 percent for dutiable items from Colombia (see Table 6).

Tables 7 and 8 show the 5-digit NAICS-based industries that had the highest level of duty-free imports under the original ATPA (excluding the ATPDEA amendments) and the ATPDEA amendments.

Duty-Free Provisions of the ATPA

Unless it is specifically excluded, a product must meet one of the following conditions to be eligible for duty-free treatment under the ATPA: (1) be wholly grown, produced, or manufactured in an ATPA beneficiary country; or (2) have at least 35 percent of the direct processing costs and materials produced in any one or more of the ATPA beneficiary countries, any of the Caribbean Basin Economic Recovery Act (CBERA) beneficiary countries,[11] Puerto

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[7] Almost all nations are eligible for NTR duty treatment, which was formerly known as most-favored-nation (MFN) duty treatment. NTR duty-free U.S. imports are calculated as the difference between the customs value of imports entered with "no program claimed" and the dutiable value of the imports entered with "no program claimed".
[8] The PTPA entered into force on February 1, 2009.
[9] The U.S. GSP program was initiated in 1976 and provides for duty-free treatment of approximately 4,650 tariff items from more than 140 designated beneficiary developing countries and territories.
[10] Peru lost its benefits under the GSP on February 1, 2009, upon entry into force of the PTPA.
[11] The CBERA is a U.S. trade initiative similar to the ATPA that was implemented in 1984 and directed toward

Rico, or the U.S. Virgin Islands—inputs from the United States (up to 15 percent of the value) are allowed to account for a portion of the 35 percent content rule. In addition, the articles must be exported directly to the customs territory of the United States.

Products specifically excluded from ATPA duty-free treatment include most textile and apparel items; certain footwear; rum and tafia; canned tuna; and certain agricultural products subject to tariff rate quotas including sugar, syrup, and molasses products.

The ATPDEA amendments to the ATPA (hereinafter referred to as the ATPDEA amendments) came into force on November 1, 2002, and significantly increased the amount of U.S. imports from the beneficiary countries eligible for duty-free treatment. Newly eligible items included petroleum and petroleum products; some leather items including certain gloves and footwear; tuna packaged in foil pouches; and certain watches and watch parts. Many items from the beneficiary countries that had previously been granted reduced rates of duty under the ATPA, including handbags, luggage, flat goods, work gloves, and leather wearing apparel from the beneficiary countries, were granted duty-free eligibility under the ATPDEA amendments. Additionally, the ATPDEA amendments permit certain apparel from the Andean region to enter the United States duty-free provided that special entry requirements are met.[12]

In 2001, only 20 percent of the value of U.S. imports from the beneficiary countries qualified for ATPA duty-free treatment. However, in 2003, the first full year for which the ATPDEA amendments were in effect, the value of U.S. imports from the beneficiary countries benefited from duty-free treatment under the expanded ATPA increased to 50 percent. The share of imports from the beneficiary countries that entered duty-free under the expanded ATPA had continued to increase each year until 2008 where it peaked at 61 percent. In 2009, the share fell sharply to 47 percent before rising slightly to 51 percent in 2010. The decline in recent years can be explained by two main factors: (1) a large decrease in the dollar value of petroleum products (eligible for duty-free treatment under the ATPDEA amendments) imported from Ecuador in 2009;[13] and (2) a large decrease in the share of ATPA imports from Peru as products that had previously been imported under ATPA were imported under the PTPA in 2009 and 2010.

The ATPA was the exclusive basis for beneficiary nations to qualify for duty-free treatment of their exports to the United States in 2010 in the following cases: (1) products eligible for ATPA duty-free entry, but not eligible for duty-free entry under any other program; and (2) products

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countries and dependent territories in Central America and the Caribbean as part of a broader Caribbean Basin Initiative (CBI). During the period covered by this report (calendar year 2010), the 18 CBERA beneficiary countries and territories were: Antigua and Barbuda; Aruba; the Bahamas; Barbados; Belize; the British Virgin Islands; Dominica; Grenada; Guyana; Haiti; Jamaica; Montserrat; the Netherlands Antilles; Panama; St. Kitts and Nevis; St. Lucia; St. Vincent and the Grenadines; and Trinidad and Tobago.

[12] The entry requirements for textile and apparel products eligible for duty-free treatment under the ATPDEA are more complex than the rule of origin requirements for other products. For a full discussion of the requirements, see http://www.cbp.gov/linkhandler/cgov/trade/trade_programs/international_agreements/special_trade_programs/atpa/atpdea_impl.ctt/atpdea_impl.pdf.

[13] The dollar value of U.S. imports of petroleum products from all sources fell in 2009 due to decreased demand and lower prices due to the economic crisis. The dollar value of U.S. imports of HTS 2709.00.10 (crude petroleum oils and oils from bituminous minerals, testing under 25 degrees A.P.I.) from Ecuador under the ATPDEA amendments fell by more than 60 percent from $6.1 billion in 2008 to $2.3 billion in 2009. The quantity fell by 32 percent from 68.8 million barrels to 46.7 million barrels.

eligible for both ATPA and GSP duty-free entry that were imported from a beneficiary country that had lost its GSP eligibility with respect to those products because it exceeded the program's competitive need limitations in the previous year.[14]

[14] Under the GSP program, a beneficiary country may lose duty-free eligibility for a product (defined at the HTS-8 level) if, during a calendar year, U.S. imports of a GSP article from that country account for 50 percent or more of the value of total U.S. imports of that product, or exceed a certain inflation-indexed dollar value. These limits are referred to as competitive need limitations. Any loss of eligibility takes effect on July 1 of the calendar year following the year in which the competitive need limitation was exceeded.

U.S. EMPLOYMENT EFFECTS OF TRADE BENEFITS EXCLUSIVE TO THE ATPA

In 2010, U.S. imports from the beneficiary countries that benefited exclusively from the ATPA amounted to $13.0 billion. While this represented 46 percent of all U.S. imports from the beneficiary countries, it accounted for just 0.7 percent of total U.S. imports from all sources. Because of the very small share of total U.S. imports that benefited exclusively from the ATPA, it is unlikely these imports would displace or substitute for domestic output or production or affect overall U.S. employment.

This report examines industries where the ATPA plausibly may have affected employment levels. Any adverse U.S. employment effects due to the exclusive benefits of the ATPA would be associated with increased imports of items due to tariff preferences afforded to industry imports. In addition to the value of imports and the market share of total U.S. industry imports, any potential employment effect would also be dependent upon the size of the tariff forgone based on the ATPA preferences and the substitutability between domestic and imported products.[15]

U.S. Import and Domestic Employment Trends in Selected Industries Receiving Significant Benefits Provided under the ATPA in 2010

In 2010, three NAICS-based import industries enjoyed exclusive ATPA duty-free benefits exceeding $20 million *and* accounted for more than 3.0 percent of total U.S. industry imports from all sources.[16] These three import industries accounted for 94.0 percent of all imports receiving ATPA exclusive benefits.[17]

- **NAICS 11142— Nursery products, flowers, seeds, and foliage**
- **NAICS 21111—Oil and gas**
- **NAICS 31171—Prepared, canned, and packaged seafood products**

Trends in U.S. imports in the three NAICS-based import industries above and trends in industry employment in the U.S. industries producing products like those in the three industries are examined below. Significant increases in U.S. imports of these products from the beneficiary countries may, in part, reflect the availability of duty-free treatment exclusively under the ATPA.

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[15] Estimating and employing elasticities of substitution between domestic and imported items is beyond the scope of this report and are not discussed further.

[16] ATPA exclusive benefits were determined by examining the products associated with the constituent eight-digit Harmonized Tariff Schedule (HTS-8) items in each 5-digit NAICS-based industry to determine if they were also eligible for duty-free entry under either GSP or the PTPA (for Peru) and, if so, whether any ATPA beneficiary country had exceeded the GSP competitive need limitation for that item. Based on this information, the total value of ATPA duty-free imports for products benefiting exclusively from the ATPA in each industry was calculated.

[17] One of these industries, Oil and Gas (NAICS 21111), alone accounted for 89.9 percent of all imports receiving ATPA exclusive benefits.

Nursery Products, Flowers, Seeds, and Foliage (NAICS 11142)

U.S. imports of nursery products, flowers, seeds, and foliage from the beneficiary countries in 2010 were $703.0 million and accounted for 47.1 percent of U.S. imports of these items from all countries (up from 46.3 percent in 2009). This represented 2.5 percent of all U.S. imports from the beneficiary countries (down from 3.1 percent in 2009). ATPA duty-free imports of these items were $687.0 million in 2010, and accounted for 46.0 percent of total U.S. imports of nursery products, flowers, and seeds from all sources (up from 45.6 percent in 2009). ATPA duty-free imports that benefited exclusively from the ATPA amounted to $450.4 million in 2010 (30.2 percent of industry imports from all sources).

U.S. imports of nursery products, flowers, and seeds include: bulbs and tubers (HTS 0601); live plants and cuttings (HTS 0602); fresh cut flowers and buds (HTS 0603); foliage, branches, grasses, and mosses for bouquets or ornamental purposes (HTS 0604); and seeds, fruits, and spores used for sowing (HTS 1209). However, nearly all U.S. imports of these items from the beneficiary countries in 2010 were fresh cut flowers (97.9 percent), followed by foliage (1.6 percent) and live plants (0.3 percent). Almost half (45.5 percent) of all U.S. imports of fresh cut flowers (HTS 0603) from the beneficiary countries were fresh cut roses, which are not eligible for duty-free entry under the GSP program, but are eligible under the ATPA. In addition to roses, the tariff classification for fresh cut flowers covers a number of other flower types (including chrysanthemums, carnations, orchids, anthuriums, alstroemeria, gypsophilia, lilies, snapdragons, and flower buds), which are normally eligible for duty-free entry under the GSP program.

Nearly two-thirds (65.6 percent) of the ATPA duty-free imports of nursery products, flowers, and seeds benefited exclusively from the original ATPA. The exclusive benefits were for the following four eight-digit Harmonized Tariff Schedule (HTS-8) items:

- HTS 0603.11.00—Fresh cut sweetheart, spray, and other roses from all beneficiary countries
- HTS 0603.12.70—Fresh-cut carnations from Colombia
- HTS 0603.14.00—Fresh-cut chrysanthemums from Colombia
- HTS 0603.13.00—Fresh-cut orchids from Colombia[18]

While fresh cut roses are not eligible for GSP duty-free treatment, the other three HTS-8 items are normally eligible for duty-free treatment under both programs; however, Colombia has lost its GSP eligibility with respect to those products because it exceeded the program's competitive need limitations.

- In 2010, U.S. ATPA duty-free imports of fresh cut sweetheart, spray, and other roses (HTS 0603.11.00) from all the beneficiary countries were $313.5 million and accounted for 96.4 percent of all U.S. imports of fresh cut roses (up slightly from 96.2 percent in 2008). This item faces a NTR tariff rate of 6.8 percent. However, in 2010, only 0.2

[18] In 2010, imports of fresh-cut orchids from Colombia under the ATPA amounted to just $21,420. As such, these imports will not be discussed in detail in this report.

percent of U.S. imports of fresh cut roses from all sources were subject to duty while the rest were granted duty-free entry through various U.S. free trade agreements and trade preference programs.[19] Colombia and Ecuador were, by far, the leading suppliers of fresh cut roses to the United States in 2010 accounting for 73.6 percent and 22.8 percent of all U.S. imports respectively.

- In 2010, U.S. ATPA duty-free imports of fresh cut other carnations (HTS 0603.12.70) [20] from Colombia were $39.9 million and accounted for 98.9 percent of all U.S. imports of these items (up slightly from 98.7 percent in 2009). This item faces a NTR tariff rate of 6.4 percent. However, in 2010, only 0.1 percent of U.S. imports of fresh cut other carnations from all sources were subject to duty while the rest were granted duty-free entry through various U.S. free trade agreements and trade preference programs.[21] Colombia was, by far, the leading supplier of fresh cut other carnations to the United States in 2010.

- In 2010, U.S. ATPA duty-free imports of fresh cut chrysanthemums (HTS 0603.14.00) from Colombia were $97.0 million and accounted for 99.5 percent of all U.S. imports of these items (up from 99.2 percent in 2009). This item faces a NTR tariff rate of 6.4 percent. However, in 2010, all of U.S. imports of fresh cut chrysanthemums from all sources were granted duty-free entry through various U.S. free trade agreements and trade preference programs.[22] Colombia was, by far, the leading supplier of fresh cut chrysanthemums to the United States in 2010.

The benefits provided exclusively by the ATPA have allowed the ATPA countries to become the dominant suppliers of fresh cut roses, other carnations, and chrysanthemums to the U.S. market. However, other factors, such as proximity to the United States and climate, have also been important.

Cut flower types that are comparable to those receiving significant exclusive ATPA duty-free benefits include all roses, standard carnations, and chrysanthemums (referred to hereafter as the "like ATPA cut flowers"). The most recent information available on these domestically produced fresh cut flower types is presented below:[23]

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[19] In 2010, U.S. imports of fresh cut roses were granted duty-free entry under the North American Free Trade Agreement (NAFTA), the Dominican Republic – Central America – United States Free Trade Agreement (CAFTA-DR), and the African Growth and Opportunity Act (AGOA) in addition to the ATPA.

[20] This HTS classification for "fresh cut other carnations" covers all fresh cut carnations that are not miniature (spray) carnations.

[21] In 2010, U.S. imports of fresh cut other carnations were granted duty-free entry under the NAFTA and CAFTA-DR in addition to the ATPA.

[22] In 2010, U.S. imports of fresh cut chrysanthemums were granted duty-free entry under the NAFTA and CAFTA-DR in addition to the ATPA.

[23] See *Floriculture Crops 2010 Summary* (U.S. Department of Agriculture, National Agricultural Statistics Service, April 2011). Available online at http://www.nass.usda.gov/Publications/Todays_Reports/reports/floran11.pdf. See also *Floriculture and Nursery Crops Situation and Outlook Yearbook/FLO-2007* (U.S. Department of Agriculture, Economic Research Service, September 2007). Available online at http://www.ers.usda.gov/Publications/Flo/2007/09Sep/FLO2007.pdf. This annual report ceased publication in 2007, and these data are the latest available. Data are based on a 15 state survey. The 15 states were selected by the USDA and accounted for 75 percent of cash receipts received by greenhouse and nursery crop farmers in 2006.

- The number of domestic commercial rose growers fell from 357 in 1992 to 35 in 2010, while the quantity sold declined from 533.6 million stems in 1992 to 39.5 million stems in 2010, and the wholesale value of sales decreased from $174.5 million in 1992 to $17.0 million in 2010.[24] Over this same time period, the wholesale price rose from 32.7 cents per stem in 1992 to 42.9 cents per stem in 2010. The share of domestic consumption accounted for by imports rose from 34 percent in 1992 to 91 percent in 2006.[25]

- The number of domestic commercial standard carnation growers fell from 139 in 1992 to 11 in 2010, while the quantity sold declined from 213.6 million stems in 1992 to 1.9 million stems in 2010, and the value sold decreased from $30.8 million in 1992 to $317,000 in 2010. Over the same period, the wholesale price rose from 14.4 cents per stem to 16.7 cents per stem. The share of domestic consumption accounted for by imports rose from 67 percent in 1992 to 97 percent in 2006.

- The number of domestic commercial pompon chrysanthemum growers fell from 172 in 1992 to 25 in 2010, while the quantity sold declined from 15.4 million bunches in 1992 to 8.4 million bunches in 2010, and the value sold decreased from $18.0 million in 1992 to $11.8 million in 2010. Over the same period, the wholesale price rose from $1.16 per bunch to $1.41 per bunch. The share of domestic consumption accounted for by imports has remained steady and averaged 77 percent over the period from 1992 to 2006.

The USITC estimates that in 2009, ATPA imports of fresh cut flowers displaced 0.7 to 4.6 percent of U.S. output of roses and 1.0 to 6.4 percent of U.S. output of chrysanthemums.[26]

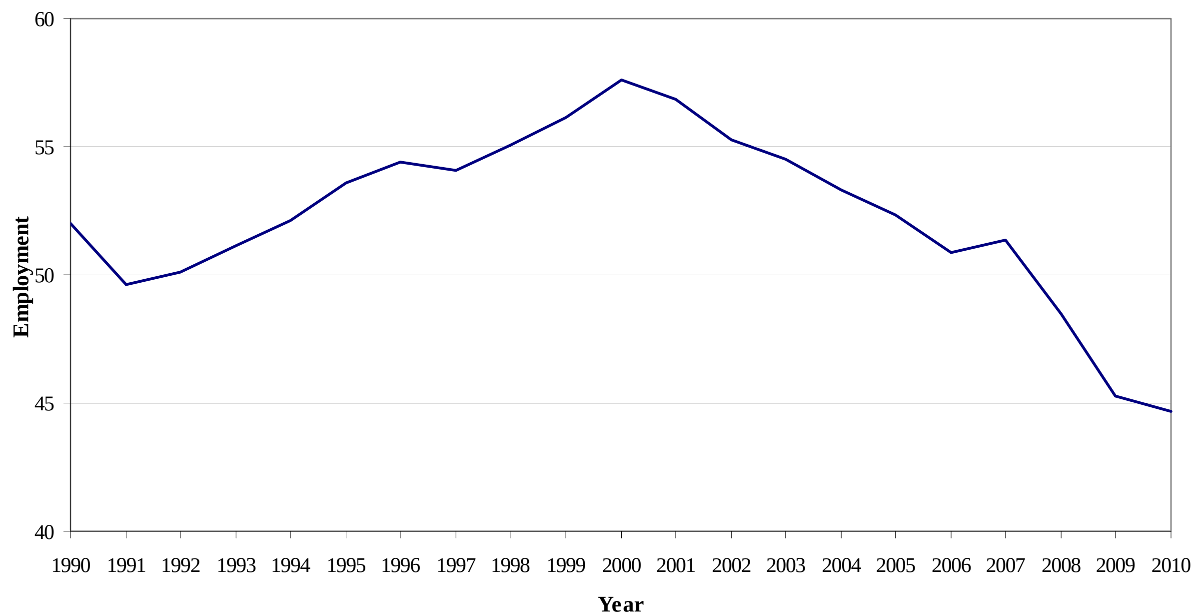
Until 2006, the Department of Agriculture published estimates of the number of hired workers in all floriculture crops, which include cut flowers, foliage plants, bedding garden plants, herbaceous perennials, and cut cultivated greens. For 2006, these data were used to further estimate that there were an estimated 80,579 hired workers in floriculture crops, 8,638 hired workers in cut flowers of all types, and 999 hired workers in "like ATPA cut flowers."[27]

The BLS Quarterly Census of Employment and Wages program publishes employment estimates for detailed agricultural industries.[28] The text chart below presents the trend in U.S. employment in the floriculture production industry (NAICS 111422), which includes establishments primarily

[24] Unless otherwise noted, data are available for 1992 through 2010. Historical data are from the *FLO-2007*. Data for 2010 are from the *Floriculture Crops 2010 Summary* and are preliminary.
[25] Data on the import share of domestic consumption is from the FLO-2007 publication that is no longer published. The most recent year for which data are available is 2006.
[26] See United State International Trade Commission, *Andean Trade Preference Act: Impact on U.S. Industries and Consumers and on Drug and Crop Eradication and Crop Substitution, 2009* (Investigation No. 332-352; USITC Publication 4188; September 2010), p. 3-10. Available online at http://www.usitc.gov/publications/332/pub4188.pdf. Displacement effects for carnations were not calculated due to unavailability of U.S. production and/or export data. The most recent year for which data are available is 2009.
[27] For a more detailed explanation of this calculation, see U.S. Department of Labor, *Trade and Employment Effects of the Andean Trade Preference Act, 14th Annual Report*, p. 13. Available online at http://www.dol.gov/ilab/media/reports/otla/atpa2007/atpa2007.pdf.
[28] Data are available at www.bls.gov/cew. BLS's Current Employment Statistics program does not collect information on industry employment in agriculture.

engaged in growing and/or producing floriculture products including cut flowers and roses, but also cut cultivated greens, potted flowering and foliage plants, and flower seeds, for the years 1990 to 2010. During this period, employment in the industry peaked in 2000 and has declined since with the exception of a small gain in 2007. Employment fell to 44,702 workers in 2010, down from 45,259 workers in 2009.

Figure 1. U.S. Employment in Floriculture Production (NAICS 111422), 1990-2010
(annual average, in thousands)



Source: BLS, Quarterly Census of Employment and Wages

Trends in U.S. domestic production and U.S. imports from the beneficiary countries since implementation of the ATPA suggest that increased imports of fresh cut roses, carnations, and chrysanthemums due to the ATPA trade preferences may have displaced some domestic growers and workers located in the United States. Domestic production of chrysanthemums appears to have stabilized over the last several years, while domestic production of roses and especially carnations continues to fall by significant percentages each year.

<u>Oil and Gas (NAICS 21111)</u>

U.S. imports of certain oil and gas products from the beneficiary countries became eligible for duty-free treatment with the ATPDEA amendments that took effect on October 31, 2002. Although these products accounted for a significant percentage of exports from the beneficiary countries even prior to their obtaining duty-free status, exports of these products to the United States grew significantly each year since being provided duty-free treatment in 2002 through 2006 and have since fluctuated from year to year. U.S. imports of oil and gas from the beneficiary countries in 2010 were $14.4 billion (up from $8.4 billion in 2009, and up radically from $1.9 billion in 2001) and accounted for more than half (51.0 percent) of all U.S. imports from the beneficiary countries (up from 40.8 percent in 2009 and 19.4 percent in 2001). This represented 6.3 percent of U.S. imports of oil and gas from all sources (up from 4.8 percent in 2009 and 2.5 percent in 2001).

In 2010, 83.1 percent of these items, or $11.9 billion, entered duty-free under the ATPDEA amendments. Oil and gas imports represented over nine-tenths (92.2 percent) of all imports under the ATPDEA amendments in 2010. The value of U.S. imports of oil and gas from all sources increased dramatically in the period between the implementation of the ATPDEA amendments and 2008 rising from $72.7 billion in 2001 to $325.6 billion in 2008. This rise was due to strong U.S. demand, rising oil prices, and insufficient domestic supply. The dollar value of U.S. imports of oil and gas from all sources fell by nearly half in 2009 to $176.4 billion as a result of decreased demand and lower prices due to the economic crisis. However, imports began to rebound in 2010, with the dollar value of U.S. imports of oil and gas from all sources increasing to $226.7 billion.

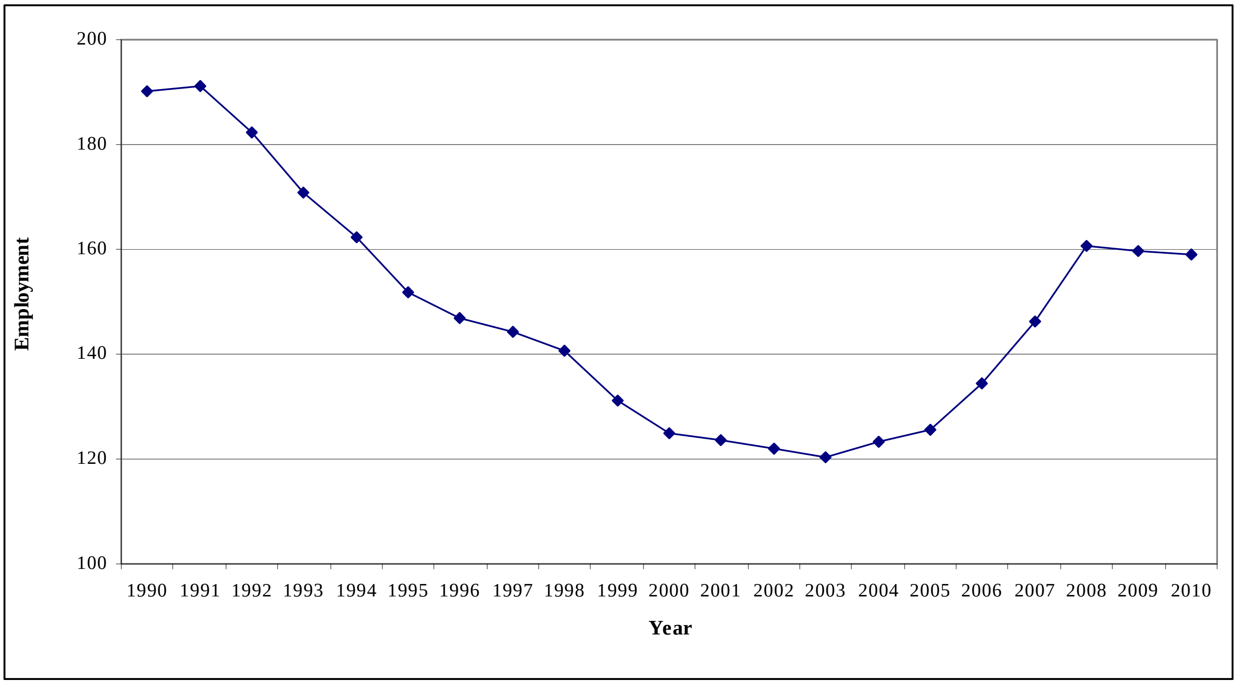
Two HTS-8 petroleum oils (HTS 2709.00.10 and 2709.00.20) are eligible for duty-free access under the ATPDEA amendments. ATPDEA duty-free imports of HTS 2709.00.10 from the beneficiary countries amounted to $8.8 billion in 2010 and accounted for 10.4 percent of U.S. imports from all sources (up from 9.5 percent in 2009). ATPDEA duty-free imports of HTS 2709.00.20 from the beneficiary countries amounted to $3.2 billion in 2010 and accounted for 2.8 percent of U.S. imports from all sources (up from 1.1 percent in 2009).

The NTR tariff on these two items is quite low: 5.25 cents per barrel for HTS 2709.00.10 and 10.5 cents per barrel for HTS 2709.00.20. In 2010, the *ad valorem* equivalent rates were calculated to be around 0.1 percent for each item.

The text chart below presents the trend in U.S. employment in the oil and gas extraction subsector (NAICS 211), which includes the oil and gas extraction industry (NAICS 21111), for the years 1990 to 2010. Employment declined steadily between 1991 and 2003, but advanced in the following years. Employment in the subsector stood at 158,900 workers in 2010, about unchanged from 159,800 workers in 2009. The average hourly earnings of production and nonsupervisory workers were $27.36 in 2010, down slightly from $27.60 in 2009.[29]

[29] Average hourly earnings are in nominal terms. Official estimates of real hourly earnings are not made available at this level of industry detail.

Figure 2. U.S. Employment in Oil and Gas Extraction (NAICS 211), 1990-2010
(annual average, in thousands)



Source: BLS, Current Employment Statistics

Given the fairly small percentage of U.S. imports of oil and gas accounted for by the beneficiary countries and the very low tariff benefit provided, it is unlikely that the duty-free provisions of the ATPDEA amendments have had any measurable effect on domestic employment in the oil and gas extraction sector.

Prepared, Canned, and Packaged Seafood Products (NAICS 31171)

U.S. imports of prepared, canned and packaged seafood products from the beneficiary countries in 2010 were $117.9 million and accounted for 5.0 percent of U.S. imports of prepared, canned, and packaged seafood products from all sources (up from 4.6 percent in 2009). This represented 0.4 percent of all U.S. imports from the beneficiary countries (down slightly from 0.5 percent in 2009). U.S. imports of items in this industry from the beneficiary countries peaked in 2003 at $156.8 million. ATPA duty-free imports which benefited exclusively from the ATPA amounted to $79.6 million in 2010 which includes $56.5 million that benefited exclusively under the ATPDEA amendments.[30] All of the exclusive benefits under the ATPDEA amendments in this industry were for tuna products from Ecuador.

[30] An additional $23.1 million of U.S. imports from the beneficiary countries benefited exclusively under the original ATPA. Nearly all of the items that benefited exclusively from the original ATPA ($22.6 million) were bulk tuna not packed in airtight containers (HTS 1604.14.40) from Colombia.

U.S. imports of tuna in flexible pouches that meet certain other conditions[31] became eligible for ATPA duty-free treatment with the ATPDEA amendments that took effect on October 31, 2002. Under the ATPDEA, there are two eight-digit tariff lines covering tuna under which some of the imports qualify for duty-free treatment (1604.14.10 - tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers and 1604.14.30 - tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota). These items face a NTR tariff rate of 35 percent and 12.5 percent respectively. In 2010, duty-free imports of these two items under the ATPDEA amendments amounted to $56.5 million, all of which was imported from Ecuador. Imports from the beneficiary countries under these two tariff lines including those that were not eligible for duty-free treatment (presumably because they were packaged in cans or not processed or harvested according to the qualifying conditions) were $82.0 million in 2010. Therefore, approximately two-thirds (68.9 percent) of all imports from the beneficiary countries under these two tariff lines received duty-free treatment in 2010 under the ATPDEA amendments, down from 74.5 percent in 2009 (but significantly up from just 22 percent in 2003, the first year in which the ATPDEA amendments was in effect). The high percentage of imports of these items eligible for duty-free treatment under the ATPDEA amendments suggests that Ecuadorian exporters have altered their processing procedures in order to take advantage of the duty-free treatment offered by the ATPDEA.

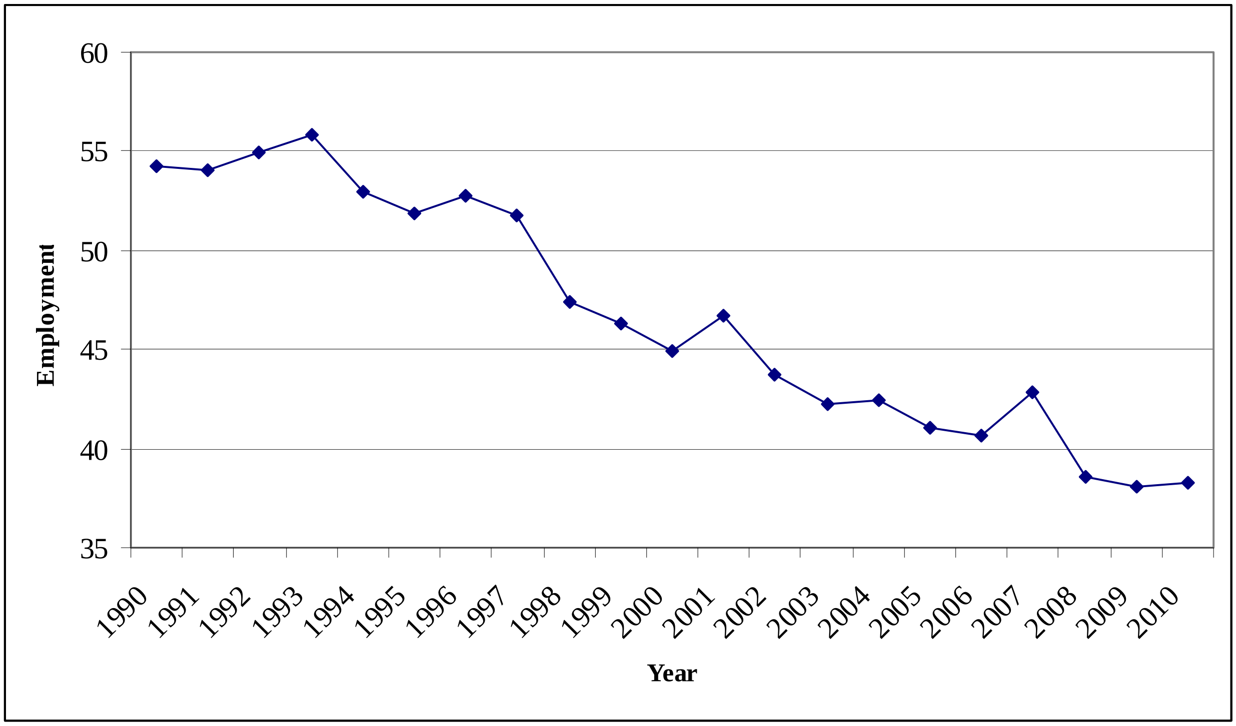
Currently Ecuador is the second largest exporter of these two items (combined) to the United States, well behind the leading supplier, Thailand. In 2010, total U.S. imports of these two items from all sources were $659.6 million. Imports from Ecuador accounted for 12.4 percent ($82.0 million) of imports from all sources, while imports from Thailand accounted for 58.5 percent ($386.2 million). For comparison, the USITC estimates that U.S. production of tuna was $475.0 million in 2009.[32] They find that in 2009, ATPA imports of tuna may have displaced 1.2 to 2.1 percent of U.S. production of tuna.

The text chart below presents the trend in U.S. employment in the seafood product preparation and packaging industry group (NAICS 3117), which includes the prepared, canned, and packaged seafood products industry (NAICS 31171), for the years 1990 to 2010. Employment in this industry group has shown a long-term negative trend over this period. Employment stood at 38,300 workers in 2010, about unchanged from 38,100 in 2009. The average hourly earnings of production and nonsupervisory workers were $13.43 in 2010, up from $13.36 in 2009.

[31] Chapter 98, subchapter XXI, of the HTS of the United States lists these conditions which are that the tuna must be harvested by U.S. vessels or vessels of the ATPDEA beneficiary countries and must have been prepared or preserved in any manner in an ATPDEA beneficiary country.

[32] See United State International Trade Commission, *Andean Trade Preference Act: Impact on U.S. Industries and Consumers and on Drug and Crop Eradication and Crop Substitution, 2009* (Investigation No. 332-352; USITC Publication 4188; September 2010), p. 3-10. Available online at http://www.usitc.gov/publications/332/pub4188.pdf. The USITC focuses its analysis on just one HTS-8 item (HTS 1604.14.30 - Tunas and skipjack, not in oil, in airtight containers, n/o 7 kg, not of U.S. possessions, over quota). This item accounts for 79 percent of the combined two items that benefit exclusively from the ATPDEA discussed in this report (1604.14.30 and 1604.14.10). The most recent year for which data are available is 2009.

Figure 3. U.S. Employment in Seafood Product Preparation and Packaging (NAICS 3117), 1990-2010 (annual average, in thousands)



Source: BLS, Current Employment Statistics

Overall, imports of these items from the beneficiary countries account for a small and generally declining percentage of total U.S. imports. Although the tariff preference provided by the ATPDEA amendments for the two eight-digit tariff lines identified above is substantial, Thailand, which does not receive duty-free treatment, is still by far the leading exporter to the U.S. market. It is unlikely that the duty-free provisions of the ATPA have had a significant effect on domestic employment in this sector.

CONCLUSIONS

It is unlikely that the ATPA itself has had a significant effect on overall U.S. employment. U.S. imports from the beneficiary countries have remained small, accounting for only 1.5 percent of U.S. imports from all sources in 2010. Further, U.S. imports from the beneficiary countries that benefited exclusively from ATPA duty-free entry amounted to $13.0 billion or just 0.7 percent of total U.S. imports from all sources.

U.S. imports of products similar to those produced by three domestic industries received substantial exclusive ATPA duty-free benefits in 2010: nursery products, flowers, seeds, and foliage (fresh cut roses, standard carnations, and chrysanthemums); oil and gas; and prepared, canned, and packaged seafood products (tuna in pouches).

Generally, the current level and composition of the beneficiary countries' exports to the United States do not appear to pose a threat to overall U.S. employment. At the industry-level, trends in U.S. domestic production and U.S. imports from the beneficiary countries since implementation of the ATPA suggest that it may be the case that increased imports of certain fresh cut flowers due to the ATPA trade preferences may have displaced some growers and workers in the United States; however, given the complexities involved it is difficult to isolate conclusively the factors responsible for these trends. For other industries, the likelihood of such displacement is even less pronounced.

Tables

Table 1. U.S. Imports from the Beneficiary Countries by NAICS-based Sector, 2007-2010 (customs value, thousands of dollars)

NAICS-based U.S. Import Sector	Value of U.S. Imports from the Beneficiary Countries				2010 Percent of Total	
	2007	2008	2009	2010	U.S. Sector Imports from the World	U.S. Imports from the Beneficiary Countries
Total U.S. Imports from the Beneficiary Countries	**20,922,939**	**28,483,018**	**20,689,874**	**28,178,899**	**1.5**	**100**
11 - Agriculture and Livestock Products	2,919,794	3,208,395	3,291,052	3,630,806	8.5	12.9
111 - Agricultural Products	2,323,907	2,586,782	2,659,909	2,896,066	12.1	10.3
112 - Livestock and Livestock Products	7,623	5,139	4,837	4,611	0.1	([1])
113 - Forestry Products, not elsewhere specified or included	1,783	1, 708	914	1,246	([1])	([1])
114 - Fish, Fresh, Chilled, or Frozen and Other Marine Products	586,481	614,766	625,391	728,883	6.5	2.6
21 - Oil, Gas, Minerals and Ores	9,329,266	15,009,773	9,638,985	15,486,573	6.6	55.0
211 - Oil and Gas	7,866,517	13,281,788	8,444,962	14,372,573	6.3	51.0
212 - Minerals and Ores	1,462,749	1,727,984	1,194,023	1,114,001	15.2	4.0
31-33 - Manufacturing	7,821,382	9, 201, 479	6,884,319	8,520,092	0.5	30.2
311 - Food and Kindred Products	704,026	902,757	923,356	1,026,220	2.5	3.6
312 - Beverages and Tobacco Products	34,980	29,356	14,705	12,787	0.1	([1])
313 - Textiles and Fabrics	33,277	35,751	25,402	33,291	0.5	0.1
314 - Textile Mill Products	41,607	35,277	29,465	39,082	0.2	0.1
315 - Apparel and Accessories	1,239,089	1,169,997	835,189	935,811	1.2	3.3
316 - Leather and Allied Products	53,589	47,989	29,875	33,347	0.1	0.1
321 - Wood Products	159,314	133,009	77,670	92,796	0.8	0.3
322 - Paper	32,858	24,888	24,210	22,828	0.1	0.1
323 - Printed Matter and Related Products	59,265	49,562	38,003	39,882	0.7	0.1
324 - Petroleum and Coal Products	1,262,490	1,963,441	1,016,862	1,674,780	1.6	5.9
325 - Chemicals	245,270	344,159	322,529	431,767	0.2	1.5
326 - Plastics and Rubber Products	89,909	103,610	76,651	123,665	0.4	0.4
327 - Nonmetallic Mineral Products	287,169	235,254	170,711	162,347	1.0	0.6
331 - Primary Metal Manufacturing	2,888,813	3,475,125	2,889,061	3,450,849	4.4	12.2
332 - Fabricated Metal Products, not elsewhere specified or included	99,053	66,296	48,232	61,975	0.1	0.2
333 - Machinery, Except Electrical	73,821	67,463	45,922	55,395	0.1	0.2
334 - Computer and Electronic Products	26,271	21,566	19,226	15,953	0.0	0.1
335 - Electrical Equipment, Appliances, and Component	72,776	76,389	50,137	35,912	0.1	0.1
336 - Transportation Equipment	21,415	22,214	16,979	25,121	0.0	0.1
337 - Furniture and Fixtures	59,397	51,144	27,569	30,354	0.1	0.1
339 - Miscellaneous Manufactured Commodities	336,992	346,231	202,538	215,929	0.2	0.8
51 – Publishers' Commodities	8	4	6	0	0.0	0.0
511 - Newspapers, Books, and Other Published Matters, not elsewhere specified or included	8	4	6	0	0.0	0.0
91-99 - Special Classification Provisions	852,490	1, 063, 368	875,514	541,427	0.8	1.9
910 - Waste and Scrap	157,515	83,641	20,677	25,885	0.5	0.1
920 - Used or Second-hand Merchandise	16,325	19,388	9,108	11,428	0.2	([1])
980 - U.S. Goods Returned and Re-imported Items	141,193	159,081	220,914	177,099	0.4	0.6
990 - Special Classification Provisions, not elsewhere specified or included	537,457	801,258	624,814	327,015	1.7	1.2

([1]) Less than 0.05 percent
Note: The beneficiary countries for 2009 and 2010 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The value of U.S. imports is the customs value of U.S. imports for consumption.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 2. U.S. Exports to the Beneficiary Countries by NAICS-based Sector, 2007-2010 (thousands of dollars)

NAICS-based U.S. Export Sector	Value of U.S. Exports to the Beneficiary Countries				2010 Percent of Total	
	2007	2008	2000	2010	U.S. Sector Exports to the World	U.S. Exports to the Beneficiary Countries
Total U.S. Exports to the Beneficiary Countries	**14,620,503**	**19,762,733**	**16,697,348**	**22,078,069**	**2.0**	**100**
11 - Agriculture and Livestock Products	1,423,822	1,610,001	1,029,530	1,121,275	1.7	5.1
111 - Agricultural Products	1,396,950	1,582,754	998,841	1,083,653	1.9	4.9
112 - Livestock and Livestock Products	13,823	16,226	17,301	13,136	0.9	0.1
113 - Forestry Products, not elsewhere specified or included	4,542	3,968	4,571	8,911	0.4	0.04
114 - Fish, Fresh, Chilled, or Frozen and Other Marine Products	8,508	7,053	8,817	15,576	0.4	0.1
21 - Oil, Gas, Minerals and Ores	51,613	138,021	192,195	321,044	1.2	1.5
211 - Oil and Gas	26,627	98,447	166,436	281,850	3.3	1.3
212 - Minerals and Ores	24,986	39,574	25,759	39,194	0.2	0.2
31-33 - Manufacturing	12,531,528	17,071, 272	14,700,140	19,605,886	2.1	88.8
311 - Food and Kindred Products	457,560	716,850	581,003	672,056	1.3	3.0
312 - Beverages and Tobacco Products	11,436	18,733	14,889	23,923	0.4	0.1
313 - Textiles and Fabrics	113,613	105,154	71,836	83,904	1.1	0.4
314 - Textile Mill Products	34,509	43,863	33,948	41,234	1.6	0.2
315 - Apparel and Accessories	35,354	37,614	31,451	32,824	1.1	0.1
316 - Leather and Allied Products	13,473	18,024	14,868	17,993	0.8	0.1
321 - Wood Products	13,743	20,695	27,745	33,065	0.7	0.1
322 - Paper	445,718	518,962	390,081	514,951	2.3	2.3
323 - Printed Matter and Related Products, not elsewhere specified or included	41,708	46,199	52,579	43,346	0.7	0.2
324 - Petroleum and Coal Products	1,348,919	2,635,734	2,531,009	4,988,977	8.2	22.6
325 - Chemicals	3,256,208	3,842,304	3,054,693	3,830,824	2.2	17.4
326 - Plastics and Rubber Products	251,897	333,856	303,774	304,238	1.2	1.4
327 - Nonmetallic Mineral Products	88,717	99,761	68,120	105,367	1.1	0.5
331 - Primary Metal Manufacturing	272,129	550,096	302,906	378,144	0.8	1.7
332 - Fabricated Metal Products, not elsewhere specified or included	313,299	455,674	391,903	495,300	1.5	2.2
333 - Machinery, Except Electrical	2,447,841	3,482,677	3,088,128	3,688,192	3.0	16.7
334 - Computer and Electronic Products	1,756,747	2,099,530	1,754,240	1,948,665	1.6	8.8
335 - Electrical Equipment, Appliances, and Component	391,935	526,307	483,263	513,244	1.6	2.3
336 - Transportation Equipment	885,659	1,068,426	1,110,484	1,436,649	0.8	6.5
337 - Furniture and Fixtures	21,025	23,606	20,343	26,317	0.7	0.1
339 - Miscellaneous Manufactured Commodities	329,858	427,207	372,877	426,675	1.1	1.9
51 – Publishers’ Commodities	13,579	10,799	8,987	15,141	1.7	0.1
511 - Newspapers, Books, and Other Published Matter, not elsewhere specified or included	13,579	10,799	8,987	15,141	1.7	0.1
91-99 - Special Classification Provisions	599,961	932,639	766,496	1,014,722	1.3	4.6
910 - Waste and Scrap	55,716	119,337	75,033	202,326	0.7	0.9
920 - Used or Second-hand Merchandise	75,758	212,953	184,699	122,047	2.6	0.6
990 - Special Classification Provisions, not elsewhere specified or included	468,487	600,350	506,765	690,350	1.5	3.1

Note: The beneficiary countries for 2009 and 2010 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The value of U.S. exports is the free alongside ship (FAS) value of domestic U.S. exports at the U.S. port of export.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 3. Total and Leading 5-digit NAICS-based Industry U.S. Imports from the Beneficiary Countries, 2007-2010 (customs value, millions of dollars)

(5-digit NAICS-based industries with more than $200 million in U.S. imports from the beneficiary countries in 2010, ranked by 2010 value)

NAICS-based U.S. Import Sector	Value of U.S. Imports from the Beneficiary Countries				2010 Percent of Total	
	2007	2008	2009	2010	U.S. Industry Imports from the World	U.S. Imports from the Beneficiary Countries
Total U.S. Imports from the Beneficiary Countries	20,922.9	28,483.0	20,689.9	28,178.9	1.5	100
The leading NAICS-based Industries in 2010 were:						
21111 - Oil and Gas	7,866.5	13,281.8	8,445.0	14,372.6	6.3	51.0
33141 - Nonferrous Metal (Except Aluminum) Smelting and Refining	2,363.7	2,887.3	2,724.8	3,135.3	10.0	11.1
11133 – Non-citrus Fruits and Tree Nuts	1,388.7	1,658.3	1,746.8	1,878.9	15.3	6.7
32411 - Petroleum Refinery Products	1,262.3	1,963.3	1,016.7	1,674.4	1.6	5.9
21211 - Coal	1,244.6	1,497.2	1,079.0	923.3	66.5	3.3
11411 - Fresh, Chilled or Frozen Fish and Other Marine Products	586.5	614.8	625.4	728.9	6.5	2.6
11142 - Nursery Products, Flowers, Seeds, and Foliage	666.2	651.3	635.0	703.0	47.1	2.5
31522 - Men's and Boys' Apparel	624.7	593.3	388.8	452.3	1.8	1.6
31523 - Women's and Girls' Apparel	510.7	475.3	375.7	405.9	1.0	1.4
99000 - Special Classification Provisions, not elsewhere specified or included	537.5	801.3	624.8	327.0	1.7	1.2
31142 - Fruits and Vegetables	183.4	246.7	249.8	272.4	5.8	1.0
11121 - Vegetables and Melons	205.0	198.2	208.7	252.3	4.3	0.9
33111 - Iron and Steel and Ferroalloy	291.3	416.3	87.6	214.9	0.8	0.8

Note: The beneficiary countries for 2009 and 2010 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The value of U.S. imports is the customs value of U.S. imports for consumption.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 4. Total and Leading 5-digit NAICS-based Industry U.S. Exports to the Beneficiary Countries, 2007-2010 (millions of dollars)

(5-digit NAICS-based industries with more than $200 million in U.S. exports to the ATPA countries in 2010, ranked by 2010 value)

NAICS-based U.S. Export Sector	Value of U.S. Exports to the Beneficiary Countries				2010 Percent of Total	
	2007	2008	2009	2010	U.S. Industry Exports to the World	U.S. Exports to the Beneficiary Countries
Total U.S. Exports to the Beneficiary Countries	14,620.5	19,762.7	16,697.3	22,078.1	2.0	100
The leading NAICS-based Industries in 2010 were:						
32411 - Petroleum Refinery Products	1,347.4	2,633.6	2,528.3	4,986.8	8.3	22.6
32521 - Resin and Synthetic Rubbers	992.9	1,171.0	882.5	1,194.3	3.7	5.4
33312 - Construction Machinery	593.7	912.0	756.8	1,073.4	7.1	4.9
32519 - Other Basic Organic Chemicals	959.2	1,068.1	812.6	1,013.1	2.5	4.6
33313 - Mining and Oil and Gas Field Machinery	538.2	777.0	503.9	792.4	7.3	3.6
33411 - Computer Equipment	651.7	766.9	624.8	715.6	3.3	3.2
99000 - Special Classification Provisions, not elsewhere specified or included	468.5	600.3	506.8	690.3	1.5	3.1
33641 - Aerospace Products and Parts	299.1	391.8	540.5	506.3	0.7	2.3
33451 - Navigational Measuring, Electromedical and Control Instruments	332.7	420.7	396.0	477.0	1.3	2.2
33399 - Other General Purpose Machinery	283.6	357.8	341.1	437.2	2.3	2.0
11114 - Wheat	402.3	505.3	250.8	367.1	5.4	1.7
33361 - Engines, Turbines and Power Transmission Equipment	219.4	384.1	452.2	357.6	1.5	1.6
32541 - Pharmaceuticals and Medicines	186.8	263.2	317.8	350.4	0.8	1.6
32212 - Paper Mill Products	308.4	344.5	256.2	321.2	4.0	1.5
33611 - Automobiles and Light Duty Motor Vehicles, Including Chassis	132.5	156.2	165.8	312.3	0.9	1.4
33391 - Pumps and Compressors	170.2	222.2	360.7	302.4	4.0	1.4
33111 - Iron and Steel and Ferroalloy	188.8	454.4	206.0	301.4	2.1	1.4
31122 - Starch and Vegetable Fats and Oils	192.3	360.5	268.9	297.2	3.0	1.3
21111 - Oil and Gas	26.6	98.4	166.4	281.9	3.3	1.3
11192 - Cotton	160.9	172.1	152.6	276.4	4.7	1.3
11115 - Corn	680.6	717.0	379.0	263.9	2.6	1.2
32531 - Fertilizers	227.3	303.1	201.9	243.9	6.0	1.1
33612 - Heavy Duty Trucks and Chassis	115.4	163.6	118.2	235.6	1.8	1.1
33531 - Electrical Equipment	157.0	221.2	256.8	228.2	2.0	1.0
33422 - Radio and Television Broadcasting and Wireless Communications Equipment	221.4	342.0	283.3	225.5	5.1	1.0
32599 - All Other Chemical Products and Preparations	165.7	183.8	178.6	222.4	2.7	1.0
33441 - Semiconductors and Other Electronic Components	153.8	220.9	186.7	221.9	0.5	1.0
33911 - Medical Equipment and Supplies	145.4	177.7	181.8	214.3	1.0	1.0
91000 - Waste and Scrap	55.7	119.3	75.0	202.3	0.7	0.9

Note: The beneficiary countries for 2009 and 2010 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The value of U.S. exports is the free alongside ship (FAS) value of domestic U.S. exports at the U.S. port of export.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 5. U.S. Imports from the Beneficiary Countries by U.S. Import Program, 2007-2010 (customs value, thousands of dollars)

U.S. Import Program	2007	2008	2009	2010
No Program Claimed				
Customs Value	8,016,110	10,627,902	9,721,790	11,331,0181
Dutiable Value	1,279,318	2,577,141	2,428,231	3,386,713
Calculated Duties	19,476	20,212	12,340	16,666
Average Rate of Duty	1.5%	0.8%	0.5%	0.5%
ATPDEA Amendments				
Customs Value	9,496,730	14,570,499	8,062,560	12,959,528
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
PTPA				
Customs Value	0	0	980,516	2,224,014
Dutiable Value	0	0	82,427	19,239
Calculated Duties	0	0	3,679	1
Average Rate of Duty	0	0	4.5%	0.01%
ATPA (excluding the ATPDEA Amendments)				
Customs Value	2,810,112	2,672,175	1,651,683	1,451,379
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
GSP				
Customs Value	599,270	611,584	271,688	212,789
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
Pharmaceuticals				
Customs Value	3	0	303	0
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
Civil Aircraft				
Customs Value	714	858	1,335	171
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
Total				
Customs Value	20,922,939	28,483,018	20,689,874	28,178,899
Dutiable Value	1,279,318	2,577,141	2,510,657	3,405,952
Calculated Duties	19,476	20,212	16,019	16,667
Average Rate of Duty	1.5%	0.8%	0.6%	0.5%

Note: The beneficiary countries for 2009 and 2010 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The dutiable value represents the customs value of the foreign merchandise imported into the United States that is subject to duty. The calculated duty represents the estimated import duties collected. Estimated duties are calculated based on the applicable rates of duty as shown in the Harmonized Tariff Schedule of the United States Annotated for Statistical Reporting Purposes. Estimates of calculated duty do not necessarily reflect amounts of duty paid. The average rate of duty is computed as the ratio of calculated duties over the dutiable value, expressed as a percent. Because of rounding, figures may not add to total shown.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 6. U.S. Imports from the Beneficiary Countries by U.S. Import Program and Country, 2010 (customs value, thousands of dollars)

Beneficiary Country	ATPDEA Amendments	No Program Claimed	PTPA	ATPA (excluding the ATPDEA Amendments)	GSP	Civil Aircraft	Total
Colombia							
Customs Value	8,538,855	6,041,394	0	933,706	158,516	133	15,672,605
Dutiable Value	0	1,135,958	0	0	0	0	1,135,958
Calculated Duties	0	9,037	0	0	0	0	9,037
Average Rate of Duty	0	0.8%	0	0	0	0	0.8%
Ecuador							
Customs Value	3,886,611	3,100,396	0	292,456	54,273	38	7,333,774
Dutiable Value	0	1,826,651	0	0	0	0	1,826,651
Calculated Duties	0	5,118	0	0	0	0	5,118
Average Rate of Duty	0	0.3%	0	0	0	0	0.3%
Peru							
Customs Value	534,061	2,189,229	2,224,014	225,217	0	0	5,172,521
Dutiable Value	0	424,103	19,239	0	0	0	443,343
Calculated Duties	0	2,511	1	0	0	0	2,512
Average Rate of Duty	0	0.6%	([1])	0	0	0	0.6%
Total U.S. Imports from the Beneficiary Countries							
Customs Value	12,959,528	11,331,018	2,224,014	1,451,379	212,789	171	28,178,899
Dutiable Value	0	3,386,713	19,239	0	0	0	3,405,952
Calculated Duties	0	16,666	1	0	0	0	16,667
Average Rate of Duty	0	0.5%	([1])	0	0	0	0.5%

([1]) Less than 0.05 percent

Note: See the note to Table 5 for the definitions of the U.S. import programs. The dutiable value represents the customs value of the foreign merchandise imported into the United States that is subject to duty. The calculated duty represents the estimated import duties collected. Estimated duties are calculated based on the applicable rates of duty as shown in the Harmonized Tariff Schedule of the United States Annotated for Statistical Reporting Purposes. Estimates of calculated duty do not necessarily reflect amounts of duty paid. The average rate of duty is computed as the ratio of calculated duties over the dutiable value, expressed as a percent. Because of rounding, figures may not add to total shown.

Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 7. The Leading 20 Duty-Free U.S Imports under the ATPA (excluding the ATPDEA Amendments) from the Beneficiary Countries by NAICS-based Industry, 2010 (customs value, thousands of dollars)

NAICS-based Industry	Value of ATPA Duty-Free U.S. Imports			
	2007	2008	2009	2010
AGRICULTURE AND LIVESTOCK PRODUCTS				
Agricultural Products				
11121 - Vegetables and Melons	186,960	174,300	61,227	14,441
11133 – Non-citrus Fruits and Tree Nuts	60,898	72,143	75,532	26,492
11142 -Nursery Products, Flowers, Seeds and Foliage	651,490	633,936	625,078	687,022
MINED PRODUCTS				
Mining (except Oil and Gas)				
21229 - Other Metal Ores	72,027	66,138	17,146	30,991
MANUFACTURED PRODUCTS				
Food Manufacturing				
31131 - Sugars	13,304	15,595	27,446	48,240
31134 - Nonchocolate Confectionary Products	10,103	12,150	18,487	26,134
31141 - Frozen Foods	57,163	66,342	48,850	45,388
31142 - Fruits and Vegetables	119,552	175,374	144,432	108,162
31171 - Seafood Products, Prepared, Canned and Packaged	5,935	7,692	9,866	26,580
31199 - Other Foods, not elsewhere specified or included	5,253	6,176	10,199	15,427
Wood Product Manufacturing				
32121 - Veneer, Plywood, and Engineered Wood Products	14,823	19,729	23,474	24,971
Chemicals				
32521 - Resin and Synthetic Rubbers	53,112	38,155	22,761	25,013
Plastics and Rubber Products				
32619 - Other Plastics Products	39,876	33,496	29,352	51,777
Nonmetallic Mineral Products				
32712 - Clay and Refractory Building Materials	29,799	33,316	28,549	33,441
32721 - Glass and Glass Products	11,481	17,156	17,500	15,949
Primary Metal Manufacturing				
33131 - Alumina and Aluminum and Processing	27,903	18,823	11,745	15,271
33141 - Nonferrous Metal (Except Aluminum) Smelting and Refining	1,001,211	879,035	239,415	34,291
33142 - Copper Rolling, Drawing, Extruding, and Alloying	41,844	59,727	25,394	43,697
Fabricated Metal Product Manufacturing				
33232 - Ornamental and Architectural Metal Products	27,076	18,435	12,637	17,444
Other General Purpose Machinery Manufacturing				
33999 - Other Manufactured Commodities	16,038	15,959	13,825	15,692

Note: The beneficiary countries for 2009 and 2010 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. Excludes duty-free entries under the ATPDEA.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 8. The Leading 10 Duty-Free U.S Imports under the ATPDEA Amendments from the Beneficiary Countries by NAICS-based Industry, 2010 (customs value, thousands of dollars)

NAICS-based Industry	Value of ATPDEA Duty-Free U.S. Imports			
	2007	2008	2009	2010
MINED PRODUCTS				
Oil and Gas Extraction				
21111 - Oil and Gas	7,485,193	12,206,60	6,956,683	11,944,630
MANUFACTURED PRODUCTS				
Food Manufacturing				
31171 - Seafood Products, Prepared, Canned and Packaged	72,420	78,419	56,960	56,526
Apparel Manufacturing				
31511 - Hosiery and Socks	53,870	51,998	29,008	25,234
31522 - Men's and Boys' Apparel	589,789	570,618	297,621	233,401
31523 - Women's and Girls' Apparel	484,015	449,689	275,691	187,106
31529 - Other Apparel	32,778	30,329	15,457	9,809
31599 - Apparel Accessories	6,738	8,185	7,152	7,888
Leather and Allied Product Manufacturing				
31621 - Footwear	4,114	3,848	3,051	2,249
31699 - Other Leather Products	27,896	23,548	13,776	16,752
Petroleum and Coal Products Manufacturing				
32411 - Petroleum Refinery Products	739,754	1,146,805	407,118	475,875

Note: The beneficiary countries for 2009 and 2010 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The ATPDEA amendments came into force on November 1, 2002.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

ACRONYMS

ATPA	Andean Trade Preference Act
ATPDEA	Andean Trade Promotion and Drug Eradication Act
BLS	Bureau of Labor Statistics
CAFTA-DR	Dominican Republic – Central America – United States Free Trade Agreement
CBERA	Caribbean Basin Economic Recovery Act
GSP	Generalized System of Preferences
HTS	Harmonized Tariff Schedule
NAFTA	North American Free Trade Agreement
NAICS	North American Industrial Classification System
NTR	Normal Trade Relations
PTPA	United States – Peru Trade Promotion Agreement
USITC	U.S. International Trade Commission