



The U.S.-Colombia Trade Promotion Agreement: A Very Good Deal for California



The Facts:

- The U.S.-Colombia TPA would level the playing field by eliminating Colombian tariffs on products that play important roles in the California economy.
- California’s economy benefited from \$200.9 million in total exports to Colombia in 2006.
- California exports include computers and electronic products, chemicals, machinery, miscellaneous manufactures, and processed foods.
- Today, Colombian tariffs add between 5.0% and 20.0% to the price of these California exports.
- The United States levies tariffs of 2.3% or less on equivalent products from Colombia.
- With the U.S.-Colombia TPA, exports to Colombia by California businesses in these key industries are expected to rise by between 8% and 60%.

	(1) Value of Imports, 2006	Import Duties Currently Assessed by:		What Full Implementation of the U.S.-Colombia Trade Promotion Agreement (TPA) Means for California:		
		(2) Colombia on California’s Exports	(3) The United States on Colombia’s Exports	(4) Colombia’s Duties on California’s Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for California Exporters
California’s Total Exports to Colombia	\$200,873,337					
Computers & Electronic Prod.	77,902,459	Average 8.2%	0%	0% (a)	8.0%	\$6.4 million
Chemical Manufactures	28,594,596	Average 8.1%	2.3%	0% (b)	22.6%	\$2.3 million
Machinery Manufactures	20,950,464	Average 11.1%	0%	0% (c)	14.9%	\$2.3 million
Misc. Manufactures	17,790,620	Average 16.5%	0%	0% (d)	60.1%	\$2.9 million
Processed Foods	17,543,658	Average 5.0%-20.0%	0%	0% (e)	36.2%	\$877,000-\$3.5 million



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Sources and Notes

- (1) U.S. Department of Commerce.
- (2) U.S. International Trade Commission, U.S. Department of Commerce, and U.S. Department of Agriculture. For some categories, Colombia's duties range as high as 20 percent.
- (3) U.S. International Trade Commission. The majority of Colombia's exports have received duty-free treatment under the Andean Trade Promotion and Drug Eradication Act (ATPDEA) since 2002. In addition, Colombia also has received duty-free benefits under the Generalized System of Preferences (GSP) program since 1976.
- (4) U.S. Department of Commerce.
- (5) U.S. International Trade Commission. The International Trade Commission did not publish separate estimates for chemical, plastic, and rubber products. Estimated increase in exports for overall crop production calculated from detailed estimates by the International Trade Commission.
- (6) Column 1 multiplied by Column 2.
 - (a) Approximately 68 percent of the State's electronic products will receive immediate duty-free treatment. For information technology product exports 100 percent will receive immediate duty-free treatment.
 - (b) For chemical products, Colombia will eliminate duties affecting 82 percent of California's exports immediately upon implementation of the Agreement.
 - (c) Approximately 70 percent of California's industrial equipment exports will receive immediate duty-free treatment. The remaining 30 percent of products will be duty-free within ten years.
 - (d) More than 80 percent of California's industrial exports will receive immediate duty-free treatment under the Agreement.
 - (e) The vast majority of California's exports of processed food products will receive immediate duty-free treatment under the U.S.-Colombia TPA.

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