



TO: U.S. Chamber of Commerce Delegation

FROM: Americas Team

SUBJECT: The U.S.-Colombia FTA at Three

The U.S.-Colombia Trade Promotion Agreement entered into force on May 15, 2012. As Washington considers legislation to renew [Trade Promotion Authority \(TPA\)](#)—an essential tool to clinch new trade agreements—the three-year track record of this landmark agreement already demonstrates its impressive benefits.

The agreement’s high standards and comprehensive coverage helped usher in a period of strong growth in trade. Over the 2011-2014 period, bilateral merchandise trade expanded to reach \$38.6 billion in 2014, and a huge number of U.S. and Colombian companies of all sizes are securing significant benefits.

U.S. Merchandise Exports to Colombia – Total and Select Products			
	2011	2014	% Change
TOTAL	\$14,335,692,038	\$20,316,650,487	42
Chemicals	2,668,779,430	2,925,681,610	10
Computer and Electronic Products	1,917,076,187	2,410,671,256	26
Transportation Equipment	876,330,961	1,518,559,758	73
Agricultural Products	629,664,646	1,386,085,354	120
Food Manufactures	433,286,174	957,631,405	121

Source: Trade Stats Express (tse.export.gov)

As the table shows, U.S. goods exports to Colombia rose by 42% in the 2011-2014 period. For agricultural and food products, U.S. exports more than doubled in just three years. Impressive gains have also been recorded in U.S. exports to Colombia of transportation equipment, computer and electronic products, and other manufactured goods.

The agreement has been a boon to U.S. small and medium-size companies, nearly 15,000 of which export to Colombia today. Exports by these firms top \$5 billion and account for more than one-third of all U.S. merchandise exports to Colombia.

Additional export highlights from the 2011-2014 period include:

Manufactured Goods

- Exports of civilian aircraft, engines, and parts—which previously faced a tariff of 5% that was eliminated upon entry-into-force of the trade agreement—increased by 214% to reach \$733 million.
- U.S. exports to Colombia of motor cars rose by 93% to reach \$280 million.
- Reflecting the U.S. energy boom, U.S. exports to Colombia of refined petroleum products rose 133%.
- Sales of U.S. musical instruments rose 35% to \$6 million.
- Exports of ships and boats rose 19% to \$37 million.
- U.S. exports of beer, wine, and glassware all doubled (moving in parallel, appropriately) to reach a total of \$17 million.

Agricultural Products

- U.S. corn exports to Colombia rose from 3.2 million metric tons in the 2011-2012 season to 4.2 in the 2014-2015 season (three years later), an increase of 31%.
- Exports of dairy products rose by nearly 700% to reach \$52 million and are expected to continue their growth as Colombian trade barriers affecting this sector continue to be phased out.
- U.S. exports of fruit and nuts—including apples, pears, and cherries—rose by 70% to reach \$62 million; the subcategory of nuts grew by more than 600%.

The agreement has brought substantial benefits for Colombian workers, farmers, and companies as well. According to the Colombian Statistics Bureau (known as DANE), U.S. imports from Colombia have increased by 11% since the agreement came into effect, excluding petroleum and mineral products. (Reflecting the U.S. energy boom, U.S. imports of petroleum from nearly all sources have been declining.) Fully 57% of U.S. imports from Colombia have benefited from the elimination of trade barriers under the agreement.

According to the Colombian Government Trade Bureau, nearly 2,000 Colombian companies have exported to the United States for the first time in the three years since the agreement entered into force. At least 75% of these companies are small- or medium-size businesses.

The trade agreement is also helping Colombians diversify their exports, with 445 products exported to the United States for the first time—thanks in part to the elimination of tariffs. U.S. imports of mainstay Colombian products such as coffee have grown (by 33%) as have imports of tilapia (24%), trout (20%), and citrus fruits such as Tahiti lime (up by nearly 3,000%). U.S. imports from Colombia are up for molasses (334%), sugar (150%), canned fish (65%), cocoa fat (138%), pastry and biscuits (51%), and chocolates (82%).

U.S. imports of Colombian-made industrial goods have risen, including glass products (a 298% increase), aluminum windows and doors (77%), plastic packaging (68%), and bras and girdles (41%).

As a business organization, the U.S. Chamber tends to focus on the commercial benefits of trade and the jobs it supports. In the case of Colombia, however, the trade agreement has capped arguably the greatest national turnaround story in recent history. As recently as the 1990s, Colombia was wracked with violence, and the rule of law and even basic security was in question in much of its countryside.

Through the hard work and sacrifice of brave Colombians—and some help from the United States, in the form of assistance under Plan Colombia, trade preferences, and private investment—the country has turned around. Few countries have come so far, so fast. Incomes are up and jobs are more plentiful.

The trade agreement didn't make this happen, but it has helped Colombia take the next steps in its progress. Colombia is well on its way toward becoming a modern, democratic, free-market economy. This is well worth celebrating.

Reprinted from USChamber.com. Sources: U.S. Department of Commerce (for information on U.S. exports to Colombia), and Colombian Government Trade Bureau (for details on imports from Colombia).