



Colombia FTA Facts

Office of the United States Trade Representative

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The Case for the U.S. - Colombia Free Trade Agreement

“This agreement has strategic implications. It is very important for [the United States] to stand with democracies that protect human rights and human dignity; democracies based upon the rule of law.”

- President George Bush, May 2, 2007

More than 10,000 U.S. companies export to Colombia, of which approximately 8,500 are small and medium-sized firms. Source: Department of Commerce

1. Open a significant new export market. America’s two-way trade with Colombia reached \$18 billion in 2007, making Colombia our fourth largest trading partner in Latin America and our largest export market for U.S. agriculture products in South America. In 2007, total U.S. goods exports to Colombia reached \$8.6 billion. The U.S.-Colombia Free Trade Agreement will further open this dynamic and growing economy to American goods and services. It will provide particular benefits to U.S. farmers and ranchers by immediately eliminating Colombia’s duties on high quality beef, cotton, wheat, soybeans, key fruits vegetables and many processed foods upon entry into force of the agreement.

2. Level the playing field for American business, farmers, ranchers and workers. America’s market is already open to imports from Colombia. In 2007, for example, over 90 percent of U.S. imports from Colombia entered the United States duty-free under our most-favored nation tariff rates and various preference programs, such as the Andean Trade Preference Act (ATPA) and the Generalized System of Preferences (GSP). The U.S. - Colombia Free Trade Agreement will give American businesses, farmers, ranchers and workers similar access to this important market. Upon entry into force of the agreement, over 80 percent of U.S. exports of consumer and industrial goods to Colombia will enter duty-free immediately. The agreement also will provide substantial new opportunities for U.S. farmers’ and ranchers’ agricultural exports, and resolve sanitary and phytosanitary barriers to agricultural trade with Colombia. In addition, the agreement will remove barriers to U.S. services, provide a secure and predictable legal framework for investors, and strengthen protection for intellectual property, workers and the environment.

3. Strengthen peace, democracy, freedom and reform. In 2000, much of Colombia was controlled by three terrorist groups and ruthless narcotics trafficking cartels. With U.S. assistance and trade preferences under ATPA, the Colombian people are transforming their nation. They have achieved solid progress in promoting economic growth and social development and in reducing violence, impunity and illegal activities. The progress Colombia has made is real but critical challenges remain. The terrorist and paramilitary groups are weakened but not defeated. Violence continues to threaten all sectors of Colombian society as well as cause displacement and economic hardship. The people of Colombia are addressing these problems aggressively and decisively, but need the continued help of the United States. The U.S. - Colombia Free Trade Agreement is a critical tool to provide licit jobs and economic alternatives to violence. Colombia is a vibrant democracy, with a history of free elections, a free press, and solid opposition political parties. Since President Uribe took office in 2002, Colombia has increased

the size of its security forces and re-established a state presence in every municipality in the country. Uribe's strong approval ratings -- over 80 percent in recent polls -- shows that this sustained commitment to improving Colombia's record in human rights and workers' rights is broadly shared in Colombia.

4. *Promote economic growth and poverty reduction.* An increasingly open market has given Colombia the tools to fight corruption and increase transparency and the rule of law. Through continued U.S. assistance and approval of the U.S. - Colombia Free Trade Agreement, Colombia can become a self-sufficient partner in the region. As such, Colombia will derive the full benefits of the global economy, and can join the growing partnership of countries along the Pacific coast of the Americas to solidify open markets and strengthen democracy in the region. The resulting increased economic activity will create additional jobs and opportunities in the formal sector and will positively influence Colombia's efforts to reduce poverty. Growth has averaged 5.3 percent since 2002 (6.6 percent in 2007); unemployment has fallen from 16 percent in 2002 to 9.9 percent in 2007; and approximately ten million Colombians have risen out of poverty in the last five years.

5. *Anchor longstanding ties with a vital regional ally.* Colombia has been a steadfast partner in combating narcotics trafficking and countering regional terror groups. The Colombian people support the U.S. - Colombia Free Trade Agreement in large numbers. A Gallup Poll conducted on September 2, found Uribe's approval rating reached over 80 percent. The Colombian Congress strongly favors the U.S. - Colombia Free Trade Agreement -- the Senate voted 55-3 and House 85-10 to approve the agreement -- showing that the Colombian people are confident that stronger ties to the U.S. will make them more secure, stable and prosperous. Approval and implementation of the U.S. - Colombia Free Trade Agreement will be a critical signal of America's support for the Colombian people, who have chosen to strengthen ties with the United States in the belief that reciprocal market access will contribute to the overall growth and development of their nation.

For more information see: www.ustr.gov/Trade_Agreements/Bilateral/Section_Index.html