

**REPORT ON THE U.S. EMPLOYMENT IMPACT OF THE
UNITED STATES – COLOMBIA TRADE PROMOTION
AGREEMENT**

Pursuant to section 2102(c)(5) of the Trade Act of 2002, the United States Trade Representative, in consultation with the Secretary of Labor, provides the following Report on the U.S. Employment Impact of the United States – Colombia Trade Promotion Agreement. The report was prepared by the U.S. Department of Labor.

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Executive Summary

This employment impact report was prepared pursuant to section 2102(c)(5) of the Trade Act of 2002. Section 2102(c)(5) requires the President to review and report to the Congress on the impact of future trade agreements on U.S. employment and labor markets. This report describes the relevant provisions of the United States–Colombia Trade Promotion Agreement (CTPA), including a summary of its labor provisions, and assesses the potential employment effects of the CTPA.

The major finding of this report is that the CTPA is expected to have a negligible effect on aggregate employment in the United States. This finding is attributable to: (i) the small size of Colombia’s economy relative to the United States; (ii) the small volume of bilateral trade between the two countries; (iii) the fact that nearly 93 percent of all U.S. imports from Colombia in 2010 entered the United States duty-free; (iv) provisions in the CTPA for the gradual removal of U.S. tariffs on import-sensitive goods from Colombia over an extended period; (v) safeguards contained in the CTPA to attenuate the effects of certain increases in imports; and (vi) quantitative estimates that the CTPA will increase U.S. output and consumption by less than one-twentieth of one percent of current U.S. gross domestic product. Any employment effects would follow from these small changes in output and consumption.

I. Introduction: Overview of the U.S. Employment Impact Report

A. Scope, Outline, and Data Sources of the Report

This employment impact report provides background and context for the United States–Colombia Trade Promotion Agreement (CTPA), including the bilateral economic setting, current barriers to bilateral trade, and the major elements of the CTPA (found in Part II). The report then considers the potential employment effects of the CTPA on the United States (Part III). Finally, the report briefly describes the Labor Chapter of the CTPA (Part IV). All of the referenced data tables appear at the end of this report.

Unless otherwise specified, the value of U.S. imports and exports used in this report are based on compilations of official statistics gathered by the U.S. Department of Commerce. They are extracted from the U.S. International Trade Commission’s (USITC) Interactive Tariff and Trade Dataweb.¹

B. Legislative Mandate

This report on the U.S. employment impact of the CTPA is prepared pursuant to section 2102(c)(5) of the Trade Act of 2002 (“Trade Act”) (Pub. L. No. 107-210). Section 2102(c)(5) provides that the President shall review the impact of future trade agreements on United States employment, including labor markets, modeled after Executive Order 13141 to the extent appropriate in establishing procedures and criteria. The report is prepared for the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate and is made available to the public.

The President, by Executive Order 13277 (67 Fed. Reg. 70305 (Nov. 21, 2002)), assigned the responsibility for conducting reviews under section 2102(c)(5) to the United States Trade Representative (USTR). USTR delegated its responsibility to the Secretary of Labor with the requirement that reviews be coordinated through the Trade Policy Staff Committee (67 Fed. Reg. 71606 (Dec. 2, 2002)).

The employment impact report is modeled, to the extent appropriate, on the environmental review of trade agreements mandated by Executive Order 13141 (64 Fed. Reg. 63169 (Nov. 18, 1999)). The guidelines developed for the implementation of that order have been adapted for use in this employment impact report.

¹ The USITC Interactive Tariff and Trade Dataweb is available at <http://dataweb.usitc.gov/>. All trade data are in nominal (current dollar) terms. The value of U.S. imports is the customs value (the appraised value of the merchandise, exclusive of import duties, freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the port of exportation) of U.S. merchandise imports for consumption (the amount that immediately enters U.S. consumption channels, but not bonded warehouses or Foreign Trade Zones). The value of U.S. exports is the free alongside ship (FAS) value of domestic U.S. merchandise exports (goods that are grown, mined, produced, or manufactured in the United States and sent to foreign countries).

C. Public Outreach and Comments

1. Responses to Federal Register Notice

The U.S. Department of Labor (USDOL) and USTR jointly published a notice in the *Federal Register* on May 14, 2004. The notice announced the initiation of the review of the potential impact on U.S. employment of proposed free trade agreements with three Andean region countries – Colombia, Ecuador, and Peru.² It requested written comments from the public on potentially significant sectoral or regional employment impacts (both positive and negative) of the proposed agreement in the United States. The public was also invited to comment on other likely labor market effects of the proposed agreement.

Four submissions were received in response to the notice.

- The American Dehydrated Onion and Garlic Association (ADOGA) opposed any tariff reduction on U.S. imports of dehydrated onion and garlic under the agreement. ADOGA argued that duty-free treatment of dehydrated onion and garlic from the Andean countries would have a negative impact on their industry, its 4,000 employees, their families, and the economically distressed small rural Western communities in which they operate with few alternative employment opportunities. ADOGA has reiterated the same concerns in each of their submissions on the U.S. employment impact of previous free trade agreements.
- The Government of the Commonwealth of Puerto Rico (the Commonwealth) supported the agreement, but noted that the agreement needs to take into account the import-sensitivity of products of particular importance to Puerto Rico and other U.S. insular economies. Of particular concern were low-value rum, canned tuna, and coffee shipments into Puerto Rico. The Commonwealth argued that the elimination of duties on these items would have severe employment impacts in key sectors of Puerto Rico's economy.
- The Government of the U.S. Virgin Islands (GVI) opposed any tariff reduction on imports of low-value rum. The Virgin Islands' rum industry sells almost exclusively in the low-value sector of the market. They argued that duty-free or reduced duty treatment for low-value rum from low-cost and resource-rich Andean countries would have potentially devastating impacts on the Virgin Islands' rum industry. It would also threaten the congressionally mandated program to finance the development needs of the Virgin Islands through the return of excise taxes on rum to the GVI treasury.

² See 69 Fed. Reg. 26917 (May 14, 2004). At the time of the publication of the notice in the Federal Register, the United States entered into free trade negotiations with Colombia, Ecuador, and Peru (with Bolivia participating as an observer). The Peru Trade Promotion Agreement Implementation Act was signed into U.S. law on December 14, 2007. The United States concluded negotiations with Colombia on February 27, 2006, and the United States and Colombia signed the United States-Colombia Trade Promotion Agreement (CTPA) on November 22, 2006. The United States and Colombia signed a protocol of amendment to the CTPA on June 28, 2007.

- The Rubber and Plastic Footwear Manufacturers Association (RPFMA), representing domestic manufacturers of fabric-upper, rubber-soled footwear and protective footwear, urged the exclusion of the seventeen core products of the domestic rubber footwear industry from the agreement on the grounds that the agreement would pose a threat to the industry and set a precedent for the rest of Latin America. These seventeen products do not receive preferential treatment under the Andean Trade Preference Act (ATPA) or the Andean Trade Promotion and Drug Eradication Act (ATPDEA).

2. *Reports of the Labor Advisory Committee for Trade Negotiations and Trade Policy and Other Advisory Committees*

Section 2104(e) of the Trade Act requires that advisory committees provide the President, USTR, and Congress with reports under section 135(e)(1) of the Trade Act of 1974, as amended, not later than 30 days after the President notifies Congress of his intent to enter into an agreement. All of the advisory committee reports were submitted in the fall of 2006, and are available on the USTR Web site.³

The Advisory Committee on Trade Policy and Negotiations (ACTPN) and nearly all of the other trade advisory committees expressed the view that the CTPA is in the economic interest of the United States and stated their support for it. The ACTPN found the CTPA to be “strongly in the economic interest of the United States” and that it “should be enacted into law as soon as possible.”

The Labor Advisory Committee for Trade Negotiations and Trade Policy (LAC) argued that the agreement would not promote the economic interests of the United States. The LAC also found that it would not protect the fundamental human rights of workers in either country. They argued that provisions in the CTPA represent a step backwards from the unilateral trade preference programs – the Generalized System of Preferences (GSP) and the ATPA/ATPDEA – that currently apply to Colombia. The LAC expressed particular concern about the “well-documented violations of trade union rights in Colombia,” including violence against trade unionists. The LAC noted that the CTPA’s labor provisions only commit the Parties to enforce their own labor laws. The LAC argued that the CTPA’s dispute resolution procedures provide for capped penalties lower than those for other violations of the CTPA, with little punitive or deterrent effect for violations of the Labor Chapter. Regarding these concerns, it is important to note that the Labor Chapter and dispute resolution procedures were subsequently modified in May 2007.⁴

³ See <http://www.ustr.gov/trade-agreements/free-trade-agreements/colombia-fta/advisory-group-reports-us-colombia-fta>.

⁴ Relative to trade agreements approved prior to May 2007, the obligations of the Labor Chapter have been strengthened in two ways. First, the Parties commit to adopt and maintain, and to enforce in practice, labor laws that protect the fundamental rights stated in the 1998 *International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and its Follow-up*. In trade agreements prior to May 2007, and the Labor Chapter as originally negotiated in the CTPA, the obligation was to strive to

The LAC also expressed concerns about the CTPA's rules of origin and safeguard provisions, which, in their view, fail to adequately protect workers from import surges that may result. They expressed further concerns that the CTPA's provisions on investment, government procurement, and services could constrain the ability of both governments to regulate in the public interest and to provide public services.

II. Background and Contents of the CTPA

A. Bilateral Economic Setting

1. Population and the Economy

Colombia's population in 2009 was 45.7 million, approximately 14.9 percent of that of the United States.⁵ It has a land area approximately twice the size of the State of Texas. Colombia's gross domestic product (GDP) was \$234.0 billion in 2009, approximately 1.7 percent that of the U.S. GDP of \$14.1 trillion. Colombia's gross national income (GNI) per capita was \$4,990, approximately 10.8 percent that of U.S. per capita GNI of \$46,360.

2. Labor Force

a. U.S. Labor Force

In 2010, the U.S. civilian labor force totaled 153.9 million workers.⁶ The U.S. civilian labor force consists of employed and unemployed persons in the civilian non-institutional population age 16 and older.

A total of 139.1 million workers were employed in the United States in 2010.⁷ Employment was distributed across activities as follows: 1.6 percent in agriculture, 17.2 percent in industry, and 81.2 percent in services.⁸ The unemployment rate in the United States was 9.6 percent. Persons are classified as unemployed if they had no employment

enforce existing national labor laws and internationally recognized labor rights. Second, disputes arising under the Labor Chapter will be handled according to the same procedures as commercial disputes arising under other chapters, rather than according to procedures specific to labor disputes.

⁵ The data in this section are from the World Bank's World Development Indicators. The World Development Indicators database is available online at <http://data.worldbank.org/indicator>. GDP figures are in current U.S. dollars. GNI per capita figures are in current U.S. dollars and use the Atlas Method.

⁶ All data on the U.S. labor force are annual averages based on the Current Population Survey. They are available on the Bureau of Labor Statistics' Web site at <http://www.bls.gov/cps/>.

⁷ Employment and unemployment data refer to the civilian labor force.

⁸ Percent of total employment in agriculture, industry, and services is the terminology used in most databases with cross-country coverage. Industry includes mining, manufacturing, and construction. U.S. employment data broken out by activity (i.e., services, industry, and agriculture) are classified according to the North American Industrial Classification System (NAICS) in the Current Population Survey. Therefore, they are not strictly comparable with other countries' data.

during the reference week, had actively looked for work in the prior four weeks, and are currently available for work.

b. Colombia's Labor Force

In 2010, Colombia's labor force consisted of approximately 21.8 million workers.⁹ The Colombian labor force consists of employed and unemployed persons in the civilian non-institutional population who are age ten and older.¹⁰

A total of 19.2 million workers were employed in Colombia in 2010. Employment was approximately distributed across activities as follows: 18 percent in agriculture, 20 percent in industry, and 62 percent in services.¹¹ In Colombia, the official definition of unemployment is broader than in the United States. The unemployed in Colombia include those without work but actively looking (as in the United States), and also those without work who have not looked for work in the past month, but have looked for work in the past year and have a valid reason for discouragement (unlike the United States). By Colombia's definition, its unemployment rate was 11.8 percent in 2010. Colombia's "open unemployment rate" is defined more similarly to the unemployment rate in the United States. It was 10.8 percent in 2010.

3. *International Merchandise Trade*

a. Global Merchandise Trade

Based on available statistics from the World Trade Organization (WTO), total U.S. merchandise trade with the world amounted to \$2.7 trillion (\$1.1 trillion in merchandise exports and \$1.6 trillion in merchandise imports) in 2009.¹² The United States was the world's third largest merchandise exporter (behind China and Germany) and the number one merchandise importer. The United States' primary export partners were the European Union, Canada, Mexico, and China. Its primary import partners were China, the European Union, Canada, and Mexico.

Colombia's total merchandise trade with the world amounted to \$65.8 billion (\$32.9 billion in merchandise exports and \$32.9 billion in merchandise imports) in 2009. Colombia was ranked the 57th largest merchandise exporter and the 54th largest

⁹ Unless noted otherwise, data on the Colombian labor force are from the Colombian National Statistical Agency's (Departamento Administrativo Nacional de Estadística) "Great Integrated Household Survey". Data are available at http://www.dane.gov.co/daneweb_V09/en/index.php?option=com_content&view=article&id=121&Itemid=67.

¹⁰ Although Colombian statistical instruments assess labor force status of persons age 10 and older, the minimum age for most work is 15. See USDOL, *Colombia: Laws Governing Exploitative Child Labor*, (2011).

¹¹ World Bank, World Development Indicators. Data are for 2007 and are the most recent available.

¹² Unless otherwise noted, data for this and the next paragraph are from the WTO and are based on total merchandise trade. WTO Trade Profiles (March 2011) by country are available at <http://stat.wto.org/CountryProfile/WSDBCountryPFHome.aspx?Language=E>. Numbers may not add to totals due to rounding.

merchandise importer in the world. Colombia's major exports included petroleum, coffee, coal, nickel, emeralds, apparel, bananas, and cut flowers. Its major imports included industrial equipment, transportation equipment, consumer goods, chemicals, paper products, fuels, and electricity.¹³ Colombia's primary export partners were the United States, the European Union, and Venezuela. Its primary import partners were the United States, the European Union, China, and Mexico.

b. Bilateral Merchandise Trade

U.S. bilateral merchandise trade with Colombia represents a small share of total U.S. merchandise trade.¹⁴ U.S. merchandise exports to Colombia amounted to \$11.0 billion in 2010 or 1.0 percent of all U.S. merchandise exports to the world. Colombia ranked as the 20th largest U.S. merchandise export market. U.S. merchandise imports from Colombia amounted to \$15.7 billion, accounting for 0.8 percent of all U.S. merchandise imports from the world. Colombia ranked as the 25th largest source for U.S. merchandise imports.

4. *International Trade in Services*

The United States was the world's number one commercial services exporter (\$476.0 billion) and number one commercial services importer (\$334.3 billion) in 2009, based on data from the WTO.¹⁵ By comparison, Colombia's exports of commercial services to the world amounted to \$4.1 billion (ranked 67th) and its imports of commercial services from the world totaled \$6.9 billion (ranked 58th).

The United States does not keep statistics on bilateral services trade with Colombia.

5. *Foreign Direct Investment*

U.S. foreign direct investment (FDI) in Colombia was \$6.7 billion (on a historical-cost basis) in 2009, up from \$5.6 billion in 2008.¹⁶ Colombian FDI in the United States was \$220 million (on a historical-cost basis) in 2009, down from \$855 million in 2008.¹⁷

In 2009, Colombia's inward stock of FDI was estimated to be \$74.1 billion and its outward stock of FDI was estimated to be \$16.2 billion.¹⁸

¹³ See CIA World Fact Book profile for Colombia. Available online at: <https://www.cia.gov/library/publications/the-world-factbook/geos/co.html>

¹⁴ As noted in section I.A of this report, trade data, unless otherwise noted, are from the USITC Dataweb. All trade data are in nominal (current dollar) terms. Imports are the customs value of imports for consumption. Exports are the FAS value of domestic exports.

¹⁵ WTO statistics and rankings refer to commercial services, which exclude trade in government services not included elsewhere. See WTO Trade Profiles (March 2011).

¹⁶ Bureau of Economic Analysis, *Survey of Current Business* (Sept. 2010), pp. 70-71. Available online at <http://www.bea.gov/scb/toc/0910cont.htm>.

¹⁷ See Bureau of Economic Analysis. Available online at <http://www.bea.gov/international/di1fdibal.htm>.

¹⁸ See United Nations Conference on Trade and Development, World Investment Report 2010 Country Fact Sheets. Available online at <http://www.unctad.org/Templates/Page.asp?intItemID=2441&lang=1>.

6. Summary and Conclusions

Colombia's population, economy, and labor force are substantially smaller than those of the United States. Colombia ranks 20th as a destination for U.S. exports and 25th as a source for U.S. merchandise imports. The small size of the Colombian economy relative to that of the United States and the dominance of other partners in U.S. trade greatly limit the effect that the CTPA can have on aggregate levels of U.S. employment.

B. Barriers to Bilateral Trade Prior to the CTPA

1. Merchandise Trade

The United States and Colombia are members of the WTO. WTO members are obligated to accord "most favored nation/normal trade relations" (MFN/NTR)¹⁹ tariff treatment to the goods of other WTO members. Under MFN, with certain exceptions, if a tariff is applied to a good from one Member country, the same tariff must be applied to the same good from all member countries.²⁰

According to the WTO, Colombia's simple average MFN applied tariff rate was 12.5 percent for all products in 2009.²¹ The average was 16.8 percent for agricultural products (based on the WTO definition) and 11.8 percent for non-agricultural products. Most duties have been consolidated into tariff levels: 0 to 5 percent on capital goods, industrial goods, and raw materials not produced in Colombia; 10 percent on most manufactured goods; and 15 to 20 percent on consumer goods and certain "sensitive" goods.²² Exceptions to this tariff structure include bans on imports of used clothing and used or refurbished medical equipment that is older than five years. Colombia also uses discretionary import licensing to restrict imports of powdered milk and poultry parts. Many agricultural goods fall under a variable price band import duty system. Under the price band system, tariffs fluctuate to ensure that the import prices of such products equal a predetermined minimum import price. At times this has resulted in duties exceeding 100 percent.

The United States maintains a transparent and largely open trade regime, although it maintains some non-tariff barriers to trade. According to the WTO, the United States'

¹⁹ U.S. law uses the term "normal trade relations" (NTR) instead of the term "most favored nation" (MFN) to describe the principle of nondiscriminatory treatment of trading partners. The WTO uses the term MFN.

²⁰ Among the allowable exceptions to MFN are bilateral free trade agreements. Any removal of tariffs agreed between the United States and Colombia in the CTPA does not have to be extended to other countries. See Paul R. Krugman and Maurice Obstfeld, *International Economics* (Boston, MA: Addison-Wesley, 2009), p. 239. See also WTO, *Principles of the Trading System*, available online at http://www.wto.org/english/thewto_e/whatis_e/tif_e/fact2_e.htm#nondiscrimination.

²¹ Averages are simple averages of MFN applied tariffs. See WTO Tariff Profile for Colombia. Available online at <http://stat.wto.org/TariffProfile/WSDBTariffPFHome.aspx?Language=E>.

²² Unless otherwise noted, the discussion on Colombia is based upon *2010 National Trade Estimate Report on Foreign Trade Barriers: Colombia* (Office of the U.S. Trade Representative, 2010). Available online at http://www.ustr.gov/sites/default/files/uploads/reports/2010/NTE/2010_NTE_Colombia_final.pdf.

simple average MFN applied tariff rate was 3.5 percent for all products in 2009.²³ The average was 4.7 percent for agricultural products (based on the WTO definition) and 3.3 percent for non-agricultural goods. The WTO Secretariat recently noted that “the U.S. trade and investment regimes are among the most open in the world, and have remained so throughout the period under review.”²⁴ Most imports either enter the United States duty-free or at low tariffs, although the United States maintains some relatively high tariffs on sensitive products, including tobacco, certain dairy products, sugar, textiles and apparel, and footwear.²⁵

2. *Trade in Services*

Colombia has an investment regime that is generally open, although it maintains restrictions in a variety of service sectors.²⁶ Restrictions, including economic needs tests and residency requirements, exist in accounting, tourism, legal services, insurance, distribution services, advertising, and data processing. Colombian law guarantees national treatment of foreign investors.²⁷ In most sectors, 100 percent foreign ownership is permitted. Exceptions include activities related to national security, broadcasting, and the disposal of hazardous waste.

The U.S. services and investment regimes are generally open, with some exceptions.²⁸ For example, in the maritime sector, cabotage laws reserve domestic routes to U.S. operators and provide government support for U.S.-flag vessels. Similarly, the United States restricts foreign ownership and control of U.S. air transport carriers, and the provision of domestic air service is restricted to U.S. carriers.

C. **Major Elements of the CTPA**

The CTPA consists of a Preamble, twenty-three chapters and various annexes, letters, and joint statements. The chapters are: Initial Provisions and General Definitions; National Treatment and Market Access for Goods; Textiles and Apparel; Rules of Origin and Origin Procedures; Customs Administration and Trade Facilitation; Sanitary and Phytosanitary Measures; Technical Barriers to Trade; Trade Remedies; Government Procurement; Investment; Cross-Border Trade in Services; Financial Services; Competition Policy, Designated Monopolies, and State Enterprises; Telecommunications; Electronic Commerce; Intellectual Property Rights; Labor; Environment; Transparency;

²³ Averages are simple averages of MFN applied tariffs. See WTO Trade Profile for the United States, available online at <http://stat.wto.org/CountryProfile/WSDBCountryPFHome.aspx?Language=E>.

²⁴ World Trade Organization, *Trade Policy Review United States, Report by the Secretariat*, WT/TPR/S/235 (Geneva, August 2010), paragraph 1, p. vii. Available online at http://www.wto.org/english/tratop_e/tpr_e/tp335_e.htm.

²⁵ World Trade Organization, *Trade Policy Review United States, Report by the Secretariat*, WT/TPR/S/235 (Geneva, August 2010), paragraph 32, p. 26.

²⁶ The discussion on Colombia is based on *2010 National Trade Estimate Report on Foreign Trade Barriers: Colombia* (Office of the U.S. Trade Representative, 2010).

²⁷ National treatment requires that foreign investors not be treated differently from domestic investors.

²⁸ See World Trade Organization, *Trade Policy Review United States, Report by the Secretariat*, WT/TPR/S/160 (Geneva, June 2008).

Administration of the Agreement and Trade Capacity Building; Dispute Settlement; Exceptions; and Final Provisions. There are three annexes that include the non-conforming measures in services, investment, and financial services. The complete text of the CTPA and summary fact sheets are available on USTR's Web site.²⁹

III. Potential Employment Effects of the CTPA

The major finding of this report is that the CTPA is expected to have a negligible effect on employment in the United States. This finding is based partly on a qualitative assessment of the current volume and structure of bilateral trade, the potential effects of removing current barriers to trade, and features in the CTPA that are available to ease the adjustment process. Publicly available quantitative economic modeling studies are also summarized. The quantitative results are consistent with the qualitative assessment. They show that the CTPA's effects on output and consumption (from which employment effects would follow) are expected to amount to less than one-twentieth of one percent of U.S. GDP.

A. The Current Volume and Industrial Structure of U.S.–Colombia Trade

U.S. merchandise exports to Colombia represent a small share of all U.S. merchandise exports. Over the past five years, Colombia's share of total U.S. merchandise exports has increased from 0.7 percent in 2006 to 1.0 percent in 2010. In 2010, U.S. merchandise exports to Colombia amounted to \$11.0 billion. They have been concentrated primarily in a few industrial subsectors (based on the North America Industrial Classification System, NAICS), all within the manufacturing sector: petroleum and coal products; chemicals; machinery, except electrical; computer and electronic products; and transportation equipment (see Table III.1).³⁰

Similarly, U.S. merchandise imports from Colombia represent a small share of all U.S. merchandise imports. Over the past five years, Colombia's small share of all U.S. merchandise imports has increased from 0.5 percent in 2006 to 0.8 percent in 2010. In 2010, U.S. merchandise imports from Colombia amounted to \$15.7 billion. They have been concentrated in the following NAICS-based subsectors: oil and gas; primary metal manufacturing; agricultural products; petroleum and coal products; and mineral and ores (see Table III.2).

²⁹ See <http://www.ustr.gov/trade-agreements/free-trade-agreements/colombia-fta>.

³⁰ For the purposes of relating foreign trade statistics to U.S. industrial output and employment, the Bureau of the Census has mapped 10-digit Harmonized Tariff Schedule of the United States (HTS) numbers used for U.S. exports and import statistics to their closest NAICS-based code. Some categories of traded items have no direct domestic counterpart. NAICS-based 91000-99000 categories were created to classify such goods. 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.

Many goods from Colombia have long been granted reduced duties or duty-free entry to the United States through MFN treatment or under unilateral U.S. trade preference programs,³¹ including the ATPA/ATPDEA³² and the GSP.³³ In 2010, 92.8 percent of all U.S. merchandise imports from Colombia entered the United States duty-free, while the remaining 7.2 percent of imports were subject to an average 0.8 percent rate of duty. On a NAICS subsector basis:

- \$9.5 billion of U.S. merchandise imports from Colombia entered duty-free under the provisions of the ATPA/ATPDEA. These accounted for 60.4 percent of all U.S. imports from Colombia. ATPA/ATPDEA-duty-free imports consisted primarily of oil and gas (83.5 percent).
- \$4.9 billion of U.S. merchandise imports from Colombia entered duty-free under MFN duty-free or under special temporary rate provisions. These accounted for 31.3 percent of all U.S. imports from Colombia. Duty-free imports under these provisions consisted primarily of primary metal manufacturing (34.8 percent); agricultural products (20.7 percent); and minerals and ores (18.9 percent).
- \$158.5 million of U.S. merchandise imports from Colombia entered duty-free under the provisions of the GSP program. These accounted for 1.0 percent of all U.S. imports from Colombia. GSP-duty-free imports consisted primarily of food and kindred products (24.3 percent); plastics and rubber products (22.0 percent); and chemicals (19.6 percent).
- \$1.1 billion – or 7.2 percent – of all U.S. merchandise imports from Colombia incurred duties. At the average 0.8 percent ad valorem tariff rate, estimated total duties were \$9.0 million.

In 2010, U.S. imports from Colombia in the following NAICS-based subsectors faced average duties of six percent or higher on goods subject to duty (see Table III.3):

³¹ The subsequent list omits the Agreement on Trade in Civil Aircraft. In 2010, \$132,997 of imports from Colombia entered duty-free under this Agreement.

³² The ATPA was enacted on December 4, 1991 (Pub. L. No. 102-182, Title II, 105 Stat. 1233) as 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. ATPA preferential duty treatment expired on December 4, 2001, but was renewed by the 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/ATPDEA expired with respect to Colombia on February 12, 2011. For more information see: <http://www.ustr.gov/trade-topics/trade-development/preference-programs/andean-trade-preference-act-atpa>.

³³ The U.S. GSP was a program designed to promote economic growth in the developing world by providing preferential duty-free entry for about 4,800 products from 131 designated beneficiary countries and territories. The GSP program expired on December 31, 2010. For more information see <http://www.ustr.gov/trade-topics/trade-development/preference-programs/generalized-system-preference-gsp>.

- apparel and accessories (average rate of duty on dutiable goods, 18.4 percent);
- food and kindred products (17.1 percent);
- textiles and fabrics (12.8 percent);
- leather and allied products (11.8 percent);
- textile mill products (8.7 percent); and
- nonmetallic mineral products (6.5 percent).

Considering individual goods,³⁴ the ten leading U.S. merchandise imports accounted for 81.9 percent of all U.S. merchandise imports from Colombia. Each of the ten leading imports received duty-free treatment. Five of the ten leading imports – two types of crude petroleum oils; distillate and residual fuel oils derived from petroleum oils; fresh-cut sweetheart, spray and other roses; and other fresh-cut flowers – received ATPA/ATPDEA duty-free treatment. The other five leading imports – nonmonetary gold bullion and dore; bituminous coal; not roasted, not decaffeinated coffee; fresh or dried bananas; and low valued transactions – received MFN duty-free treatment.

B. The Potential Effects of Removing Current Barriers to Trade

The immediate effects of the CTPA will come from the removal of tariffs on bilateral merchandise trade and the provision of expanded market access (through preferential tariff rate quotas) on specific sensitive goods, mainly agricultural items.

In 2009, Colombia's average applied import tariff was 12.5 percent. In contrast, the U.S. average applied tariff was just 3.5 percent.³⁵ Tariff rates on specific items are designated at the tariff line level. Prior to the CTPA, 38 percent of U.S. tariff lines and just 2 percent of Colombian tariff lines were MFN duty-free. When the CTPA enters into force, an additional 60 percent of U.S. tariff lines and 74 percent of Colombian tariff lines will become duty-free immediately.³⁶ Duties on other goods will be phased out over varying transition periods. The Colombian tariff commitments represent increased duty-free access for U.S. exporters. The U.S. tariff commitments under the CTPA largely make permanent duty-free benefits that had already been afforded to Colombia under the ATPA/ATPDEA and the GSP. These benefits are subject to periodic expiration and legislative renewal. At the time of the submission of this report, these programs have expired.

For these reasons, the simultaneous removal of barriers by each of the Parties will likely mean that the price paid by Colombian consumers of U.S. goods will fall more than the price paid by U.S. consumers of Colombian goods. Accordingly, it is reasonable to expect that the lowering of the barriers through the CTPA will have a greater positive effect on U.S. exports to Colombia than on Colombian exports to the United States.

³⁴ This paragraph examines imports on an eight-digit HTS tariff line basis.

³⁵ See WTO Tariff Profiles for Colombia and the United States, available online at: <http://stat.wto.org/TariffProfile/WSDBTariffPFHome.aspx?Language=E>

³⁶ The figures presented include both agricultural tariff lines and industrial and textile tariff lines. For a more detailed discussion of the tariff staging commitments of the CTPA, see USITC (2006) Tables 2-1 and 2-2. Available online at www.usitc.gov/publications/332/pub3896.pdf.

The CTPA will also require Colombia to further open its services market to U.S. service providers.³⁷ Under the CTPA, Colombia commits to provide substantial market access across its entire services regime, with few exceptions. Colombia will provide improved access in sectors including financial services and grant new access in land cargo transportation services that previously had been reserved exclusively to Colombian nationals. Because the U.S. services market is already very open (see section II.B.2 of this report), the CTPA will likely not have as much of an effect on U.S. imports of services from Colombia.

Under the CTPA, Colombia commits to open its government procurement market to U.S. goods, services and suppliers. Colombia is not a signatory to the WTO Government Procurement Agreement.³⁸

In the longer term, the CTPA may also lead to increased FDI between Colombia and the United States. The CTPA creates a more stable legal framework for investors. All forms of investment are protected under the agreement.

C. Features in the CTPA to Ease the Adjustment Process

This section discusses features in the CTPA that affect the extent and speed of adjustments that may follow from increased bilateral trade between the United States and Colombia.

The CTPA contains a general safeguard mechanism to address potential increases in imports that cause serious injury to a domestic industry, as well as special agricultural and textile safeguard mechanisms. For example, if, as the result of the reduction or elimination of a customs duty under the CTPA, an originating good of the other Party is imported into the territory of a Party in such increased quantities as to be a substantial cause or threat of serious injury to a domestic industry producing a like or directly competitive product, during a transition period beginning after entry into force,³⁹ the Trade Remedies Chapter (Chapter 8) allows the importing Party to:

- Suspend the further reduction of the rate of customs duty provided for that good under the CTPA; or
- Increase the rate of customs duty on the good to a level not to exceed the lesser of the MFN applied rate of duty on the good in effect at the time the action is taken or the MFN applied rate of duty on the good in effect on the day immediately preceding the date of entry into force of the CTPA.

³⁷ The discussion in this paragraph and the following two paragraphs is based upon *2010 National Trade Estimate Report on Foreign Trade Barriers: Colombia* (Office of the U.S. Trade Representative, 2010).

³⁸ See http://www.wto.org/english/tratop_e/gproc_e/memobs_e.htm#parties.

³⁹ The transition period is ten years, except that for any good for which a Party will eliminate tariffs over a period of more than ten years, the transition period is the tariff elimination period.

A safeguard action may be in place for up to four years, but must terminate at the end of the transition period. Neither Party may impose a bilateral safeguard measure more than once on the same good. The Party taking the action must provide appropriate trade liberalizing compensation in the form of concessions having substantially equivalent trade effects or equivalent to the value of the additional duties expected to result from the measure. Each Party retains its rights and obligations for global safeguard actions under Article XIX of GATT 1994 and the WTO Agreement on Safeguards.

Products benefiting from preferential treatment under the CTPA must originate in Colombia or the United States. Final products from other countries are ineligible for preferential treatment under the CTPA. The CTPA contains strict rules of origin, including requirements that specify that items from outside the two countries must undergo substantial transformation within the United States or Colombia to be eligible for benefits under the CTPA.

Finally, some goods traded between the countries will not become duty-free immediately. The CTPA specifies that tariffs on sensitive goods will be phased out over transition periods that range up to nineteen years.

D. Effects as Determined by Publicly Available Quantitative Assessments

This section summarizes publicly available quantitative assessments of trade liberalization between the United States and Colombia. The assumptions underlying the assessments do not necessarily correspond to the specific terms of the CTPA. For example, the CTPA stages tariff reductions and quota changes over a number of years, while the assessments typically assume immediate removal of tariffs and quotas. Nevertheless, the studies provide insight about the magnitude and direction of change that might stem from the CTPA.

Most assessments are simulations produced using a database and adaptations of a computable general equilibrium (CGE) model from the Global Trade Analysis Project (GTAP). The GTAP global database contains historical information on bilateral trade patterns, production, consumption, and the intermediate use of commodities and services. It also contains information on tariffs, some non-tariff barriers, and other taxes.

The standard GTAP model is a multi-region, multi-sector model with perfect competition and constant returns to scale. Bilateral trade is handled using the Armington assumption that internationally traded goods are differentiated by country of origin.⁴⁰ The simulations use expected liberalization-induced changes in consumer and producer prices to estimate changes in the volume of trade of goods between the United States and Colombia and other related outcomes.

The available CGE simulations are based on a common modeling assumption that there is always full employment in the modeled economies. Adjustments that might imply some

⁴⁰ That is, imports are imperfect substitutes for domestic products.

unemployment as the economies move from the pre-agreement equilibrium to a new equilibrium are not captured by the model. Economy-wide employment levels remain constant as a logical consequence of the full employment assumption, with increased employment in some sectors fully counterbalanced by decreases in others.⁴¹

Variations in results from different simulations arise from differences in policy assumptions, the age of the data used, extent of aggregation employed, how sectors are defined, and assumptions about how U.S.-Colombian bilateral trade interacts with global trading patterns. The simulations cannot predict what may happen to goods that historically have not been traded between partners. Because of difficulty in quantifying services liberalization, liberalization of trade in services was not modeled in these simulations.

Across the studies, the estimated economy-wide welfare gains⁴² are all significantly less than one-twentieth of one percent of U.S. GDP. At a sectoral level, all changes in U.S. production or employment, positive or negative, are of an order of well less than one percent.

1. *United States International Trade Commission (2006)*⁴³

The United States International Trade Commission (USITC) uses the GTAP model to simulate the immediate removal of tariff and quota restraints affecting U.S.-Colombian bilateral merchandise trade.⁴⁴ Their simulation estimates a resulting U.S. GDP increase of \$2.5 billion and a U.S. welfare increase of \$419 million. Both amount to less than 0.05 percent of U.S. GDP.⁴⁵

With regard to total merchandise exports and imports, the USITC simulation estimates that U.S. exports to Colombia increase by 13.7 percent (\$1.1 billion) and U.S. imports from Colombia increase by 5.5 percent (\$487 million). In dollar values, the largest

⁴¹ Technically within the model output and input prices (e.g., wages) adjust to ensure that there is no unsatisfied demand or excess supply in output and factor (e.g., labor) markets. These price adjustments are typically not reported at any level of sectoral detail.

⁴² The measure of welfare gains is a monetary estimate of the additional consumption benefits expected from CTPA-type trade liberalization. CGE models typically are “representative household” models where welfare is identical to the utility of the representative household. Technically, welfare gains are measured by equivalent variation; that is, the money necessary to achieve the same increase in utility associated with trade liberalization, assuming trade liberalization does not take place.

⁴³ United States International Trade Commission. *U.S.-Colombia Trade Promotion Agreement: Potential Economy-wide and Selected Sectoral Effects*. Investigation No.TA-2104-023. December 2006. Available online at: <http://hotdocs.usitc.gov/docs/pubs/2104F/pub3896.pdf>.

⁴⁴ Due to data limitations, the model does not take into account liberalization in trade in services, removal of non-tariff barriers, and other regulatory changes that may occur as a result of the CTPA. The USITC model assumes a simplified version of the CTPA where all phased-in tariff reductions are immediately reduced to zero and that the sugar import quota is increased by 200 percent which approximates the expected increase in sugar imports from Colombia over the first 15 years of the CTPA. The model further assumes that the U.S.-Peru TPA is fully implemented and that ATPA/ATPDEA benefits for Ecuador and Bolivia expire upon implementation of the CTPA.

⁴⁵ USITC (2006), p. 2-8. Estimates pertain to the expected effects that would have accrued in 2007 had CTPA-type provisions been in effect.

sectoral increases of U.S. exports are in chemical, rubber, and plastic products (\$357 million); machinery and equipment not elsewhere classified (\$191 million); and motor vehicles and parts (\$106 million). The largest increases of U.S. imports are in “other sectors” (\$118 million), sugar (\$105 million), and crops not elsewhere classified (which includes coffee and cut flowers; \$73 million).⁴⁶

The USITC concludes that “there is likely to be minimal to no effect on output or employment for most sectors in the U.S. economy.”⁴⁷ Their simulation shows declines in employment in sugar (-0.3 percent) and sugar cane/sugar beet (-0.3 percent) and employment increases in processed rice (0.4 percent), cereal grains not elsewhere classified (0.3 percent), and wheat (0.2 percent).⁴⁸ All other sectoral employment changes amount to a gain or loss of less than one-tenth of one percent. Sectoral effects on output are of similar signs, pattern, and orders of magnitude.

2. *Institute for International Economics: DeRosa and Gilbert (2006)*⁴⁹

DeRosa and Gilbert also use the GTAP model and database to simulate the immediate removal of tariff and quota restraints affecting U.S.-Colombian bilateral merchandise trade.⁵⁰ Their simulation estimates an increase of \$227 million (measured in 1997 dollars) in U.S. welfare. They do not estimate potential changes in GDP.⁵¹

They find that U.S. exports to Colombia rise by 44 percent (\$2.5 billion). U.S. imports from Colombia rise by 37 percent (\$2.1 billion).⁵² In dollar values, the simulation shows the largest sectoral increases of U.S. exports in machinery (\$525 million), motor vehicles (\$440 million), and chemicals (\$264 million). The largest increases of U.S. imports are in “other crops” (\$868 million), wearing apparel (\$732 million), and food products (\$301 million).⁵³

⁴⁶ USITC (2006), p. 2-11. The simulation results are presented for 25 selected specific sectors and one “other sectors.”

⁴⁷ USITC (2006), p. xvi.

⁴⁸ USITC (2006), p. G-14.

⁴⁹ DeRosa, Dean A. and John P. Gilbert. 2006. “Potential Benefits of a U.S.-Colombia FTA,” in *Trade Relations between Colombia and the United States*. Jeffrey J. Schott ed. Washington, DC: Institute for International Economics. Available online at: http://www.iie.com/publications/chapters_preview/3896/04iie3896.pdf.

⁵⁰ Unlike (USITC), DeRosa and Gilbert assume the continuation of ATPA/ATPDEA benefits for Ecuador and Bolivia.

⁵¹ DeRosa and Gilbert (2006), p. 89. To compare this welfare figure to that of the USITC, note that the rate of inflation for the period from 1997 and 2007 was 29 percent, i.e., prices were on average 29 percent higher in 2007 than 1997. This means that \$227 million in 1997 is approximately equivalent to \$293 million in 2007. Rate of inflation is based on the CPI-U presented in Table B-62 of *The Economic Report of the President* (2011).

⁵² DeRosa and Gilbert (2006), p. 89. Dollar values are USDOL calculations based on Table 4.4.

⁵³ Dollar values are USDOL calculations based on DeRosa and Gilbert (2006), Table 4.6. “Other crops” are crops other than grains and vegetables and fruits.

DeRosa and Gilbert also use a gravity model to predict the impact on total trade flows. They report an expected increase in the sum of U.S. exports to Colombia and U.S. imports from Colombia of between 38 and 140 percent.⁵⁴

DeRosa and Gilbert do not present estimates of sectoral employment changes. However, estimates of sectoral output changes from their GTAP simulation may be indicative. The largest increases in U.S. production are found in grains (0.14 percent), motor vehicles (0.08 percent), and other manufactures (0.07 percent). U.S. production declines in other crops (-0.56 percent), other transportation equipment (-0.06 percent), and wearing apparel (-0.05 percent).⁵⁵

3. *Durán Lima, de Miguel and Schuschny (2007)*⁵⁶

This study uses GTAP to simulate the effects of simultaneous bilateral trade agreements between the United States and each of Colombia, Peru, and Ecuador. Each agreement is assumed to set tariffs to zero. The authors provide a number of alternative estimates of the impact on U.S. welfare of these three agreements. The largest is that U.S. welfare would have been \$759 million higher in 2004 had such agreements been in place.⁵⁷ They also estimate that U.S. exports to Colombia would have been 43.4 percent higher and U.S. imports from Colombian would have been 5.4 percent higher.⁵⁸ No sectoral impacts for the United States are presented.

IV. The Labor Chapter of the CTPA

The Labor Chapter of the CTPA⁵⁹ contains provisions that support protection of labor rights and enforcement of labor laws, thereby helping to preserve a level playing field for American workers. It satisfies the relevant provisions of the Trade Act of 2002 and reflects the May 10, 2007, Congressional-Executive Agreement on Trade.

⁵⁴ DeRosa and Gilbert (2006), p. 83. A gravity model is a statistical model that estimates the correlation of total trade flows (i.e., the sum of U.S. exports and imports) with variables such as distance between trading partners, size of the economies, and other factors. The main variable of interest in the authors' analysis is an indicator of the existence of a free trade agreement (FTA) between trading partners. The estimates presented here are the average effect of FTA existence between pairs of countries for 1990-99 (38 percent) and 1995-99 (140 percent). To interpret these as predictions of the effect of the CTPA, it is necessary to assume that the CTPA will have an impact similar to the average existing FTA between an average pair of countries in the 1990s or the last half of the 1990s. The gravity model cannot predict welfare changes or sectoral impacts.

⁵⁵ DeRosa and Gilbert (2006), p. 90.

⁵⁶ Durán Lima, José; Carlos J. de Miguel and Andrés R. Schuschny, April 2007. "Trade Agreements by Colombia, Ecuador and Peru with the United States: Effects on Trade, Production and Welfare," *CEPAL Review*, pp.67-93. Available online at: <http://www.eclac.org/publicaciones/xml/2/29502/lcg2333iDuranOtros.pdf>. The emphasis is on the Latin American countries.

⁵⁷ Durán Lima et. al. (2007), p. 88.

⁵⁸ Durán Lima et. al. (2007), p. 81.

⁵⁹ Full text available from <http://www.ustr.gov/trade-agreements/free-trade-agreements/colombia-fta/final-text>.

Article 17.1 of the Chapter reaffirms the Parties' obligations as members of the International Labor Organization (ILO). Article 17.2.1 commits each Party to "adopt and maintain in its statutes and regulations, and practices thereunder," fundamental labor rights as stated in the 1998 ILO Declaration on Fundamental Principles and Rights at Work,⁶⁰ and includes a prohibition on the worst forms of child labor.⁶¹ Article 17.2.2 further provides that "neither Party shall waive or otherwise derogate from, or offer to waive or otherwise derogate from, its statutes or regulations implementing" the obligation in Article 17.2.1 "in a manner affecting trade or investment between the Parties." Article 17.3 states that "a Party shall not fail to effectively enforce its labor laws,⁶² including those it adopts or maintains in accordance with Article 17.2.1, through a sustained or recurring course of action or inaction, in a manner affecting trade or investment between the Parties." Article 17.4 obligates each Party to provide procedural guarantees for enforcement of its labor laws, including access to labor tribunals, proceedings that are transparent and comply with due process of law, and remedies to ensure enforcement of labor laws.

All obligations in the Chapter are subject to the same dispute settlement procedures and enforcement mechanisms as commercial obligations in the CTPA. The Chapter also establishes a labor cooperation and capacity building mechanism to improve labor standards and advance common commitments regarding labor matters.

⁶⁰ The ILO Declaration states that all ILO members have an obligation "to respect, to promote and to realize, in good faith and in accordance with the Constitution, the principles concerning the fundamental rights which are the subject of those Conventions, namely: (a) freedom of association and the effective recognition of the right to collective bargaining; (b) the elimination of all forms of forced or compulsory labour; (c) the effective abolition of child labour; and (d) the elimination of discrimination in respect of employment and occupation." See <http://www.ilo.org/public/english/standards/relm/ilc/ilc86/com-dtxt.htm>.

⁶¹ Establishing a Party's violation of Article 17.2.1 requires demonstration that the Party "has failed to adopt or maintain a statute, regulation, or practice in a manner affecting trade or investment between the parties [to the agreement]."

⁶² Article 17.8 defines "labor laws" for the purposes of the Agreement as "a Party's statutes and regulations, or provisions thereof, that are directly related to the following internationally recognized labor rights: (a) freedom of association; (b) the effective recognition of the right to collective bargaining; (c) the elimination of all forms of forced or compulsory labor; (d) the effective abolition of child labor, a prohibition on the worst forms of child labor, and other labor protections for children and minors; (e) the elimination of discrimination in respect of employment and occupation; and (f) acceptable conditions of work with respect to minimum wages, hours of work, and occupational safety and health."

Tables

Table III.1: U.S. Exports to Colombia by NAICS-based Sector and Subsector, 2006-2010

NAICS-based U.S. Export Sector and Subsector	Value of U.S. Exports to Colombia (millions of dollars)					Percent of	
	2006	2007	2008	2009	2010	Total U.S. Sector Exports in 2010	All U.S. Exports to Colombia in 2010
Total U.S. Exports to Colombia	6,235.5	7,884.4	10,567.6	8,752.1	10,990.6	1.0	100.0
11—Agriculture and Livestock Products	625.9	920.1	1,179.7	609.3	521.8	0.8	4.7
111—Agricultural Products.....	616.8	909.2	1,167.8	596.6	508.8	0.9	4.6
112—Livestock and Livestock Products.....	5.3	6.9	7.0	6.3	2.4	0.2	0.0
113—Forestry Products.....	1.7	1.8	2.2	2.7	4.6	0.2	0.0
114—Fresh, Chilled, or Frozen Fish and Other Marine Products.....	2.2	2.3	2.6	3.7	6.0	0.1	0.1
21—Oil, Gas, Minerals and Ores	15.8	15.0	23.4	16.1	22.2	0.1	0.2
211—Oil and Gas.....	1.3	0.1	0.2	0.3	0.4	0.0	0.0
212—Minerals and Ores.....	14.5	14.8	23.3	15.8	21.7	0.1	0.2
31-33—Manufacturing	5,325.9	6,595.5	8,831.4	7,692.5	9,989.8	1.1	90.9
311—Food and Kindred Products.....	221.5	277.1	467.5	265.0	270.9	0.5	2.5
312—Beverages and Tobacco Products.....	3.0	5.9	12.0	11.5	18.2	0.3	0.2
313—Textiles and Fabrics.....	130.5	93.2	79.2	50.9	53.2	0.7	0.5
314—Textile Mill Products.....	13.0	15.3	24.6	15.0	20.0	0.8	0.2
315—Apparel and Accessories.....	29.1	27.7	26.9	21.4	21.6	0.7	0.2
316—Leather and Allied Products.....	4.9	4.8	7.3	7.9	7.3	0.3	0.1
321—Wood Products.....	4.9	8.4	14.1	12.3	11.8	0.2	0.1
322—Paper.....	171.2	205.2	229.4	177.4	222.4	1.0	2.0
323—Printing, Publishing and Similar Products.....	15.4	22.6	22.8	27.9	18.2	0.3	0.2
324—Petroleum and Coal Products.....	170.0	242.1	994.6	1,191.8	2,230.0	3.7	20.3
325—Chemicals.....	1,655.6	1,971.4	2,229.9	1,775.2	2,180.9	1.3	19.8
326—Plastics and Rubber Products.....	117.1	160.5	194.3	193.1	175.2	0.7	1.6
327—Nonmetallic Mineral Products.....	41.7	54.4	57.8	37.0	58.9	0.6	0.5
331—Primary Metal Manufacturing.....	96.8	139.3	251.8	128.5	194.7	0.4	1.8
332—Fabricated Metal Products.....	140.8	181.0	229.7	206.7	289.0	0.9	2.6
333—Machinery, Except Electrical.....	1,003.9	1,271.4	1,771.5	1,527.3	2,012.8	1.6	18.3
334—Computer and Electronic Products.....	771.4	964.9	1,124.6	947.4	1,046.4	0.9	9.5
335—Electrical Equipment, Appliances, and Components.....	155.6	198.5	260.7	222.1	231.4	0.7	2.1
336—Transportation Equipment.....	410.6	554.0	577.8	641.4	664.2	0.4	6.0
337—Furniture and Fixtures.....	6.5	9.4	11.8	9.8	10.4	0.3	0.1
339—Miscellaneous Manufactured Commodities.....	162.3	188.4	242.8	222.9	252.2	0.6	2.3
51—Information	6.1	10.7	5.6	5.6	6.3	0.7	0.1
511—Publishing Industries (except Internet).....	6.1	10.7	5.6	5.6	6.3	0.7	0.1
91-99—Special Classification Provisions	261.8	343.1	527.6	428.6	450.5	0.6	4.1
91—Waste and Scrap.....	28.2	44.6	45.1	11.8	23.9	0.1	0.2
92—Used or Second-hand Merchandise.....	34.9	50.7	166.1	135.1	73.3	1.5	0.7
99—Special Classification Provisions, not otherwise specified or included.....	198.6	247.8	316.4	281.8	353.3	0.8	3.2

Note: The NAICS-based industry structure presented in this table is based on the HTS-to-NAICS concordance developed by the U.S. Census Bureau, as extracted from the USITC Dataweb. The NAICS-based manufacturing sector includes many processed agricultural products that are often considered agricultural products. Under alternative aggregation schemes, including the WTO's definition of agricultural products, many of the products classified in NAICS-based subsectors 311 (Food and Kindred Products) and 312 (Beverages and Tobacco Products), would be considered agricultural products. The value of U.S. exports is the free alongside ship (FAS) value of domestic U.S. merchandise exports at the U.S. port of export. Because of rounding, figures may not add to totals shown.

Source: USDOL tabulations of tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

Table III.2: U.S. Imports from Colombia by NAICS-based Sector and Subsector, 2006-2010

NAICS-based U.S. Import Sector and Subsector	Value of U.S. Imports from Colombia (millions of dollars)					Percent of	
	2006	2007	2008	2009	2010	Total U.S. Sector Imports in 2010	All U.S. Imports from Colombia in 2010
Total U.S. Imports from Colombia	9,239.8	9,251.2	13,058.8	11,209.4	15,672.6	0.8	100.0
11—Agriculture and Livestock Products	1,246.5	1,342.5	1,508.6	1,431.6	1,610.5	3.8	10.3
111—Agricultural Products.....	1,203.9	1,304.4	1,469.1	1,397.7	1,571.3	6.5	10.0
112—Livestock and Livestock Products.....	4.5	6.2	3.7	3.1	3.1	0.1	(²)
113—Forestry Products.....	0.4	0.2	0.3	0.1	0.3	(²)	(²)
114—Fresh, Chilled, or Frozen Fish and Other Marine Products.....	37.7	31.6	35.5	30.8	35.7	0.3	0.2
21—Oil, Gas, Minerals and Ores	4,647.2	4,608.4	7,350.0	5,946.8	9,392.6	4.0	59.9
211—Oil and Gas.....	3,453.9	3,362.9	5,851.7	4,864.7	8,464.9	3.7	54.0
212—Minerals and Ores.....	1,193.3	1,245.4	1,498.3	1,082.1	927.8	12.6	5.9
31-33—Manufacturing	2,590.6	2,648.4	3,402.2	3,136.0	4,348.1	0.3	27.7
311—Food and Kindred Products.....	266.3	224.8	291.4	368.7	419.4	1.0	2.7
312—Beverages and Tobacco Products.....	43.8	31.2	25.4	11.3	8.5	0.1	0.1
313—Textiles and Fabrics.....	14.1	18.5	17.4	9.0	11.5	0.2	0.1
314—Textile Mill Products.....	36.9	35.8	28.8	24.1	32.2	0.2	0.2
315—Apparel and Accessories.....	509.4	386.5	346.9	225.8	262.6	0.3	1.7
316—Leather and Allied Products.....	41.2	48.5	42.0	26.7	29.6	0.1	0.2
321—Wood Products.....	8.4	6.0	3.5	4.0	2.0	(²)	(²)
322—Paper.....	33.9	30.3	21.5	20.4	18.0	0.1	0.1
323—Printing, Publishing and Similar Products.....	33.5	46.7	41.0	34.6	37.4	0.7	0.2
324—Petroleum and Coal Products.....	403.0	424.8	816.4	528.5	932.4	0.9	5.9
325—Chemicals.....	135.6	121.2	129.5	191.9	300.9	0.2	1.9
326—Plastics and Rubber Products.....	74.9	77.4	87.0	64.1	107.7	0.3	0.7
327—Nonmetallic Mineral Products.....	237.8	207.0	175.0	131.4	120.2	0.7	0.8
331—Primary Metal Manufacturing.....	394.5	550.0	947.3	1,180.1	1,726.3	2.2	11.0
332—Fabricated Metal Products.....	75.3	88.5	56.1	39.6	52.0	0.1	0.3
333—Machinery, Except Electrical.....	33.6	48.8	41.4	28.7	34.8	(²)	0.2
334—Computer and Electronic Products.....	11.2	19.7	16.8	14.3	10.4	(²)	0.1
335—Electrical Equipment, Appliances, and Components.....	44.7	61.7	66.4	44.1	31.2	(²)	0.2
336—Transportation Equipment.....	15.8	15.8	15.9	13.1	20.9	(²)	0.1
337—Furniture and Fixtures.....	36.7	34.9	33.7	22.6	24.8	0.1	0.2
339—Miscellaneous Manufactured Commodities.....	140.1	170.4	198.9	153.1	165.1	0.2	1.1
51—Information	0.1	(¹)	0.0	(¹)	0.0	0.0	0.0
511—Publishing Industries (except Internet).....	0.1	(¹)	0.0	(¹)	0.0	0.0	0.0
91-99—Special Classification Provisions	755.4	652.0	798.0	694.9	321.4	0.4	2.1
91—Waste and Scrap.....	181.1	147.5	69.4	12.7	15.0	0.3	0.1
92—Used or Second-hand Merchandise.....	10.6	12.2	15.9	5.8	9.3	0.1	0.1
98—U.S. Goods Returned and Reimported Items.....	131.4	78.3	91.5	156.2	85.0	0.2	0.5
99—Special Classification Provisions, not otherwise specified or included.....	432.4	414.0	621.2	520.2	212.1	1.1	1.4

(¹) Less than \$50,000.

(²) Less than 0.05 percent.

Note: The NAICS-based industry structure presented in this table is based on the HTS-to-NAICS concordance developed by the U.S. Census Bureau, as extracted from the USITC Dataweb. The NAICS-based manufacturing sector includes many processed agricultural products that are often considered agricultural products. Under alternative aggregation schemes, including the WTO's definition of agricultural products, many of the products classified in NAICS-based subsectors 311 (Food and Kindred Products) and 312 (Beverages and Tobacco Products), would be considered agricultural products. The value of U.S. imports is the customs value (the appraised value of the merchandise, exclusive of import duties, freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the port of exportation) of U.S. merchandise imports for consumption (the amount that immediately enters U.S. consumption channels, but not bonded warehouses or Foreign Trade Zones). Because of rounding, figures may not add to totals shown.

Source: USDOL tabulations of tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.

Table III.3: Customs Value, Dutiable Value, Calculated Duties, and Average Rate of Duty on U.S. Imports from Colombia by NAICS-based Subsector, 2010
(sorted by 2010 value of Calculated Duties)

NAICS-based U.S. Import Subsector	Customs Value	Dutiable Value	Calculated Duties	Average Rate of Duty
	(thousands of dollars)			percent
314—Textile Mill Products	32,214.0	28,956.3	2,532.5	8.7
315—Apparel and Accessories.....	262,573.7	13,193.3	2,422.0	18.4
311—Food and Kindred Products.....	419,422.0	10,686.0	1,831.8	17.1
211—Oil and Gas.....	8,464,883.4	463,428,819	454.6	0.1
324—Petroleum and Coal Products.....	932,396.4	379,741.7	379.4	0.1
325—Chemicals.....	300,947.3	5,473.1	299.9	5.5
313—Textile and Fabrics.....	11,514.3	2,285.5	293.4	12.8
316—Leather and Allied Products.....	29,615.4	1,572.7	185.3	11.8
333—Machinery, except Electrical.....	34,820.2	4,832.2	128.5	2.7
327—Nonmetallic Mineral Products.....	120,196.6	1,830.0	119.5	6.5
All Other Subsectors.....	5,064,021.3	223,958.5	390.0	0.2
Total.....	15,672,604.6	1,135,958.1	9,036.9	0.8

Note: The customs value of U.S. imports is the appraised value of the merchandise, exclusive of import duties, freight, insurance, and other charges incurred in placing the merchandise alongside the carrier at the port of exportation. The customs value given is for imports for consumption, which represents the amount that immediately enters U.S. consumption channels, but not bonded warehouses or Foreign Trade Zones. 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 the ratio of calculated duties over dutiable value, expressed in percentage terms. Because of rounding, figures may not add to totals shown.

Source: USDOL tabulations of official U.S. trade statistics from the U.S. Department of Commerce, Bureau of Census.