



Benefits from the U.S.-Colombia Trade Promotion Agreement

California

August 2011

The U.S.-Colombia Trade Promotion Agreement (CTPA) Levels the Playing Field for California Exports in a Fast-Growing Regional Market

Over 90 percent of Colombian products entered the U.S. market duty-free in 2010, while U.S. merchandise entering Colombia faced tariffs averaging 9 percent. CTPA will eliminate tariffs for over 87 percent of U.S. exports of consumer and industrial products (excluding petroleum) within 5 years.

- The impact of eliminating tariffs and related barriers in Colombia is estimated to increase U.S. GDP by nearly \$2.5 billion and U.S. goods exports by \$1.1 billion.
- CTPA will provide significant new access to Colombia's \$134 billion services market, creating new opportunities for California service providers.
- Strong transparency obligations, provisions removing transparency obligations, provisions removing technical barriers, and customs & trade facilitation measures will assist small- and medium-sized enterprises (SMEs) exporting from California.

CTPA is Essential to Ensuring U.S. Competitiveness in Colombia and Throughout South America

A fast-growing market of 45 million consumers, Colombia purchases more U.S. products than does Russia, Spain, Indonesia or Thailand. But as Colombia implements trade deals with our competitors, implementing the CTPA becomes crucial to maintaining U.S. market share in this important market.

- The U.S. share of Colombia's agricultural imports has already fallen from nearly 44 percent in 2007 to 21 percent in 2010.
- The upcoming EU-Colombia Trade Agreement will lower tariffs for our European competitors in key sectors such as environmental goods, chemicals & rubber, infrastructure & machinery, and medical & scientific equipment.
- The upcoming Canada-Colombia Trade Agreement will lower tariffs for Canadian products competing directly with key U.S. exports such as wheat, construction equipment, and transportation equipment.

California Depends on World Markets

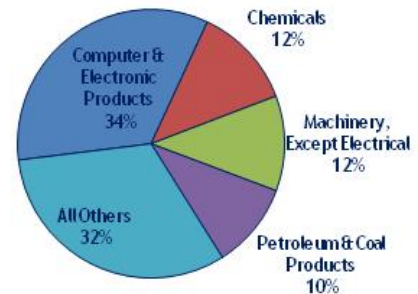
California's shipments of merchandise in 2010 totaled \$143.2 billion.

- A total of 59,998 companies exported goods from California locations in 2008.
- 57,461 of California exporting firms were SMEs with fewer than 500 employees.
- SMEs generated over two-fifths (43.6 percent) of California's total exports of merchandise in 2008.

Trade Works for California

Recently implemented trade agreements have benefited California. For example, since the U.S.-Chile trade agreement entry into force in 2004, California's exports to Chile have grown by 272 percent. CTPA can similarly benefit California.

California Exported an Average of \$386 Million in Goods to Colombia from 2008-2010



Source: U.S. Department of Commerce, International Trade Administration