



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

Minnesota

August 2011

The U.S.-Colombia Trade Promotion Agreement (CTPA) Levels the Playing Field for Minnesota 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 Minnesota service providers.
- Strong transparency obligations, provisions removing technical barriers, and customs & trade facilitation measures will assist small- and medium-sized enterprises (SMEs) exporting from Minnesota.

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.

Minnesota Depends on World Markets

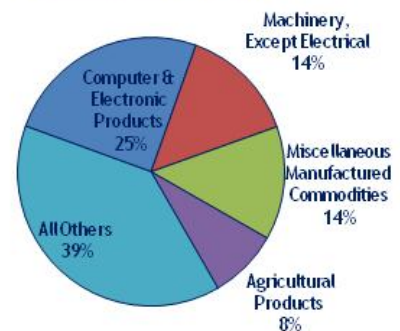
Minnesota's shipments of merchandise in 2010 totaled \$18.9 billion.

- A total of 6,814 companies exported goods from Minnesota locations in 2008.
- 6,027 of Minnesota exporting firms were SMEs with fewer than 500 employees.
- SMEs generated one-fifth (19.8 percent) of Minnesota's total exports of merchandise in 2008.

Trade Works for Minnesota

Recently implemented trade agreements have benefited Minnesota. For example, since the U.S.-Chile trade agreement entry into force in 2004, Minnesota's exports to Chile have grown by 280 percent. Since the U.S.-Singapore trade agreement entry into force in 2004, Minnesota's exports to Singapore have grown by 107 percent. CTPA can similarly benefit Minnesota.

Minnesota Exported an Average of \$73 Million in Goods to Colombia from 2008-2010



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