



The U.S.-Colombia Trade Promotion Agreement *Opportunities for the U.S. Information and Communication Technology Sector*

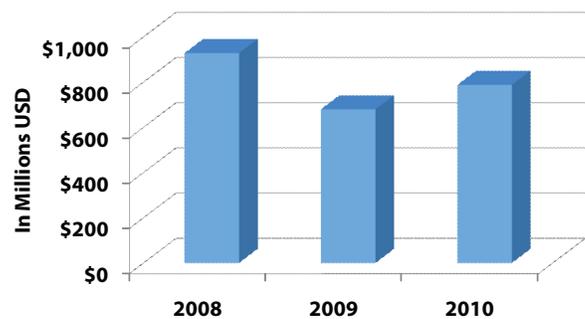
The U.S.-Colombia Trade Promotion Agreement would provide significant commercial opportunities for U.S. exporters:

- Colombia is the **19th largest** market for U.S. ICT exports.
- Estimated duties paid on exports of U.S. ICT products to Colombia were **over \$164 million** from 2008 to 2010. Tariff elimination could allow U.S. firms to reinvest in technology and production improvements.
- **More than 95 percent** of U.S. ICT exports to Colombia would receive duty-free treatment immediately upon implementation of the U.S.-Colombia Trade Promotion Agreement; Colombian ICT tariffs currently average 8.5 percent, ranging up to 20 percent.

ICT Sector Overview

- The ICT sector accounted for nearly \$800 million in U.S. exports to Colombia over 2008-10 (average) or 8.8 percent of total U.S. industrial exports to Colombia.¹
- Top U.S. ICT exports to Colombia include data communication devices, computer parts, calculation instruments, and laptop computers.
- In 2009, U.S. production of ICT products was over \$218 billion.²
- The United States leads in many of the more advanced computer hardware product segments (such as high performance computers and servers), is a major vendor of PCs, disk drives and hardcopy peripheral equipment, and has a strong hold on the global markets for software and IT services.
- The U.S. ICT sector employed over 763,000 workers in 2009.³

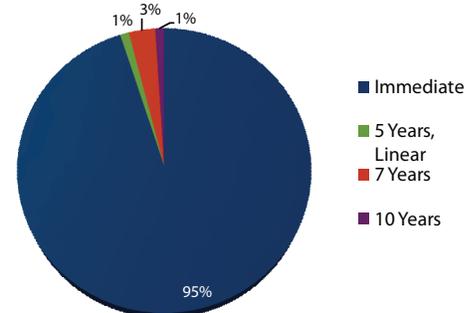
**U.S. Information and Communication
Technology Exports to Colombia
Averaged \$798.4 Million**



Improved Market Access for U.S. ICT Exporters to Colombia

- Colombian ICT tariffs currently average 8.5 percent, ranging from zero to 20 percent.
- Over 95 percent of U.S. ICT exports to Colombia would receive duty-free treatment immediately upon implementation of the trade agreement.⁴
- Tariffs on less than 1 percent of ICT exports to Colombia would be eliminated over five years and tariffs on 4 percent of exports would be eliminated over seven years. Tariffs on less than 1 percent of ICT exports would be eliminated in over ten years.

**96% of U.S. Information & Communication
Technology Exports to Colombia Would be
Duty-Free Immediately**



Key States Exporting to Colombia

- Top U.S. states exporting ICT products to Colombia include: Florida, Texas, Tennessee, California, Illinois, Georgia, North Carolina, New York, Pennsylvania, and Indiana.⁵

1 Global Trade Atlas. Calculation based on import data as reported by Colombia. The definition for ICT used in this report, unless otherwise cited, is based on select products within Harmonized System (HS) Chapters 84, 85, and 90.

2 U.S. Department of Commerce, U.S. Census Bureau, within NAICS 333, 334, and 33592. Shipments used as a best available proxy for production.

3 U.S. Department of Labor, Bureau of Labor Statistics, within NAICS 333 and 334 (non-seasonally adjusted data).

4 Data based on three-year average for 2008-2010.

5 U.S. Department of Commerce, U.S. Census Bureau.

Foreign Competition in Colombian Market

- Colombia signed trade agreements with both the EU and Canada in November, 2008. Additionally, Colombia has FTAs in force with the rest of the Andean Community, Chile, Mexico, El Salvador, Guatemala, and Honduras. Colombia grants some preferential access to MERCOSUR, CARICOM, Costa Rica, Nicaragua, and Panama.
- Upon implementation of its agreement, EU information and communications equipment exporters would enjoy a 5.3 percent average tariff advantage over U.S. exports. However, if the U.S.-Colombia TPA is implemented at the same time, U.S. exports would have an immediate 2.2 percent average tariff advantage over the EU.⁶

Other Key Commitments by Colombia for the Information and Communications Technology Sector

Government Procurement:

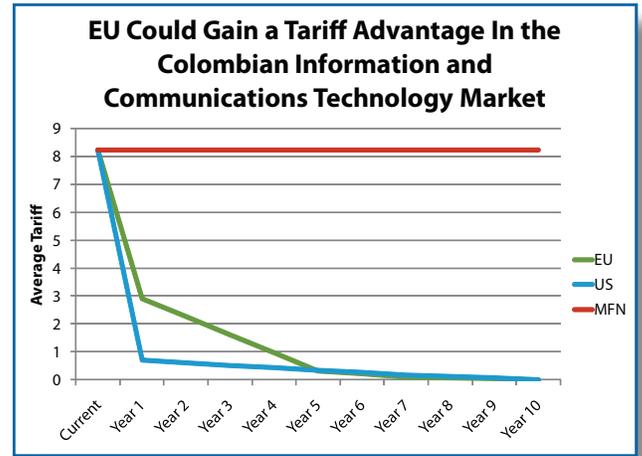
The government procurement provisions of the U.S.-Colombia Trade Promotion Agreement guarantee non-discriminatory access to the procurements of most Colombian central government entities, including all key ministries and significant state-owned enterprises, as well as Colombia's regional governments. The Agreement also imposes strong disciplines on government procurement procedures, such as requiring advance public notice of purchases and provision of information to all interested suppliers, regarding covered procurement opportunities, as well as timely and effective domestic review procedures.

Intellectual Property Rights:

The U.S.-Colombia Trade Promotion Agreement requires high levels of intellectual property protection and enforcement, consistent with U.S. and international standards, and will support the growth of trade in valuable digital and other intellectual property-based products. The Agreement will provide for enhanced protections for trademarks, copyrights, and patents, such as the implementation a Colombian electronic trademark application system and on-line database, prohibitions on the circumvention of technological protection measures used by copyright holders, as well as ensuring that the parties will provide robust patent and test data protection.

Remanufactured Goods:

Colombia will eliminate its prohibition on the importation of remanufactured goods upon entry into force of the Agreement. Most Colombian tariffs on remanufactured goods will be eliminated immediately upon entry into force of the agreement, while tariffs on a small number of remanufactured goods will phase out over ten years.



⁶ U.S. Department of Commerce calculations based on EU-Colombia FTA and U.S.-Colombia Trade Agreement tariff commitments and Colombian 2010 Tariff Schedule.