

Embassy of Canada to Colombia

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> Annual Report Pursuant to the Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia

Annual Report Pursuant to the Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia

For the period January 1, 2014 to December 31, 2014

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Introduction

Canada and Colombia signed the *Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia* ("the Agreement") on May 27, 2010. This unique agreement requires that Canada and Colombia each produce a report every year on the effect of measures taken under the *Free Trade Agreement between Canada and the Republic of Colombia* (Canada-Colombia Free Trade Agreement, "CCOFTA") on human rights in both countries.

The Agreement entered into force on August 15, 2011, with the entry into force of the CCOFTA, as well as two related agreements, the *Agreement on Labour Cooperation between Canada and the Republic of Colombia* ("Labour Cooperation Agreement") and the *Agreement on the Environment between Canada and the Republic of Colombia* ("Environment Agreement"). Canada tabled its first report pursuant to the *Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia* on May 15, 2012. Canada's third report was tabled on May 15, 2014.

This current report, Canada's fourth report pursuant to the Agreement, is comprised of the following elements:

- an outline of the Government of Canada's obligations with regard to this report;
- economic baseline information and background on the CCOFTA;
- a review of changes that took place during the period under review (January 1, 2014, to December 31, 2014), including a summary of all actions taken by Canada under the CCOFTA and a review of trade gains from the CCOFTA;
- a summary of input received through a public call for submissions, consultations with Canadian provinces and territories, and outreach to affected industries in Colombia on any perceived impact on human rights due to actions taken by Canada CCOFTA;
- a summary of other CCOFTA mechanisms used during the period under review;
- an outline of actions taken under the Labour Cooperation Agreement and Environment Agreement; and
- a summary of all findings.

Canada's Reporting Requirement under the *Canada-Colombia Free Trade Agreement Implementation Act*

Canada's obligations under the *Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia* are incorporated into Canadian domestic law under section 15.1 of the *Canada-Colombia Free Trade Implementation Act* ("Implementation Act"):

15.1 Pursuant to the *Agreement Concerning Annual Reports on Human Rights and Free Trade Between Canada and the Republic of Colombia*, the Minister shall cause to be laid before each House of Parliament by May 15 of each year or, if that House is not then sitting, on any of the 30 days next thereafter that it is sitting, a report on the operation of this Act during the previous calendar year, containing a general summary of all actions taken under the authority of this Act, and an analysis of the impact of these actions on human rights in Canada and the Republic of Colombia.

In line with these legal requirements, this Annual Report contains a general summary of actions taken by Canada during the review period under the CCOFTA, as well as the related Labour Cooperation Agreement and the Environment Agreement; and a review of any perceived human rights changes in Canada or Colombia due to these actions.

Actions under Consideration

The Implementation Act specifies that the Government of Canada is required to table a report on the impact of human rights in Canada and Colombia of actions taken under the authority of the Implementation Act. As the Implementation Act includes the CCOFTA, the Environment Agreement and the Labour Agreement, actions taken under all three agreements are to be considered by the report.

Scope and Limitations

Canada is an advocate for the promotion and protection of human rights around the world. The Government of Canada works in close collaboration with government counterparts, as well as non-governmental organizations and multilateral organizations, to advance respect for human rights worldwide, including in Colombia.

Consistent with the parameters provided by the Implementation Act, the mandate of this report is to outline the actions taken by Canada under the CCOFTA and the related Agreements on Labour Cooperation and the Environment, and any effect these actions may have had on human rights.

As the Implementation Act governs Canadian domestic implementation of these three agreements, only the impact of actions taken by Canada under these agreements will be considered in this report. Issues such as foreign investment fall outside the scope of this report as no actions were taken by Canada in these areas.

Time Period under Consideration

The Implementation Act commits Canada to report “on the operation of this Act during the previous calendar year” (Section 15.1 of the Implementation Act). Given that the Third Annual Report covered the period January 1, 2013, to December 31, 2013, this fourth report covers the period of January 1, 2014, to December 31, 2014.

Human Rights under Consideration

The promotion and protection of human rights is an integral part of Canadian foreign policy. Canada stands up for human rights and takes principled positions on important issues to ensure that freedom, democracy, human rights and the rule of law are enjoyed around the world.

Tabling Date

The Implementation Act requires that the annual report be tabled in Parliament by May 15 each year or, if Parliament is not sitting, within 30 sitting days thereafter. This Annual Report was tabled on May 15, 2015, within the guidelines of the Implementation Act.

Economic Baseline Information and Trade Gains from the *Canada-Colombia Free Trade Agreement*

This section presents a macroeconomic overview of the Canadian and Colombian economies, the sector compositions, and drivers underpinning their recent economic performance.

Canadian Economy

Canada is ranked the eleventh largest economy in the world with GDP standing at US\$ 1.8 trillion in 2014, or about four and a half times that of the Colombian economy. With a population of 35.5 million, Canada’s per capita GDP reached US\$ 50,577 in the same year. The Canadian economy has been expanding at an average annual rate of 1.8 percent during the past decade, though it experienced unfavourable economic downturns during the recent financial crisis in 2008-2009. Benefiting from its solid financial system and skilled labour force, Canada has more than recouped all of the loss in output experienced during the recession. The unemployment rate has also declined from 7.7 percent in 2011 to 6.8 percent in March 2015.

Canada is one of the most open economies in the world with very low barriers to trade and investment and international trade accounting for 59 percent of its GDP in 2014. Canada is committed to free trade and is determined to further expand trade by opening new markets and creating new opportunities for Canadian businesses and workers. Between 2000 and 2014, Canada’s merchandise trade with the rest of the world averaged an annual growth rate of 4.3 percent, increasing from US\$518.3 billion in 2000 to US\$938.4 billion in 2014. The United States is Canada’s largest trading partner with 76.8 percent of all Canadian merchandise exports destined to that market. Natural resources and high-tech equipment represent the bulk of total Canadian merchandise exports.

Similar to other developed countries, services constitute the leading sector in the Canadian economy, making up 70 percent of Canada’s GDP in 2014 and employing 78 percent of the Canadian labour force. In the past decade, the share of services in Canada’s GDP increased steadily as the Canadian economy became more services-oriented. Correspondingly, the importance of other sectors in Canadian GDP declined; in particular, the share of the manufacturing sector in GDP dropped from 15.8 percent in 2000 to 10.6 percent in 2014. Canada’s sizable primary sector including agriculture, mining, energy and other resources-related activities also saw a marginal decline in its share of GDP from 13.2 percent in 2000 to 12.5 percent in 2014.

Colombian Economy

With a population of 47.6 million, Colombia is the third most populous country in Latin America after Brazil and Mexico. Colombia’s GDP was US\$400.1 billion in 2014, making it the fourth largest economy in Latin American countries.

Over the past decade, Colombia has experienced impressive economic growth as a result of pro-market economic policies, tightening of domestic security and strong trade growth. Despite the challenges posed by internal conflicts, limitations in infrastructure developments and a high unemployment rate (9.3 percent in 2014, one of the highest in Latin America), Colombia has experienced impressive macroeconomic growth: real GDP averaged an annual growth rate of 4.3 percent from 2000 to 2014 and its per capita GDP increased to US\$8,394 in 2014 from US\$2,480 in 2000.

The Colombian economy depends heavily on exports of energy and agricultural commodities. It is the world’s second largest coffee producer after Brazil, and a major supplier of cut flowers and bananas. Colombia’s aggressive promotion of FTAs in the recent decade has strengthened its international trade; its merchandise trade with the rest of the world more than tripled to reach US\$118.8 billion in 2014, up from US\$24.6 billion in 2000. The United States is its principal trading partner as the destination of 25.7 percent of Colombian merchandise exports in 2014.

The industrial sector of Colombia has become stronger in the recent decade due to expansions in the production of oil, coal, gold and precious stones. The industrial sector made up approximately 37.8 percent of GDP, while the agricultural sector made up 6.6 percent and the services sector accounted for the remaining 55.6 percent.

Canada-Colombia Trade Relations

Colombia is one of Canada’s most robust bilateral trade relationships in the world. Its impressive economic growth and advantages in resources and agriculture, coupled with pro-market policies, have made Colombia attractive to Canadian businesses and consumers.

Bilateral merchandise trade between Canada and Colombia reached CA\$1.827 billion in 2014 from CA\$1.403 billion in 2013, representing approximately 30% growth year on year. Colombia is Canada’s sixth largest merchandise trading partner in Latin America and the Caribbean (excluding Mexico). In 2014, Canadian merchandise imports from Colombia were valued at CA\$891.8 million, and included mineral fuels and oils, coffee, plants (cut flowers), fruits (bananas), and plastics. For the same period, Canada’s merchandise exports to Colombia were valued at nearly CA\$935.6 million, and included cereals (wheat), vehicles, machinery, vegetables (pulses), paper and paperboard, and fertilizers.

Canada-Colombia Free Trade Agreement

The Canada-Colombia Free Trade Agreement (CCOFTA), along with the related Agreements on Labour Cooperation and the Environment, entered into force on August 15, 2011. The Agreement is consistent with Canada’s Global Markets Action Plan, which aims to enhance Canada’s economic interests in key markets, including Colombia. The CCOFTA also supports Canada’s Strategy for Engagement in the Americas, which focuses on increasing engagement with Latin American countries. It provides greater stability and predictability for Canadian exporters, service providers, and investors, including expanded opportunities in a broad range of sectors, particularly oil and gas, mining, agriculture and agri-food, and manufacturing. The Agreement also reduces trade barriers to improve Canada and Colombia’s bilateral economic relationship by allowing both countries to increase their

export potential and access new markets. Finally, the services and services-related provisions of the CCOFTA support exporters by encouraging stronger economic ties through the implementation of principles and conditions of regulatory transparency and stability.

An inaugural meeting of the Canada-Colombia Free Trade Agreement Joint Commission took place on February 27, 2014. The meeting provided Canadian and Colombian representatives with an opportunity to review CCOFTA implementation. Both sides continue to work together on a number of important bilateral issues.

Review of Changes during the Period January 1, 2014–December 31, 2014

This section will review changes from the period January 1, 2014, to December 31, 2014, in terms of actions taken by Canada under the CCOFTA, and possible human rights impacts in Canada and Colombia. In order to undertake this analysis, this section contains the following areas:

- 1. Summary of Actions Taken by Canada under the CCOFTA:** A review of actions taken by Canada under the CCOFTA during the period January 1, 2014 to December 31, 2014.
- 2. Preliminary Screening of Trade Gains from the CCOFTA and Affected Industries:** A review and analysis, using official data, of changes in trade in goods and services between Canada and Colombia in order to identify economic sectors which demonstrate the greatest change since the implementation of the CCOFTA.
- 3. Consultations with Stakeholders:** A review of input received from consultations with stakeholders.
- 4. Summary of Other CCOFTA Mechanisms:** A review and summary of any activities undertaken under the CCOFTA Mechanisms (e.g., consultation, public communications, and dispute resolution mechanisms) that pertain to human rights.
- 5. Labour Cooperation Agreement:** A review and summary of activities undertaken in the previous year as called for by the Labour Cooperation Agreement.
- 6. Environment Agreement:** A review and summary of activities undertaken in the previous year as called for by the Environment Agreement.

Summary of Actions Taken by Canada under the CCOFTA

The Implementation Act requires the Government of Canada to report on actions taken under the authority of the Implementation Act during the period under consideration. This section contains a summary of actions taken under the CCOFTA. Actions taken under the Labour Cooperation Agreement and the Environment Agreement can be found in the Summary of Other CCOFTA Mechanisms.

Table 1 below contains a summary of actions taken by Canada under the CCOFTA.

Table 1: Actions taken by Canada under the Canada-Colombia Free Trade Implementation Act

Clause Number	Short Description of Clause	Actions Required by Canada for Free Trade Agreement (FTA) Implementation
1	Short Title	None
2-5	Interpretation	None
6	Crown bound by the legislation	None
7	Purpose	None
8	No cause of action except for investor-state	None: no disputes to date
9-15	Implementation of the FTA, Labour Cooperation Agreement and Environment Agreement	None
16-22	Monetary assessments arising from disputes as accorded under the Canadian International Trade Tribunal Act	None: no disputes to date
23	Arbitration related to violations of the Investment chapter under the Commercial Arbitration Act	None: no disputes to date
24	Compliance enforcement of the Labour Cooperation Agreement under the Crown Liability and Proceedings Act	None: no disputes to date
25-29	Application of the Customs Act	None
30-42	Changes to the Customs Tariff	Impact from the elimination of customs duties on goods according to staging categories
43	Monetary assessment relating to Labour Cooperation Agreement disputes under the Department of Employment and Social Development Act	None: no disputes to date
44-46	Emergency action safeguard under the Export and Imports Permits Act	None: no disputes to date
47	Governance of crown corp. under the Financial Administration Act	None
48	Entry into force date	None for purposes of the Annual Report exercise

During the period January 1, 2014 to December 31, 2014 the actions taken under the Implementation Act have been tariff reductions related to the CCOFTA, and actions taken under the Labour Cooperation Agreement and the Environment Agreement (see Summary of Other CCOFTA Mechanisms).

Summary of Tariff Reductions

The tariff reductions implemented by Canada are undertaken in accordance with the *Tariff Elimination Schedule of Canada* of the CCOFTA.

Tariffs were eliminated immediately upon the entry into force of the CCOFTA ("Staging Category A") on the majority of Canadian tariff lines in 2011. A few other tariff lines became duty free on January 2013 after 3 years of linear tariff reductions. However, there are still some tariff lines that are being phased-out over a number of years. Since the Agreement entered into force, tariff lines subject to phase-outs are undergoing partial tariff reductions on a yearly basis until they become duty-free. There were also some tariff lines that were excluded from tariff elimination by Canada, hence are not being phased out (See Annex 2: Summary of the Tariff Elimination Schedule of Canada of the CCOFTA).

Tariff reductions implemented by Canada during January 1, 2014-December 31, 2014 fall under two staging categories:

Staging Category C (7-year linear phase-out, with yearly tariff reductions, all tariffs to be removed by January 1, 2017);

Staging Category D17 (17-year linear phase-out, with yearly tariff reductions, all tariffs to be removed by January 1, 2027). However, because of a transversal clause triggered by the entry into force of the US-Colombia FTA in 2012, this tariff line is now subject to accelerated tariff elimination and is being phased-out with yearly tariff reductions to be duty-free by 2025.)

Examples of products covered by category C in Canada include various within-access supply management tariff lines, rubber gloves, certain textiles and ships. There is only one tariff line being phased-out under staging category D17, which is a refined sugar line.

Staging Category A (immediate implementation) comprises 96.6% of Canada's tariff lines. Of the tariff lines in Staging Category A, duties on 3,810 Canadian tariff lines were completely eliminated upon entry-into-force of the CCOFTA on August 15, 2011. An additional 4,328 tariff lines were already subject to most favoured nation (MFN) duty-free treatment. Of the remaining tariff lines, 176 are subject to incremental phase-outs, while 110 tariff lines are excluded.

Examples of notable tariffs which were subject to immediate elimination by Canada include the following:

- Poultry fat (11%)
- Fresh cut flowers (6-12.5%)
- Grains (wheat and barley) (over-quota 21-94.5%)
- Natural gas (12.5%)
- Apparel (6-18%)
- Certain footwear (7.5-20%)
- Most textiles (duty-free-18%)
- Automobiles (6.1%)

Overall Summary of Canadian Actions Taken under the CCOFTA

Overall, the actions taken by Canada under the CCOFTA have been tariff elimination and reductions. Of tariff reductions, 96.6% of tariff lines (representing 99.8% of pre-CCOFTA implementation import levels by Canada of Colombian goods and services) were eliminated upon the entry into force of the CCOFTA, while an additional 0.2% of tariff lines became duty free in 2013. Canada also implemented an agricultural transversal clause in 2013, retroactive to 2012, which accelerated tariff elimination of Category D17, which includes only one tariff line of refined sugar.

Preliminary Screening of Canadian and Colombian Trade Gains from the CCOFTA and Affected Industries

This section will examine the trade enhancement effects of the CCOFTA. The monthly trade statistics is first divided into the pre-CCOFTA period (April 2009 to July 2011) and post-CCOFTA period (August 2011 to December 2014) and then divided into five product categories. The categories represent respectively products that were duty-free prior to the implementation of the CCOFTA, products not liberalized, products with 0.1 to 5 percentage points tariff reductions, products with 5.1 to 10 percentage points tariff reductions, and products that had more than 10.0 percentage points tariff reductions. The average monthly changes between the pre-CCOFTA and the post-CCOFTA periods of these categories are then calculated to determine if trade has been enhanced. This simple demonstration does not control for any macroeconomic or other sector- and season-specific factors that were influential to bilateral trade flows.

Canadian Exports to Colombia

In the first 41 months since the CCOFTA entered into force, Canada experienced a solid growth in its merchandise exports to Colombia. Monthly average exports from Canada to Colombia increased from a pre-CCOFTA level of US\$50.3 million to the post-CCOFTA level of US\$67.0 million, representing an increase of 33.3 percent. Figure 1 shows the bilateral trade between Canada and Colombia from 2010 to 2014. Note that the Canadian exports to Colombia increased significantly in 2010-2012 but slightly declined in 2013, rebounding in 2014.

As shown in Table 2, Canada's exports to Colombia in the sectors with the most significant tariff reductions grew considerably faster than exports in the sectors least affected or not affected by the trade agreement. The affected sectors accounted for 94 percent of total trade growth. Most trade growth came from the products up to 5.0 percentage points of tariff reductions and the products with more than 10.0 percentage points of tariff reductions, which grew by US\$13.5 million and US\$2.0 million respectively. Products that were exempted before the agreement or not liberalized and products with 5.1 – 10.0 percentage points of tariff reductions are reported to have lower trade growth.

Table 2: Monthly Averaged Canadian Exports to Colombia by the Extent of Tariff Reductions, US\$

Tariff Reductions	Pre-CCOFTA	Post-CCOFTA	Change	Percentage Change (%)
Duty-Free Goods	2,851,935	3,928,058	1,076,123	37.7
Exempted Goods	11,942	87,173	75,232	630.0
0.1 – 5% Reductions	22,265,189	35,802,041	13,536,852	60.8
5.1 – 10% Reductions	11,918,917	12,124,806	205,889	1.7
Over 10% Reductions	11,860,718	13,827,356	1,966,638	16.6
Total	50,262,121	67,002,651	16,740,530	33.3

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations. Note: Sector figures do not add to the total due to the fact that some trade figures cannot match to tariff lines.

Annexes 3 to 7 report the sectors that benefited most from the CCOFTA from the perspective of Canada's exports to Colombia.

For the products that were previously duty-free, Canada's export gains were dominated by exports of paper and paperboard. Other products that also experienced significant export gains included animal or vegetable fats and oils, nuclear reactors and machinery, edible preparations of meat and fish, organic chemicals, live animals, rubber, iron and steel, and printed books, newspapers and manuscripts (see Annex 3).

Products that had tariff reductions of 0.1 to 5.0 percentage points saw the most significant export gains. Most of these gains took place in the sectors of cereals, motor vehicles, fertilizers, nuclear reactors and machinery, optical or medical instruments, and beverage and spirits (see Annex 4).

Products that received 5.1 to 10.0 percentage points of tariff reductions and experienced large increases in exports included paper and paperboard, explosives and pyrotechnics, pharmaceutical products, and miscellaneous edible preparations (see Annex 5).

Products that received more than 10.0 percentage points of tariff reductions had the second largest monthly average export gains (see Annex 6). Meat products dominated the overall gains in this category. Other products under this category that are also reported to have strong trade growth included toys and sports equipment, motor vehicles, essential oils and cosmetics and paper and paperboard.

Canadian Imports from Colombia

Canada's imports from Colombia increased less dramatically. Monthly average imports from Colombia increased from US\$58.7 million in the pre-CCOFTA period to US\$59.5 million in the post-CCOFTA period, a 1.4 percent increase. From Figure 1, it can be seen that the Canadian imports from Colombia increased in 2010-2011 but stabilized since. Because of higher exports relative to imports, Canada's trade balance with Colombia turned positive in 2012. Canada managed to sustain small trade surpluses with Colombia through 2013 and 2014.

On the other hand, the utilization rates^[1] of the agreement for Canadian imports from Colombia remained high with the products facing larger tariff reductions having higher utilization rates, indicating that importers are well aware of the large tariff concessions offered by CCOFTA and they are taking advantage of what the agreement offers. The total utilization rate for the duty-free products was 1.2 percent, 44.5 percent for the products with 0.1 to 5.0 percentage points tariff reductions, 55.5 percent for the products with 5.1 to 10.0 percentage points reductions and 77.1 percent for the products with more than 10.0 percentage points reductions.

Products with 0.1 to 5.0 percentage points of tariff reductions and products with over 10.0 percentage points of tariff reductions experienced the most gains in imports. In contrast, products that were exempted and products with 5.1 to 10.0 percentage points of tariff reductions both experienced declines in imports.

Table 3: Monthly Average Canadian Imports from Colombia by the Extent of Tariff Reductions, US\$

Tariff Reductions	Pre-CCOFTA	Post-CCOFTA	Change	Percentage Change (%)	Utilization Rate (%)
Duty-Free Goods	48,097,374	48,506,237	408,863	0.9	1.2
Exempted Goods	1,019,688	730,134	-289,554	-28.4	0.0
0.1 – 5% Reductions	388,748	841,916	453,168	116.6	44.5
5.1 – 10% Reductions	6,431,664	5,876,648	-555,016	-8.6	55.5
Over 10% Reductions	2,639,621	3,497,664	858,044	32.5	77.1
Total	58,670,599	59,500,844	830,244	1.4	13.9

Source: *Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations.* Note: Sector figures do not add to the total due to the fact that some trade figures cannot match to tariff lines.

Annexes 8 to 12 show the products that benefited most from the CCOFTA from the perspective of Canadian imports from Colombia. More than 80 percent of all Canadian imports from Colombia were duty-free before CCOFTA. The products that dominated the gains under this category were mineral fuel (see Annex 8). Products that received 0.1 to 5.0 percentage points of tariff reductions, and benefited most from the CCOFTA included sugar products, prepared cereal, and clocks and watches (see Annex 9). However, other than these products, the utilization rates were low, which means that the increase in imports of stone articles, and leather products and impregnated textiles were likely not associated with tariff reductions under the CCOFTA.

Products that received 5.1 to 10.0 percentage points of tariff reductions and had the largest import gains were tanning and dye, stone articles and milling products (see Annex 10). In the category of products that received more than 10.0 percentage points of tariff reductions, live trees and textiles had the largest increases in imports (see Annex 11) with very high utilization rates of the CCOFTA.

Overall Impact of the CCOFTA

Overall, Canada has a solid trading and investment relationship with Colombia. Compared to Canada's trade with Latin American as a whole, merchandise trade between Canada and Colombia increased more rapidly in the past decade. Following the CCOFTA that entered into force in 2011, Canada further intensified its bilateral trading relationship with Colombia.

The above simple comparison of trade flows between the pre- and post-CCOFTA periods shows that Canadian exports to Colombia grew more quickly in the sectors that were significantly liberalized. While the imports from Colombia also saw increases, the magnitudes were comparatively smaller, but the utilization rates of CCOFTA for Canadian imports remained at the high levels and progressed with the extent of tariff concessions provided to Colombian products. It indicates that Canadian businesses adjusted well to the changing trading environment under the CCOFTA and were profiting from the trade agreement. Without controlling for other non-FTA influenced factors, the above simple data comparison is supportive of the view that the agreement is working as intended.

Consultations with Stakeholders

Public Call for Submissions

On April 1, 2015, the Government of Canada issued a public call for submissions to inform the analysis of the impact of the actions taken under the Implementation Act for the Government of Canada's Annual Report. The public call for submissions was posted on the website of the Department of Foreign Affairs, Trade and Development Canada for a period of three weeks and was advertised through social media by the Canadian Embassy in Colombia and on the Department of Foreign Affairs, Trade and Development's trade homepage. (See Annex 13 for a copy of the public call for submissions.)

No submissions were received through this consultation mechanism.

Outcalls by the Department of Foreign Affairs, Trade and Development and the Embassy of Canada to Colombia in Bogotá in the following industries:

1. Coffee, coffee husks and skins, and substitutes containing coffee ("coffee")
2. Petroleum oils and oils obtained from bituminous minerals, crude ("petroleum")

In order to gain a better understanding of the possible impacts of the CCOFTA on human rights conditions in Colombia, representatives of the Department of Foreign Affairs, Trade and development and the Embassy of Canada to Colombia in Bogotá undertook outcalls in February 2015 to consult with business, local authorities, labour unions, civil society and local and departmental governments. For the purposes of this report,

consultations were focused on the petroleum and coffee industries. Outcalls were conducted in Colombia's capital, Bogotá, to examine whether there was a noticeable impact on the enjoyment and respect of human rights as a result of the entry into force of the CCOFTA.

While a total of fifteen meetings were requested, ten outcalls took place between February 6 and 13, 2015. Of these, two outcalls were with companies, two with government, three with unions, and three with civil society. Consistent with previous years, requests for meetings targeted those companies and associated unions and civil society organizations that represented the largest stake in the annual growth in trade with Canada in the sectors being studied. Additional support from the Department of Foreign Affairs, Trade and Development was deployed to the Embassy of Canada to Colombia for a total of three weeks to provide support in the planning, conduct and analysis of these outcalls.

The vast majority of tariff elimination and reduction actions were completed January 1, 2013, making it difficult to study specific effects of tariff elimination on the enjoyment and respect of human rights in 2014 in comparison to 2013. Therefore, the industries studied this year were selected because they demonstrated some of the highest percentage change in commercial activity between Canada and Colombia this past year. Canadian imports of coffee and petroleum products, which were duty free on a Most Favoured Nation basis prior to the entry into force of the CCOFTA and were offered as immediate duty free under CCOFTA, grew significantly in 2014. Canadian petroleum imports increased from approximately \$108 million in 2013 to \$222 million in 2014, representing positive growth of 106.4%. In the coffee sector, Canadian imports grew from \$142.8 million in 2013 to \$217 million in 2014, which represented 52% growth. Combined, these sectors make up more than 49% of Canada's total imports from Colombia. While other sectors saw higher growth in 2014 over 2013, such as cocoa beans (whole or broken, raw or roasted) which had positive growth of 122.8%, they were not selected for study because they constitute a much smaller proportion of Canada's overall imports from Colombia.

In 2014, global demand for Colombian petroleum remained consistent and prices remained high, leading industry in Colombia to increase both exploration and extraction activities. Industry representatives suggested that increased demand from Canada could be attributed to Canada's need for lighter oil to dilute its heavier hydrocarbons. Industry representatives noted that thousands of new jobs were created to meet this growing demand and that union membership grew accordingly. However, union representatives highlighted that a large part of these new jobs were contractual, and while they had access to union representation and received approximately twice the minimum wage, they did not enjoy the same job stability as permanent employees. Union representatives also highlighted some alleged human rights violations noting unjustified stopping of citizens in the vicinity of a particular company by security forces. However, because these latter complaints predate the entry into force of the CCOFTA, they cannot be linked to actions taken under CCOFTA in 2014.

Both industry and union representatives agree that, although challenges remain, labour and human rights conditions in the petroleum sector improved since 2011, including in 2014. For example, representatives of some of the largest unions remain convinced that there is little commitment from companies to uphold the highest international labour standards. Furthermore, although most stakeholders highlighted some improvements in health, environmental, and living conditions in the workplace, there is no real consensus with respect to the magnitude of these improvements.

Industry representatives reported that they respect high and internationally recognized standards of corporate social responsibility in their operations in Colombia. Government of Colombia officials also indicated that they strive to ensure that project development occurs in a manner that both promotes economic prosperity and is environmentally and socially responsible. For example, they explained that exploration and extraction activities in the petroleum sector can only begin once companies have obtained the requisite environmental and social licenses. New concession agreements also require companies to dedicate 1% of their revenue to local community development projects. Government officials explained that free trade agreements are not taken into consideration when assigning concessions.

The Colombian coffee sector also enjoyed a strong year of growth in 2014. Industry representatives attributed this to favourable global markets, government subsidies, high-yield harvests in Colombia, and comparably lower-yield harvests in other coffee-producing countries. The CCOFTA was not mentioned by industry representatives as a contributing factor to growth in the coffee sector in 2014. However, they indicated that the growth in exports to Canada can be attributed to the fact that, proportionately, Canada consumes more Colombian coffee than other countries. With respect to labour conditions, non-governmental organizations associated with the sector did not report any human rights or labour abuses. However, they highlighted the continuing challenge of addressing inequities between men and women working in the sector, as well as the use of child labour, particularly during harvests. It was recognized that these practices predate the entry into force of the CCOFTA.

As was noted in the last year's Annual Report, meetings this year revealed that, although industry has a somewhat different perspective than labour unions regarding labour conditions and human rights, neither could demonstrate that any of the factors impacting upon human rights and worker satisfaction are directly related to the implementation of the CCOFTA.

Consultation with Provinces and Territories

The CCOFTA provides for improved market access into Colombia and Canada for Canadian and Colombian goods, services and investment, respectively, as well as provisions that ground the Canada-Colombia trading relationship in a rules-based system, making it more predictable and secure.

The Government of Canada consulted with provincial and territorial governments with regard to whether any of their respective human rights commissions (or equivalent bodies) raised concerns, or received any comments, questions or expressions of concern, regarding effects on human rights in Canada attributed to Canada's tariff reductions under the Canada-Colombia Free Trade Agreement during the period January 1, 2014–December 31, 2014. The Government of Canada received feedback from nine provinces and territories indicating that none of their human rights commissions (or equivalent bodies) raised or received any such comment or expression of concern.

Summary of Other CCOFTA Mechanisms

No actions have been taken by Canada under the CCOFTA other than tariff reductions according to the *Tariff Elimination Schedule of Canada* of the CCOFTA. No disputes have arisen to date and no dispute resolution or consultation mechanisms have been utilized.

Labour Cooperation Agreement

The 2011 Canada-Colombia Agreement on Labour Cooperation (CCOALC) commits Canada and Colombia to ensuring that their laws not only respect the International Labour Organization's (ILO) *Declaration on Fundamental Principles and Rights at Work* (1998), but also provide acceptable protections for occupational health and safety, hours of work, wages and migrant workers. The CCOFTA itself also includes a principles-based labour chapter.

Specifically, the CCOALC commits both countries to:

- Promote compliance with and effectively enforce their domestic labour laws through appropriate government actions. These laws must embody the following internationally recognized labour principles and rights:
 - freedom of association and the right to collective bargaining
 - the elimination of all forms of forced or compulsory labour
 - the effective abolition of child labour
 - the elimination of discrimination in respect of employment and occupation
 - acceptable conditions of work with respect to minimum wages, hours of work and occupational health and safety; and

- providing migrant workers with the same legal protections as citizens in regards to working conditions.
- Ensure that they do not waive or otherwise derogate from their labour laws in a manner that weakens or reduces adherence to the internationally recognized labour principles as an encouragement for trade or investment.
- Ensure that requests for labour inspections are given due consideration and that a person with a legally-recognized interest has appropriate access to proceedings before a tribunal which can enforce national labour law.
- Make information publicly available in relation to their labour laws and enforcement and compliance procedures.
- Encourage the use of voluntary best practices of corporate social responsibility by enterprises.

The CCOALC contains institutional mechanisms to ensure its effective implementation. These include a dispute resolution process to ensure compliance with the possibility of up to \$15 million in fines in any one year. All monetary assessments will be paid into a cooperation fund to be expended in the territory of the party complained-against to address labour issues. The CCOALC also provides for a Ministerial Council, comprised of Labour Ministers from both Canada and Colombia, that shall meet within the first year after the entry into force of the Agreement and thereafter, as necessary, in order to oversee its implementation.

A key element of Canada's labour approach is cooperation. The provisions of the CCOALC are complemented by concrete actions to address the labour situation in Colombia, notably through labour-related information sharing and technical assistance.

Actions Taken under the CCOALC

The last Ministerial Council meeting under the CCOALC took place in Lima, Peru, on October 14, 2014. The Minister of Labour and Minister of Status of Women met with her counterpart to discuss next steps in the implementation of the CCOALC and labour-related technical assistance programming in Colombia.

The Ministers of Labour of Canada and Colombia approved the 2014-2016 Plan of Action for Cooperative Labour Activities under the CCOALC. The approved Plan of Action includes the finalization of model rules of procedure for review panels and guidelines for public communications. In addition, both parties agreed to continue to share information in the areas of labour inspection, occupational health and safety, trade and labour, employment opportunities, labour statistics and migrant workers as determined at the previous Ministerial Council meeting in 2013. Child labour was also added as an area of interest for cooperation.

Since 2009, Colombia has benefited from labour-related technical assistance programming totaling over \$1.7 million.

The Government of Canada, through the Labour Program, is currently funding two projects in Colombia. The overall objective of the first of these projects, namely the "Social Dialogue and Occupational Health and Safety in the Mining Sector" project, is to improve the social and economic conditions of coal mining sector stakeholders in the Department (Region) of La Guajira through enhanced occupational health and safety practices and through strengthened respect for fundamental rights at work. This \$300,000 project is being implemented by the ILO and was launched in March 2013. It will end in December 2015. The second project, namely the "National Strategy for the Prevention and Elimination of the Worst Forms of Child Labour in Colombia" project, began in March 2015 and will facilitate the development and initial implementation of Colombia's 2015-2025 National Strategy against child labour. This project is also being implemented by the ILO and has a value of \$318,395. It will end in February 2017.

Environment Agreement

Background

The Environment Agreement, signed in parallel to the CCOFTA, reinforces the concept that free trade should not take place at the expense of the environment. The CCOFTA itself also includes an environment chapter and environment provisions.

The Environment Agreement commits both countries to pursue high levels of environmental protection and to continue to develop and improve their environmental laws and policies. It requires each country to:

- effectively enforce its domestic environmental laws through appropriate government actions;
- neither weaken nor reduce levels of protection afforded in its domestic environment laws to encourage trade or investment;
- ensure that proceedings are available to sanction or remedy violations of its environmental laws
- ensure that interested persons residing in or established in its territory may request investigations of alleged violations of its environmental laws and to give such requests due consideration, in accordance with its law;
- promote public awareness and transparency by ensuring that information regarding environmental laws and policies is available to the public;
- ensure that environmental impact assessment processes are in place;
- encourage the use of voluntary best practices of corporate social responsibility (CSR) by enterprises;
- promote the conservation and sustainable use of biological diversity; and
- respect, preserve and maintain traditional knowledge, innovations and practices of indigenous and local communities that contribute to the conservation and sustainable use of biological diversity, subject to national legislation.

The Environment Agreement commits the countries to make every attempt, through consultations and the exchange of information, with an emphasis on cooperation, to address any matter which may arise between them relating to the Environment Agreement. If the countries fail to resolve the matter, one of them may seek consultations at the ministerial level.

With the goal of strengthening environmental governance, the Environment Agreement includes a framework to undertake environmental cooperation activities aimed at supporting the objectives and obligations of this Agreement and addressing key environmental issues of mutual interest to Canada and Colombia. These activities are an opportunity to promote high levels of environmental protection through technical exchanges and information sharing.

Actions Taken under the Environment Agreement

Three cooperation work items were completed or ongoing in 2014:

- A project focused on conservation of biological diversity on working landscapes (e.g., rangelands, silviculture, coffee farms) was initiated in 2013 under the Canada-Americas Trade-Related Technical Assistance program, was ongoing during 2014; this project is expected to conclude in 2015.
- A project under the Canada-Colombia and Canada-Peru Environment Agreements, focused on the role of private sector contributions in protected areas financing was completed by March 2014, and included a binational workshop held in Bogotá.
- A project under the Canada-Colombia and Canada-Panama Environment Agreements focused on coastal blue carbon was completed by March 2014, and was aimed at building capacity and raising awareness on science and policy for carbon in coastal ecosystems.

The Second Committee meeting under the Canada-Colombia Environment Agreement, comprised of officials, took place in Bogotá, Colombia, on March 4, 2015. At this meeting, Canada and Colombia reviewed the key commitments and institutional arrangements required by the Environment Agreement, undertook a policy dialogue on environmental priorities, reviewed cooperative work under the Agreement, and jointly began work on setting priorities for future cooperative activities in support of the implementation of the Agreement.

Canada and Colombia will continue to monitor implementation of the Environment Agreement, and will plan the next Committee meeting for early 2016.

Summary of Findings

The mandate of this Annual Report is to summarize the actions taken by Canada under the CCOFTA, the Labour Cooperation Agreement and the Environment Agreement, and any impact of these actions on human rights in Canada and Colombia.

The actions taken by Canada under the CCOFTA have been tariff elimination and reductions. Of tariff reductions, 96.6% of tariff lines (representing 99.8% of pre-CCOFTA implementation import levels by Canada of Colombian goods and services) were eliminated upon the entry into force of the CCOFTA, while an additional 0.2% of tariff lines became duty free in 2013. Canada also implemented an agricultural transversal clause in 2013, retroactive to 2012, which accelerates tariff elimination on one tariff line.

Staging Category A (immediate implementation) comprises 96.6% of Canada's tariff lines. Of the tariff lines in Staging Category A, duties on 3,810 Canadian tariff lines were completely eliminated upon entry-into-force of the CCOFTA on August 15, 2011. An additional 4,328 tariff lines were already subject to most favoured nation (MFN) duty-free treatment. Of the remaining tariff lines, 176 were subject to incremental phase-outs, while 110 tariff lines are excluded. By the end of 2014, there were only 157 tariff lines still in the process of being phased-out (156 to be duty free in 2017 and 1 in 2025). As most of these tariff lines had already been reduced considerably, the impact of future actions taken by Canada under the CCOFTA is expected to be minimal.

The Government of Canada consulted with provincial and territorial governments with regard to whether any of their respective human rights commissions (or equivalent bodies) raised concerns, or received any comments, questions or expressions of concern, regarding effects on human rights in Canada attributed to Canada's tariff reductions under the Canada-Colombia Free Trade Agreement during the period January 1, 2014–December 31, 2014. The Government of Canada received feedback from nine provinces and territories indicating that none of their human rights commissions (or equivalent bodies) raised or received any such comment or expression of concern.

On April 1, 2015, the Government of Canada issued an online public call for submissions to inform the analysis of the impact of the actions taken under the Implementation Act for the Government of Canada's 2015 Annual Report. The public call for submissions was posted on the website of Foreign Affairs, Trade and Development Canada for a period of three weeks. No submissions were received through this consultation mechanism.

In order to gain a better understanding of the possible impacts of the CCOFTA on human rights conditions in Colombia, representatives of the Department of Foreign Affairs, Trade and Development and the Embassy of Canada to Colombia in Bogotá undertook outcalls in February 2015 to consult with business, local authorities, labour unions, civil society and local and departmental governments. For the purposes of this report, consultations were focused on the petroleum and coffee industries. None of the entities consulted could demonstrate that any of the factors impacting upon human rights and worker satisfaction are directly related to the implementation of the CCOFTA. Additionally, complaints over labour conditions either pre-dated the entry into force of the CCOFTA or were related to global trends such as the price of petroleum or climatic conditions. Furthermore, given that the vast majority of tariff elimination and reduction actions were completed January 1, 2013, it will become increasingly difficult to study the specific effects of tariff elimination on the enjoyment and respect of human rights from one year to the next. As such, at this time, it is not possible to establish a direct link between the CCOFTA and the human rights situation in Colombia.

The Implementation Act obligates the parties to provide an analysis of actions taken under the CCOFTA on human rights in Canada and the Republic of Colombia. As was noted in the last year's Annual Report, it is not possible to demonstrate that any of the factors impacting upon the enjoyment of and respect for human rights are directly related to the implementation of the CCOFTA.

Annexes

- **Annex 1:** Canada's Merchandise Trade with Colombia, 2001-2014, C\$ million
- **Annex 2:** Summary of the Tariff Elimination Schedule of Canada of the CCOFTA
- **Annex 3:** Top 10 Monthly Average Export Gains from the Duty Free Category, US\$
- **Annex 4:** Top 10 Monthly Average Export Gains from the Sectors with 0.1 - 5.0 percentage Points Tariff Reductions, US\$
- **Annex 5:** Top 10 Monthly Average Export Gains from the Sectors with 5.1-10.0 percentage Points Tariff Reductions, US\$
- **Annex 6:** Top 10 Monthly Average Exports Gains from the Sectors More Than 10.0 percentage Points Tariff Reductions, US\$
- **Annex 7:** Top 10 Monthly Average Export Gains from the Exempt Category, US\$
- **Annex 8:** Top 10 Monthly Average Import Gains from the Duty Free Category, US\$
- **Annex 9:** Top 10 Monthly Average Import Gains from the Sectors with 0.1 - 5.0 percentage Points Tariff Reductions, US\$
- **Annex 10:** Top 10 Monthly Average Import Gains with the Sectors with 5.1-10.0 percentage Point Tariff Reductions, US\$
- **Annex 11:** Top 10 Monthly Average Import Gains from the Sectors with More Than 10 percentage Point Tariff Reductions, US\$
- **Annex 12:** Top 10 Monthly Average Import Gains from the Exempt Category, US\$
- **Annex 13:** Call for Submissions

Annex 1: Canada's Merchandise Trade with Colombia, 2001-2014, C\$ million.

Year	Exports	Imports	Total Trade	Trade Balance
2001	365.9	415.5	781.3	-49.6
2002	343.5	393.0	736.5	-49.5
2003	307.6	373.9	681.5	-66.3
2004	387.1	418.6	805.7	-31.5
2005	448.2	583.6	1,031.8	-135.4
2006	513.2	640.4	1,153.6	-127.2
2007	662.2	468.6	1,130.8	193.6
2008	708.8	638.8	1,347.6	70.0

2009	592.0	733.6	1,325.6	-141.6
2010	642.3	717.3	1,359.5	-75.0
2011	760.9	799.4	1,560.3	-38.5
2012	828.2	664.7	1,492.8	163.5
2013	716.9	691.3	1408.2	25.6
2014	935.6	891.8	1827.4	43.8

Source: Statistics Canada

Annex 2: Summary of the Tariff Elimination Schedule of Canada of the CCOFTA

Staging Category	# Lines	% Lines	2008 Canadian Imports from Colombia (\$USD, Mil)	% 2008 Canadian Imports from Colombia	Product Examples
A (Immediate duty-free)	8138	96.6%	605.043	99.8%	Fresh cut flowers, most textiles, apparel, furniture, industrial and electrical machinery
B (3-year linear)	19	0.2%	0.201	0.0%	Spent fowl, some footwear (e.g., waterproof, sport, work boots, footwear with metal toe cap)
C (7-year linear)	156	1.9%	0.179	0.0%	Within-access supply management tariff lines; rubber gloves, all other textiles (that are not in A), ships, furnishings made of textiles
D17 (17-year linear)	1	0.0%	0.655	0.1%	Refined sugar (tariff line 1701.99.00: refined, not containing added flavouring/colouring matter)
E (Excluded)	110	1.3%	0.061	0.0%	Over-access supply management tariff lines (dairy, poultry and eggs) from tariff reduction; other refined sugar tariff items
Total	8424	100.0%	606.141	100.0%	

Source: Canada-Colombia Free Trade Agreement, Tariff Elimination Schedule of Canada of the Canada-Colombia Free Trade Agreement, Global Trade Atlas, and Foreign Affairs and International Trade Canada calculations

Annex 3: Top 10 Monthly Average Export Gains from the Duty Free Category, US\$

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change
48	Paper and paperboard	2,291,344	3,481,736	1,190,392
15	Animal or vegetable fats and oils	212,687	285,490	72,803
84	Nuclear Reactors, boilers and machinery	7,597	17,810	10,213
16	Preparations of meat, fish or crustaceans	939	7,141	6,202
29	Organic chemicals	158	1,835	1,677
1	Live animals	30,862	32,312	1,450
40	Rubber and articles thereof	-	529	529
72	Iron and steel	-	398	398
49	Printed books, newspapers, pictures and other products of the printing industry	23	103	80
91	Clocks and watches and parts thereof	8	25	17
Total		2,851,935	3,928,058	1,076,123

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

Annex 4: Top 10 Monthly Average Export Gains from the Sectors with 0.1 - 5.0 Percentage Points Tariff Reductions, US\$

HS02	Sector Name	Pre-	Post-	Change
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Sector		CCOFTA	CCOFTA	
10	Cereals	11,747,839	22,539,119	10,791,280
87	Vehicles, except railway, and parts thereof	3,920	1,889,854	1,885,934
31	Fertilizers	2,715,778	3,815,870	1,100,092
84	Nuclear Reactors, boilers and machinery	2,853,134	3,464,129	610,996
90	Optical or medical instruments	1,092,448	1,619,562	527,114
22	Beverages, spirits and vinegar	125,451	254,747	129,296
28	Inorganic chemicals and rare-earth metals	22,652	102,948	80,296
39	Plastics and articles thereof	3,498	21,448	17,950
72	Iron and steel	18,960	36,468	17,508
73	Articles of iron or steel	21,333	37,105	15,772
Total		22,265,189	35,802,041	13,536,852
HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change
10	Cereals	11,747,839	22,539,119	10,791,280
87	Vehicles, except railway, and parts thereof	3,920	1,889,854	1,885,934
31	Fertilizers	2,715,778	3,815,870	1,100,092
84	Nuclear Reactors, boilers and machinery	2,853,134	3,464,129	610,996
90	Optical or medical instruments	1,092,448	1,619,562	527,114
22	Beverages, spirits and vinegar	125,451	254,747	129,296
28	Inorganic chemicals and rare-earth metals	22,652	102,948	80,296
39	Plastics and articles thereof	3,498	21,448	17,950
72	Iron and steel	18,960	36,468	17,508
73	Articles of iron or steel	21,333	37,105	15,772
Total		22,265,189	35,802,041	13,536,852

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

Annex 5: Top 10 Monthly Average Export Gains from the Sectors with 5.1-10.0 Percentage Points Tariff Reductions, US\$

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change
48	Paper and paperboard	751,384	1,310,408	559,023
36	Explosives and pyrotechnic products	262,218	546,076	283,858
30	Pharmaceutical products	250,723	484,607	233,884
21	Miscellaneous edible preparations	357,787	484,687	126,899
47	Pulp of wood and paper waste	183,100	300,406	117,306
49	Printed books, newspapers, pictures and other products of the printing industry	12,261	106,152	93,891
2	Meat and edible meat offal	30,111	120,291	90,179
76	Aluminum and articles thereof	113,102	199,261	86,159
68	Articles of stone, plaster, and cement	22,706	75,525	52,819
28	Inorganic chemicals and rare-earth metals	51,013	99,280	48,268
Total		11,918,917	12,124,806	205,889

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

Annex 6: Top 10 Monthly Average Exports Gains from the Sectors More Than 10.0 Percentage Points Tariff Reductions, US\$

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change
2	Meat and edible meat offal	400,342	1,434,072	1,033,729
95	Toys, games and sports accessories	91,132	565,500	474,368
87	Vehicles, except railway, and parts thereof	1,486,501	1,894,892	408,392
33	Cosmetic or toilet preparations	233,486	503,344	269,858
48	Paper and paperboard	9,922	241,551	231,628
85	Electrical machinery and equipment	466,054	537,539	71,485
10	Cereals	609,857	663,886	54,029
62	Articles of apparel and clothing accessories, not knitted	21,885	73,262	51,377
90	Optical or medical instruments	207,254	238,872	31,617
54	Man-made filaments	22,540	47,430	24,890
Total		11,860,718	13,827,356	1,966,638

Source: *Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations*

Annex 7: Top 10* Monthly Average Export Gains from the Exempt Category, US\$

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change
23	Residues and waste from the food industries	-	71,140	71,140
11	Products of the milling industry	774	15,536	14,761
38	Miscellaneous chemical products	-	1	1
Total		11,942	87,173	75,232

Source: *Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations*

* There were only 3 sectors with positive growth in this category

Annex 8: Top 10 Monthly Average Import Gains from the Duty Free Category, US\$

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change	Utilization Rate (%)
27	Mineral fuels and oils	23,572,730	26,623,304	3,050,574	1.2
9	Coffee, tea, and spices	13,710,516	14,098,775	388,259	0.6
3	Fish and crustaceans, molluscs and other aquatic invertebrates	111,738	296,581	184,842	0.0
84	Nuclear Reactors, boilers and machinery	242,585	386,948	144,364	0.9
99	Country specific provisions	5,010	122,491	117,481	0.0
35	Modified starches, glues, enzymes	205,336	277,259	71,923	9.7
30	Pharmaceutical products	291,586	358,405	66,818	7.6
90	Optical or medical instruments	17,016	83,683	66,667	0.0
42	Articles of leather	122,612	178,948	56,336	33.8
12	Grains, seeds and	125,944	159,158	33,214	0.2

	fruit				
Total		48,097,374	48,506,237	408,863	1.2

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

Annex 9: Top 10 Monthly Average Import Gains from the Sectors with 0.1 - 5.0 Percentage Points Tariff Reductions, US\$

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change	Utilization Rate (%)
17	Sugars and sugar confectionery	61,863	357,570	295,707	67.7
68	Articles of stone, plaster, and cement	31,693	109,101	77,408	0.0
59	Impregnated, coated, covered or laminated textile fabrics	22,083	47,867	25,784	0.0
85	Electrical machinery and equipment	30,613	53,596	22,982	0.0
41	Raw hides, skins, and leather	40,237	54,276	14,039	2.0
28	Inorganic chemicals and rare-earth metals	89,168	102,299	13,131	0.0
19	Preparations of cereals, flour, starch or milk	18,718	28,311	9,593	63.9
32	Tanning or dyeing extracts	989	8,970	7,981	0.0
91	Clocks and watches and parts thereof	533	4,122	3,589	90.2
73	Articles of iron or steel	7	3,516	3,509	0.0
Total		388,748	841,916	453,168	44.5

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

Annex 10: Top 10 Monthly Average Import Gains with the Sectors with 5.1-10.0 Percentage Point Tariff Reductions, US\$

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change	Utilization Rate (%)
32	Tanning or dyeing extracts	25,566	99,393	73,827	2.4
68	Articles of stone, plaster, and cement	253,974	274,797	20,823	64.7
11	Products of the milling industry	8,942	28,114	19,172	87.4
89	Ships, boats and floating structures	23,313	41,598	18,285	94.1
20	Preparations of vegetables, fruit, nuts or other parts of plants	27,488	44,431	16,944	13.7
18	Cocoa and cocoa preparations	13,150	28,379	15,229	46.5
40	Rubber and articles thereof	3,992	18,328	14,336	25.2
85	Electrical machinery and equipment	1,191	10,705	9,515	0.0
82	Tools of base metal	43,532	49,624	6,091	0.1
34	Soap, washing preparations, waxes, and dental preparations	216	6,302	6,086	95.3
Total		6,431,664	5,876,648	-555,016	55.5

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

Annex 11: Top 10 Monthly Average Import Gains from the Sectors with More Than 10 Percentage Point Tariff Reductions, US\$

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change	Utilization Rate (%)
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6	Live trees and other plants	1,888,788	2,486,321	597,534	87.7
61	Articles of apparel and clothing accessories, knitted	219,051	360,497	141,446	57.1
15	Animal or vegetable fats and oils	25,915	98,080	72,165	85.3
62	Articles of apparel and clothing accessories, not knitted	355,478	421,474	65,996	44.8
64	Footwear, gaiters and the like	2,923	19,141	16,218	80.7
22	Beverages, spirits and vinegar	5,304	8,609	3,305	9.3
19	Preparations of cereals, flour, starch or milk	1,639	3,623	1,985	70.1
63	Other made up textile articles	25,608	27,521	1,913	3.7
82	Tools of base metal	3,254	4,686	1,432	0.0
65	Headgear and parts thereof	1,422	1,902	480	61.3
Total		2,639,621	3,497,664	858,044	77.1

Source: *Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations*

Annex 12: Top 10* Monthly Average Import Gains from the Exempt Category, US\$

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Change	Utilization Rate (%)
15	Animal or vegetable fats and oils	-	2	2	0.0
04	Dairy produce, birds' eggs, and edible products of animal origin	0	0	0	0.0
Total		1,019,688	730,134	-289,554	0.0

Source: *Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations*

* There were only 2 sectors with positive growth in this category

Annex 13: Call for Submissions

The following public call for submissions was posted on the webpage for the Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia on the website of Foreign Affairs, Trade and Development Canada

(http://www.canadainternational.gc.ca/colombia-colombie/highlights-faits/2015/Public_Call-Appel_public-03-2015.aspx?lang=en):

Public Call for Submissions regarding Canada's Annual Report on Human Rights and Free Trade between Canada and the Republic of Colombia

The Government of Canada is seeking the input of interested parties pursuant to the provisions of the *Canada-Colombia Free Trade Agreement Implementation Act* (Implementation Act), which entered into force on August 15, 2011.

The Implementation Act includes the Canada-Colombia Free Trade Agreement, the Canada-Colombia Agreement on Labour Cooperation and the Canada-Colombia Environment Agreement.

The Implementation Act requires the Minister for International Trade to "...cause to be laid before each House of Parliament by May 15 of each year or, if that House is not then sitting, on any of the 30 days next thereafter that it is sitting, a report on the operation of this Act during the previous calendar year, containing a general summary of all actions taken under the authority of this Act, and an analysis of the impact of these actions on human rights in Canada and the Republic of Colombia."

Interested parties are invited to provide written submissions to help inform the analysis of the impact of the actions taken under the Implementation Act being developed for the Government of Canada's 2015 annual report. The 2015 annual report will cover the period from January 1, 2014 to December 31, 2014.

For confidentiality and security purposes, the submissions and names of contributors to this consultation process will not be released to the public by the Government of Canada.

Submissions should be e-mailed or postmarked no later than April 21, 2015. Contributions can be sent by e-mail, facsimile or mail to:

Consultations - Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia
South America Division (NLA)
Foreign Affairs, Trade and Development Canada

125 Sussex Drive, Ottawa ON K1A 0G2
Fax: 613-994-0760
Email: NLA@international.gc.ca

[1] The utilization rate is a measure that determines how widespread the use of CCOFTA is in bilateral trade between Canada and Colombia. It is calculated as the percentage of trade that takes advantage of the reduced tariffs of the CCOFTA.

Date Modified: 2015-05-14