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WASHINGTON – Deputy U.S. Trade Representative John Veroneau and Colombian Minister of Trade, Industry, and Tourism Jorge Humberto Botero today signed the United States-Colombia Trade Promotion Agreement (CTPA), a comprehensive agreement that will eliminate tariffs and other barriers to trade in goods and services between the United States and Colombia.

“The signing of this agreement today marks an important milestone in our partnership with Colombia,” said Ambassador Veroneau. “The agreement will deepen and strengthen our trade ties by providing new opportunities for U.S. businesses, manufacturers, farmers and ranchers to export their goods and services to one of Latin America’s most robust economies. These opportunities will translate into more jobs for U.S. workers and greater choices for U.S. consumers. For Colombia, this agreement will provide permanent access to the U.S. market, which will aid in sustaining real growth, creating more jobs, and attracting new investment.”

“The U.S.-Colombia Trade Promotion Agreement will contribute to our collaborative efforts to promote peace and enhance stability and security across the Andean region. The Agreement will also provide a strong framework to address labor issues, with targeted remedies for labor violations. We look forward to working with members of Congress to ensure bipartisan support for the agreement,” said Ambassador Veroneau.

Upon implementation of this agreement, over eighty percent of U.S. exports of consumer and industrial products to Colombia will become duty-free immediately. Additionally, U.S. farm exports to Colombia such as high quality beef, cotton, wheat, soybeans and soybean products, fruits and vegetables will receive immediate duty-free treatment. The agreement will remove barriers to U.S. service providers doing business in Colombia; provide a secure, predictable legal framework for U.S. investors; protect intellectual property rights; and provide for effective enforcement of labor and environmental laws.

In 2005, U.S. goods exports to Colombia totaled nearly \$5.5 billion. Two-way goods trade between the United States and Colombia during 2005 amounted to \$14.3 billion. As a result of the agreement, the United States will have greater access to the Colombian market for products such as machinery, information technology equipment, auto parts, and fertilizers and agro-chemicals, along with meat, poultry, dairy products, grains, soybeans and soybean products, cotton, fruits and vegetables, and processed foods.

Many products from Colombia already enter the U.S. market duty-free under the Andean Trade Preference Act (ATPA), which expires on December 31, 2006. This new agreement helps Colombia to expand its current access and lock in duty-free treatment for Colombian products. Building on ATPA, the agreement will ensure that U.S. products exported to Colombia likewise benefit from duty-free treatment.

BACKGROUND

In May 2004, the United States initiated negotiations with three Andean nations – Colombia, Peru, and Ecuador – with Bolivia as an observer. Negotiations with Peru concluded on December 7, 2005, and the U.S. - Peru Trade Promotion Agreement was signed on April 12, 2006. Negotiations with Colombia concluded on February 27, 2006.

The United States has significant economic ties with Colombia. Colombia is currently our 31st largest goods trading partner with \$14.3 billion in total (two-way) goods trade during 2005. Goods exports totaled \$5.5 billion; goods imports totaled \$8.8 billion. Top export categories in 2005 were: machinery, organic chemicals,

electrical machinery, cereals, and plastic. U.S. exports of agricultural products to Colombia totaled \$677 million in 2005. Leading categories included: coarse grains, wheat, cotton, and soybeans. The stock of U.S. foreign direct investment in Colombia was \$3.4 billion in 2005, a 20.7 percent increase from 2004.

Colombian President Uribe has made strengthening the rule of law and protecting human rights focuses of his administration. Investigative and prosecutorial functions of the criminal justice system have been strengthened to address the violence against trade unionists. Colombia also signed a historic tripartite agreement with the International Labor Organization (ILO) for a presence in Colombia through the establishment of a permanent ILO office.

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