

U.S.-Colombia Free Trade Agreement

Market Access Results

Environmental Goods

Trade and Tariffs

The environmental sector includes a variety of products geared toward improving the environment and human safety.

Environmental goods accounted for 4.8 percent of total U.S. industrial exports to Colombia in 2007, totaling nearly \$300 million. The top U.S. exports in this sector included air and gas pumps, filtration equipment, some engine parts, and surveying equipment. Colombian tariffs on environmental goods range from 5 to 20 percent, with an average of 10 percent.

Colombian exports to the United States in this sector totaled \$15.1 million in 2007, or less than 1 percent of the country's total exports to the United States. Top Colombian exports to the United States in this sector were some plastic articles, parts for engines and measuring equipment, filtration equipment, and refractory bricks. The United States applies tariffs on environmental goods that range between zero and eight percent, with an average of 1.5 percent. All Colombian exports of environmental goods enter the United States duty-free under the Andean Trade Preference Act (ATPA) and Andean Trade Promotion and Drug Eradication Act (ATPDEA) tariff preferences.

Tariff Elimination

Tariffs will be phased out according to five tariff elimination categories: immediate elimination, equal cuts over five years, unequal cuts over five years, equal cuts over seven years, and equal cuts over ten years. Tariff elimination under the unequal five-year staging category will proceed with a 10 percent tariff cut in years one and two, a 30 percent cut in year three, a 20 percent cut in year four, and the remaining 30 percent tariff cut in year five.

For environmental products, 79 percent of U.S. exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on another 6 percent of exports will be eliminated over five years, and 11 percent will be eliminated over seven years. Duties on the remaining 4 percent of U.S. exports will be eliminated over ten years.

Tariffs on high-priority environmental goods such as pumps and filtration equipment will be eliminated immediately upon implementation of the Agreement.

The United States agreed to consolidate all ATPA and ATPDEA tariff preferences into the final tariff elimination schedules. This means that all environmental good exports from Colombia will continue to receive duty-free treatment.

Non-Tariff Barriers

Colombia will eliminate its prohibition on the importation of remanufactured environmental goods, as defined in Chapter Four - Rules of Origin, on entry into force of the Agreement.

Colombia will eliminate tariffs on most remanufactured environmental goods immediately and will phase out tariffs on a small number of remanufactured goods over 10 years.