

U.S.-Colombia Free Trade Agreement Market Access Results

Consumer Goods

Trade and Tariffs

Consumer goods include household appliances, furniture, toys, recreational equipment, precious metals and jewelry, and other miscellaneous household products. The World Trade Organization's Uruguay Round sector agreements on furniture and toys are included within this sector.

Consumer goods accounted for 3.1 percent of total U.S. industrial exports to Colombia in 2006, totaling \$153 million. The top U.S. exports in this sector were washing machines, coin-operated games, video games, cameras, and refrigeration appliances. Colombian tariffs range between 5 and 20 percent with an average of 14.6 percent in 2006.

Colombian exports to the United States totaled over \$199 million in 2006, or 3 percent of total Colombian exports to the United States. Top Colombian exports were precious metal jewelry and gems, glass bottles, and furniture. U.S. tariffs on consumer goods range from zero to 109 percent, with an average of 3.6 percent. All Colombian exports of consumer 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 consumer goods, 54 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on another 15 percent of exports will be eliminated over five years, and duties on the remaining 31 percent of U.S. exports will be eliminated over ten years. Tariffs on high-value consumer goods such as coin-operated games, many appliances, and motorcycles 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 consumer goods exports from Colombia will continue to receive duty-free treatment.

Furniture. Colombia will eliminate tariffs on 2 percent of U.S. furniture exports immediately. Tariffs on another 44 percent of exports will be eliminated over five years, and duties on the remaining 54 percent of exports will be eliminated over ten years.

Toys. Colombia will eliminate tariffs on 79 percent of U.S. toy exports immediately upon implementation of the Agreement. Tariffs on the remaining 21 percent will be eliminated over 10 years.

Appliances. Colombia will eliminate tariffs on 78 percent of U.S. appliance exports immediately upon implementation of the Agreement, and 5 percent within five years. Tariffs on the remaining 17 percent will be eliminated over ten years.

Recreational Goods. Colombia will eliminate tariffs on 30 percent of U.S. recreational goods exports immediately upon implementation of the agreement. Tariffs on another 48 percent of exports will be eliminated over five years. Tariffs on the remaining 22 percent will be eliminated over ten years.