

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

Lumber and Wood

Trade and Tariffs

The lumber and wood sector is defined by chapter 44 of the Harmonized Tariff System. Lumber and wood products accounted for less than 1 percent of total U.S. industrial exports to Colombia in 2006, totaling \$4.6 million. The top U.S. exports in this sector were railway ties, clothes hangers, coniferous lumber, and formwork. Colombian tariffs range between 5 and 20 percent, with an average of 12.3 percent in 2006.

Colombian exports to the United States in this sector totaled over \$8.4 million in 2006, or less than 1 percent of Colombia's total industrial exports to the United States. Top Colombian exports to the United States were particleboard, doors, and tropical lumber. The U.S. tariffs range between zero and 8 percent with an average of 5.2 percent. All Colombian exports within this sector 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 lumber and wood products, 69 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the Agreement, and tariffs on 15 percent of exports will be eliminated over 5 years. Tariffs on the remaining 16 percent of exports will be eliminated over 10 years. Tariffs on some products, which the United States does not export to Colombia, will be eliminated over five years. Tariffs on high-value priority wood products including particleboard, fiberboard, and some builder's joinery 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 lumber and wood exports from Colombia will continue to receive duty-free treatment.