



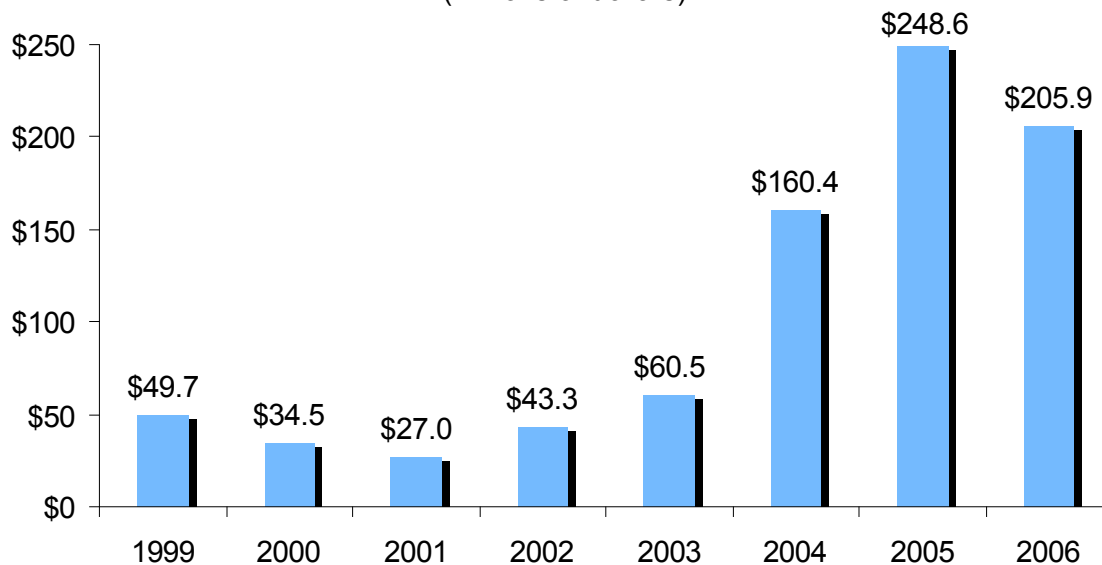
Business Roundtable™



Alabama and Colombia – A Growing Partnership

A U.S.-Colombia Trade Promotion Agreement (TPA) has the potential to increase both trade and investment between the United States and Colombia, improving on an already strong relationship. In particular, Alabama stands to gain from increased business ties, as the TPA will create jobs at home through increased export market access for both goods and services, reduced prices for manufacturers, and an improved investment environment.

Total Alabama Exports to Colombia
(millions of dollars)



Source: U.S. Department of Commerce

Alabama's Farmers Will Benefit from CTPA

Alabama is one of the leading U.S. state exporters of poultry, yet its exports to Colombia of certain chicken products, such as leg quarters, face tariffs of up to 164%.

The CTPA will phase out these high tariffs as well as eliminate non-tariff barriers to Alabama's products. For example, Colombia will not require its Ministry of Agriculture to inspect individual poultry facilities before accepting poultry shipments from Alabama companies.

Estimated Increases in U.S. Exports in Sectors Important to Alabama

Poultry Products	72.3%
Fabricated Metal Products	56.4
Primary Metal Products	44.3
Paper Products	27.9
Chemicals	22.6
Transportation Equipment	16.1

Source: U.S. International Trade Commission

Exports

In 2006, Colombia was Alabama's 13th largest export market for goods, with exports totaling \$206 million.

Colombia will eliminate tariffs immediately on Alabama's leading exports, including:

- Mining machinery
- Textiles, yarns & cotton
- Certain automotive equipment and parts

Colombia also will eliminate tariffs immediately on many farm products, such as:

- Certain poultry products
- Prime and choice beef cuts
- Peanuts

The U.S.-Colombia TPA will permit U.S. insurance companies to establish subsidiaries or branches in Colombia. They can also operate on a cross-border basis for key markets, including reinsurance and reinsurance brokerage.

Imports

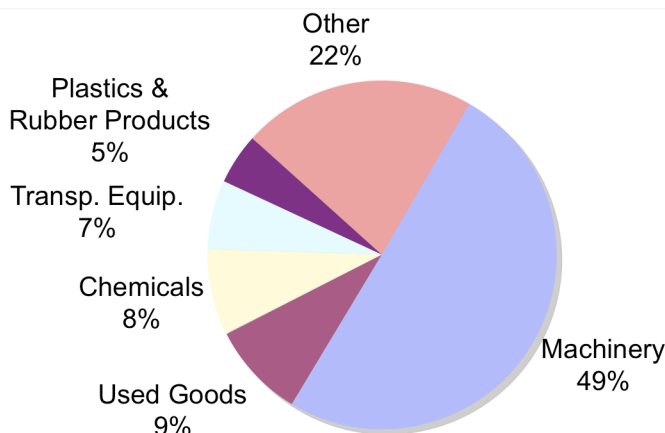
The U.S.-Colombia TPA will make permanent the duty-free benefits that 93 percent of Alabama's non-textile and apparel imports from Colombia already enjoy.

Selected Alabama Companies Exporting to Colombia

Drummond Company Jasper, AL Employees: N/A	Drummond, the largest U.S. merchant coke producer, exports millions of dollars worth of machinery to its international mining operation in Colombia.
Elastic Corp of America Columbiana, AL Employees: 250	Elastic Corp, which produces elastomeric fabrics, exports garments, fabrics, and machinery from its Columbiana facility.
Production Marketing, LLC Montgomery, AL Employees: 8	Production Marketing, an Alabama-based cotton broker, has more than half a million dollars worth of cotton to Colombia.

Source: The Trade Partnership from *Directory of U.S. Importers and Exporters*

Leading Alabama Exports to Colombia, 2006



Source: U.S. Department of Commerce

Selected Alabama Companies Importing from Colombia

NHB Industries Talladega, AL Employees: 440	NHB, a kitchen cabinet and countertop manufacturer, has imported more than \$2 million worth of furniture parts from Colombia.
Southern Automated Systems Muscle Shoals, AL Employees: 12	Colombia is a leading supplier for Southern Automated, which imports nails, tacks, and other materials for its IT solutions products.
Stradling International Pelham, AL Employees: 30	Stradling, a distributor of specialty vinyl-covered fabrics, imports from Colombia to its corporate headquarters in Pelham.

Source: The Trade Partnership from *Directory of U.S. Importers and Exporters*

Alabama's Exports to Colombia Will Benefit from Duty Savings and Increased Access to Colombia's Market

		Import Duties Currently Assessed by:		What Full Implementation of the U.S.-Colombia Trade Promotion Agreement (TPA) Means for Alabama:		
	(1) Value of Imports, 2006	(2) Colombia on Alabama's Exports	(3) The United States on Colombia's Exports	(4) Colombia's Duties on Alabama's Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Alabama Exporters
Alabama's Total Exports to Colombia	\$205,873,337					
Machinery Manufactures	103,476,444	Average 11.1%	0%	0% (a)	14.9%	\$11.5 million
Chemical Manufactures	16,564,592	Average 8.1%	2.3%	0% (b)	22.6%	\$1.3 million
Transportation Equipment	13,546,319	Average 12.7%	0%	0% (c)	16.1%	\$1.7 million
Plastic & Rubber Products	9,561,206	Average 8.1%	2.3%	0% (d)	22.6%	\$774,000
Elec. Eq.; Appliances & Parts	7,178,586	Average 11.0%	0%	0% (e)	8.0%	\$790,000

SOURCES & NOTES

(1) U.S. Department of Commerce.

(2) U.S. International Trade Commission, U.S. Department of Commerce, and U.S. Department of Agriculture. For some categories, Colombia's duties range as high as 20 percent.

(3) U.S. International Trade Commission. The majority of Colombia's exports have received duty-free treatment under the Andean Trade Promotion and Drug Eradication Act (ATPDEA) since 2002. In addition, Colombia also has received duty-free benefits under the Generalized System of Preferences (GSP) program since 1976.

(4) U.S. Department of Commerce.

(5) U.S. International Trade Commission. The International Trade Commission did not publish separate estimates for chemical, plastic, and rubber products.

(6) Column 1 multiplied by Column 2.

(a) Approximately 70 percent of Alabama's industrial equipment exports will receive immediate duty-free treatment. The remaining 30 percent of products will be duty-free within ten years.

(b) For chemical products, Colombia will eliminate duties affecting 82 percent of Alabama's exports immediately upon implementation of the Agreement.

(c) Ninety-one percent of Alabama's transportation equipment exports will receive immediate duty-free treatment. The remaining duties will be eliminated over ten years.

(d) Colombia will eliminate tariffs on 60 percent of U.S. plastics exports and 59 percent of rubber exports immediately upon the implementation of the Agreement.

(e) Upon implementation of the U.S.-Colombia TPA, 68 percent of the State's electrical and electronic equipment will receive immediate duty-free treatment.

For further information, contact Brigitte Schmidt Gwyn, Director, International Trade & Fiscal Policy
202.496.3263, bgwyn@businessroundtable.org