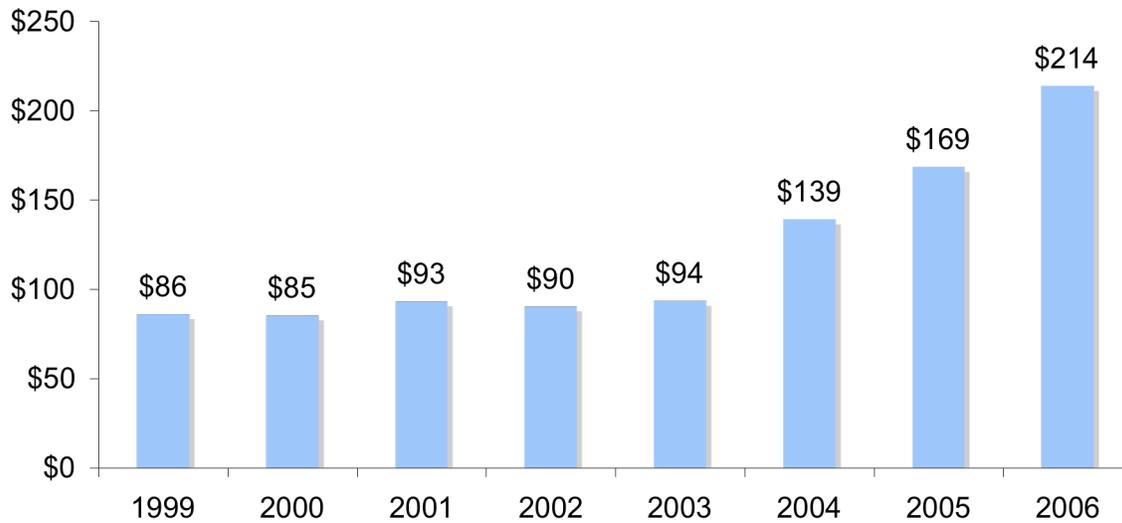




## Illinois and Colombia – A Growing Partnership

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, Illinois 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 Illinois Exports to Colombia**  
(millions of dollars)



Source: U.S. Department of Commerce

### **Illinois' Heavy Equipment Manufacturers Will Benefit from the CTPA**

Illinois is home to some of the world's best-known heavy-equipment manufacturers, including Caterpillar, John Deere, and Navistar. With Colombia's expected investment into its national transportation system, these companies – and their thousands of Illinois employees – stand to be some of the biggest winners from CTPA.

Currently, machinery exports to Colombia face tariffs of 5-15% – as much as \$200,000 per large off-highway truck. CTPA will eliminate these tariffs immediately, potentially reducing the cost of Illinois products in Colombia by millions of dollars.

### **Estimated Increases in U.S. Exports in Sectors Important to Illinois**

|                                  |       |
|----------------------------------|-------|
| <i>Pork Products</i>             | 72.3% |
| <i>Fabricated Metal Products</i> | 56.4  |
| <i>Processed Foods</i>           | 36.2  |
| <i>Chemicals</i>                 | 22.6  |
| <i>Corn</i>                      | 21.0  |
| <i>Machinery</i>                 | 14.9  |

Source: U.S. International Trade Commission

## Exports

In 2006, Colombia was Illinois's 30<sup>th</sup> largest export market for goods, with exports totaling \$214 million.

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

- Road tractors
- Bulldozers and other construction equipment
- Certain chemicals

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

- Soybean meal and flour
- Certain corn and feed grains
- Certain pork products

The CTPA will strengthen intellectual property rights protections for Illinois' designers and manufacturers of specialty chemicals, computers, and other high-value products.

## Imports

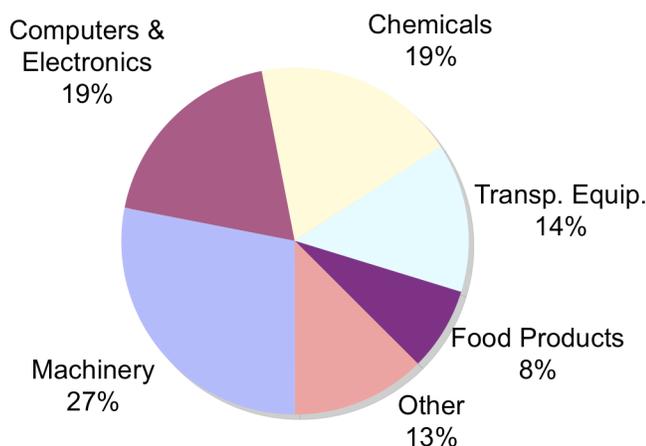
The U.S.-Colombia TPA will make permanent the duty-free benefits that 93 percent of Illinois's non-textile and apparel imports from Colombia already enjoy.

### Selected Illinois Companies Exporting to Colombia

|   |  |
|---|--|
| International Truck & Engine Company<br>Warrenville, IL<br>Employees: 200 | Colombia is a leading export destination for International Truck & Engine's heavy-duty tractors, chassis, and parts. |
| Philips Electronics NA<br>Des Plaines, IL<br>Employees: N/A               | Philips Lighting, which manufactures lamps for automotive suppliers and the aftermarket, exports to Colombia.        |
| Rust-Oleum Corp<br>Vernon Hills, IL<br>Employees: 150                     | Rust-Oleum, which produces protective paints and finishes, exports its surface agents and finishes to Colombia.      |

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

### Leading Illinois Exports to Colombia, 2006



Source: U.S. Department of Commerce

### Selected Illinois Companies Importing from Colombia

|  |  |
|--|--|
| Garden Row Foods<br>Saint Charles, IL<br>Employees: 3      | Garden Row, a maker of hot sauces, has imported nearly \$500,000 worth of pepper and other food ingredients from Colombia. |
| KingWire Inc.<br>North Chicago, IL<br>Employees: N/A       | KingWire, which operates one of its two U.S. distribution facilities in Chicago, imports insulated wiring from Colombia.   |
| Vyse Gelatin Company<br>Schiller Park, IL<br>Employees: 22 | Vyse, a custom processor of gelatins for a variety of industries, imports materials from Colombia.                         |

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

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

|  | (1)<br>Value of Imports, 2006 | Import Duties Currently Assessed by: |  | What Full Implementation of the U.S.-Colombia Trade Promotion Agreement (TPA) Means for Illinois: |                                      |  |
|--|-------------------------------|--------------------------------------|--|---|--------------------------------------|--|
|  |                               | (2)<br>Colombia on Illinois' Exports | (3)<br>The United States on Colombia's Exports | (4)<br>Colombia's Duties on Illinois' Exports   | (5)<br>Estimated Increase in Exports | (6)<br>Estimated Duty Savings for Illinois Exporters |
| <b>Illinois' Total Exports to Colombia</b> | \$213,768,558                 |                                      |  |   |                                      |  |
| <b>Machinery Manufactures</b>              | 60,202,006                    | Average 11.1%                        | 0%   | 0% (a)  | 14.9%                                | \$6.7 million  |
| <b>Computers &amp; Electronic Prod.</b>    | 40,407,066                    | Average 8.2%                         | 0%   | 0% (b)  | 8.0%                                 | \$3.3 million  |
| <b>Chemical Manufactures</b>               | 39,933,386                    | Average 8.1%                         | 2.3%   | 0% (c)  | 22.6%                                | \$3.2 million  |
| <b>Transportation Equipment</b>            | 29,611,217                    | Average 12.7%                        | 0%   | 0% (d)  | 16.1%                                | \$3.8 million  |
| <b>Processed Foods</b>                     | 16,621,861                    | Average 5.0%-20.0%                   | 0%   | 0% (e)  | 36.2%                                | \$831,000-\$3.3 million                              |

### 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 Illinois' industrial equipment exports will receive immediate duty-free treatment. The remaining 30 percent of products will be duty-free within ten years.

(b) Approximately 68 percent of the State's electronic products will receive immediate duty-free treatment. For information technology product exports 100 percent will receive immediate duty-free treatment.

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

(d) Under the U.S.-Colombia TPA, 91 percent of Illinois' transportation equipment exports will receive immediate duty-free treatment. The remaining duties will be eliminated over ten years.

(e) The vast majority of Illinois' exports of processed food products will receive immediate duty-free treatment under the U.S.-Colombia TPA.

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