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## **BILLING CODE 3510-FP**

### **DEPARTMENT OF COMMERCE**

#### **International Trade Administration**

#### **U.S. Infrastructure Trade Mission to Colombia and Panama**

Bogota, Columbia and Panama City, Panama, May 13-16, 2012

**AGENCY:** International Trade Administration, Department of Commerce

**ACTION:** Notice

### **MISSION DESCRIPTION**

The United States Department of Commerce is organizing a Trade Mission to Bogotá, Colombia and Panama City, Panama. Dates are May 13-16, 2013. This will be an executive-led mission, which will focus on helping U.S. companies launch or increase their export business in the promising sectors within the transportation infrastructure markets of these two countries. The mission will include business-to-business matchmaking appointments with local companies, as well as market briefings, and networking events. In both Colombia and Panama the governments and private sector are investing some \$30 billion in infrastructure projects. As a result, the mission will focus on export-ready U.S. firms in the following sectors: building products, construction equipment, electrical power systems, safety and security equipment, airport supplies, logistics and distribution solutions providers, port equipment, and intelligent transportation systems (ITS).

### **COMMERCIAL SETTING**

## **Colombia**

Colombia ranks solidly with the group of progressive, industrializing countries worldwide that have diversified agriculture, resources, and productive capacities. Despite the global economic crisis, Colombia's economic prospects are positive. In 2011, Colombia enjoyed 5.9% GDP growth and should maintain 4% in 2012. Colombia is attracting record amounts of foreign direct investment (FDI), which is further leading to rapid industrial development, necessitating the need for improved infrastructure. In 2011, Colombia attracted \$13 billion in FDI, and is on pace to attract \$15 billion in 2012. In addition, per capita income continues to grow as Colombia's middle class has doubled in the past 10 years.

Colombia is the third largest market in the region, after Mexico and Brazil, and is ranked 22nd as a market for U.S. exports globally. Over the past 10 years, Colombia has become one of the most stable economies in the region. Improved security, sound government policies, steady economic growth, moderate inflation and a wide range of opportunities make it worthwhile for U.S. exporters to take a serious look at Colombia.

Bogotá, the capital of Colombia, generates approximately 30 percent of the country's total gross domestic product (GDP). Bogotá offers diverse business opportunities in almost all economic sectors.

The overall improvement in the national safety and security situation in Colombia has allowed the government to focus on improving its infrastructure development, which along with a boom in the extractive industries, has fueled the growth of U.S. exports to Colombia, including opportunities generated by highway, hotel and housing construction in Bogotá and coastal cities such as Cartagena and Barranquilla. The government of Colombia has earmarked \$26 billion over the next 4 years for primarily road projects. However, on-going and future projects exist in

airport modernization, sea and river port developments, and rail line upgrades. In addition, most major cities in Colombia are looking for solutions to improve internal transportation, including mass transit. A recently completed US Trade Development Agency reverse trade mission focused on ITS highlights the opportunities that exist in Colombia across the board in transportation infrastructure.

Colombia's traditional acceptance of U.S. brands as well as U.S. and international standards provide a solid foundation for U.S. firms seeking to do business there. Moreover, the implementation of the US-Colombia Free Trade Agreement on May 15, 2012 provided immediate duty-free entry for 80 percent of U.S. consumer and industrial exports to Colombia, with remaining tariffs phased out over the next 10 years. The Agreement also opens the market for remanufactured goods and provides greater protection for intellectual property rights (IPR).

## **Panama**

Panama has historically served as the crossroads of trade for the Americas. Its strategic location as a bridge between two oceans and the meeting of two continents has made Panama not only a maritime and air transport hub, but also an international trading, banking, and services center.

Panama's global and regional prominence is being enhanced by recent trade liberalization and privatization, and it is participating actively in the hemispheric movement toward free trade agreements. Panama's dollar-based economy offers low inflation in comparison with neighboring countries and zero foreign exchange risk. Its government is stable and democratic and actively seeks foreign investment in all sectors, especially services, tourism and retirement properties.

Panama and the U.S. recently implemented a Trade Promotion Agreement (TPA) that has had the effect of eliminating some 90% of tariffs and duties on U.S. exports to Panama. But even before the implementation of the TPA, the U.S. was Panama's most important trading partner,

with about 30% of the import market, and U.S. products have enjoyed a high degree of acceptance in Panama. In 2011, U.S. exports to Panama jumped 34% to \$8.25 billion – in no small part due to the fact that Panama's economy grew 10.5%. However, international competition for sales is strong across sectors including telecommunications equipment, automobiles, heavy construction equipment, consumer electronics, computers, apparel, gifts, and novelty products.

Panama now enjoys investment grade rating status, granting the Government of Panama international recognition for recent tax reforms and its record of steady GDP growth while keeping its deficits under control (even in 2009, a dismal year for the world economy, Panama's economy grew 2.9% and the Government of Panama's deficit was only 1% of GDP). Not only does the investment-grade rating lower the cost of borrowing for the Government of Panama, but it sends a strong market signal that Panama, even while carrying a debt ratio that is relatively high, is one of only five Latin American countries to achieve this distinction.

Panama's economy is based primarily on a well-developed services sector, accounting for about 75% of GDP. Services include the Panama Canal, banking, the Colon Free Zone, insurance, container ports, and flagship registry. Panama is currently engaged in the Panama Canal expansion project. This project, in conjunction with the expansion of the capacities of its ports on both the Atlantic and Pacific coasts, will solidify Panama's global logistical advantage in the Western Hemisphere.

This logistical platform has aided the success of the Colon Free Zone (CFZ), the second largest in the world after Hong Kong, which has become a vital trading and transshipment center serving the region and the world. CFZ imports – a broad array of luxury goods, electronic products, clothing, and other consumer products - arrive from all over the world to be resold, repackaged,

and reshipped, primarily to regional markets. Because of this product mix, U.S. brand market share is significant, even if most of those products are made in Asia.

## **MISSION GOALS**

This trade mission is designed to help U.S. firms initiate or expand their exports to Colombia and Panama by providing business-to-business introductions and market access information.

## **MISSION SCENARIO**

The mission will stop in Panama City, Panama and Bogotá, Colombia. In each city, participants will meet with pre-screened potential agents, distributors, and representatives, as well as other business partners and government officials. They will also attend market briefings by U.S.

Embassy officials, as well as networking events offering further opportunities to speak with local business and industry decision-makers.

## **PROPOSED TIME TABLE**

|                                                                                     |                                                                                                     |
|-------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------|
| <b>Monday, May 13, 2013</b><br><br><b>Panama City, Panama</b>                       | Market Briefing<br><br>Matchmaking appointments<br><br>Networking reception                         |
| <b>Tuesday, May 14, 2013</b><br><br><b>Panama City, Panama and Bogota, Colombia</b> | Matchmaking appointments and/or site visits<br><br>Travel to Bogota in late afternoon/early evening |
| <b>Wednesday, May 15, 2013</b><br><br><b>Bogota, Colombia</b>                       | Market Briefing<br><br>Matchmaking appointments<br><br>Networking reception                         |

|                                                              |                                             |
|--------------------------------------------------------------|---------------------------------------------|
| <b>Thursday, May 16, 2013</b><br><br><b>Bogota, Colombia</b> | Matchmaking appointments and/or site visits |
|--------------------------------------------------------------|---------------------------------------------|

## **PARTICIPATION REQUIREMENTS**

All parties interested in participating in the Executive-led Trade Mission to Colombia and Panama must complete and submit an application package for consideration by the Department of Commerce. All applicants will be evaluated on their ability to meet certain conditions and best satisfy the selection criteria as outlined below. A minimum of 15 U.S. companies and/or trade associations and maximum of 17 companies and/or trade associations will be selected to participate in the mission from the applicant pool. U.S. companies or trade associations already doing business with Colombia and Panama, as well as U.S. companies or trade associations seeking to enter these countries for the first time may apply.

### **Fees and Expenses:**

After a company and/or trade association has been selected to participate on the mission, a payment to the Department of Commerce in the form of a participation fee is required. The participation fee will be \$3,980 for large firm or trade association and \$2,675 for a small or medium-sized enterprise (SME).<sup>1</sup> The fee for each additional firm representative (large firm, SME, or trade association) is \$450. Expenses for travel, lodging, most meals, and incidentals will be the responsibility of each mission participant.

### **Conditions of Participation:**

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<sup>1</sup> An SME is defined as a firm with 500 or fewer employees or that otherwise qualifies as a small business under SBA regulations (see [http://www.sba.gov/services/contracting\\_opportunities/sizestandardtopics/index.html](http://www.sba.gov/services/contracting_opportunities/sizestandardtopics/index.html)). Parent companies, affiliates, and subsidiaries will be considered when determining business size. The dual pricing reflects the Commercial Service's user fee schedule that became effective May 1, 2008 (see <http://www.export.gov/newsletter/march2008/initiatives.html> for additional information).

- An applicant must submit a completed and signed mission application and supplemental application materials, including adequate information on the company's products and/or services, primary market objectives, and goals for participation. If the Department of Commerce receives an incomplete application, the Department may reject the application, request additional information, or take the lack of information into account when evaluating the applications.
- Each applicant must also certify that the products and services it seeks to export through the mission are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content. In the case of a trade association or trade organization, the applicant must certify that, for each company to be represented by the trade association or trade organization, the products and services the represented company seeks to export are either produced in the United States, or, if not, marketed under the name of a U.S. firm and have at least fifty-one percent U.S. content.

#### **Selection Criteria for Participation:**

Selection will be based on the following criteria, listed in decreasing order of importance:

- Suitability of the company's (or, in the case of a trade association or trade organization, represented companies') products or services for the Colombian and Panamanian markets
- Company's (or, in the case of a trade association or trade organization, represented companies') potential for business in Colombia and Panama, including likelihood of exports resulting from the mission
- Consistency of the applicant's goals and objectives with the stated scope of the trade mission

Referrals from political organizations and any documents containing references to partisan political activities (including political contributions) will be removed from an applicant's submission and not considered during the selection process.

## **TIMEFRAME FOR RECRUITMENT AND APPLICATIONS**

Mission recruitment will be conducted in an open and public manner, including publication in the Federal Register (<http://www.gpoaccess.gov/fr>), posting on ITA's trade mission calendar – <http://export.gov/trademissions> – and other Internet web sites, press releases to general and trade media, direct mail, broadcast fax, notices by industry trade associations and other multiplier groups, and publicity at industry meetings, symposia, conferences, and trade shows.

Recruitment will begin immediately and conclude no later than Friday, February 15, 2013. The U.S. Department of Commerce will review applications and make selection decisions on a rolling basis until the maximum of fifteen participants is reached. We will inform all applicants of selection decisions as soon as possible after the applications are reviewed. Applications received after the February 15<sup>th</sup> deadline will be considered only if space and scheduling constraints permit

## **HOW TO APPLY:**

Applications can be downloaded from the trade mission website or can be obtained by contacting Arica Young, Carlos Suarez or Enrique Tellez at the U.S. Department of Commerce (see contact details below.) Completed applications should be submitted to Arica Young, Carlos Suarez or Enrique Tellez.

**CONTACTS:**

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