



LATIN AMERICA TRADE COALITION

Who Supports the Trade Agreements with Colombia and Panama?

Virtually Every Sector of American Business and Agriculture!

- More than 1,200 companies, associations, and chambers of commerce that have joined the Latin America Trade Coalition;
- All of the leading U.S. business and agriculture associations, representing literally millions of workers, farmers, and companies;
- More than 400 state and local chambers of commerce;
- More than 50 organizations representing producers of agricultural commodities from apples to zucchini; and
- The entire textile and apparel supply chain, from cotton growers and yarn-spinners to textile and apparel manufacturers.

ATTACHMENTS — perspectives of:

- Manufacturers
- Farmers and Ranchers
- Service Providers
- High-Tech Industries
- Textile and Apparel Industries
- Editorial Opinion

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Who Supports the Trade Agreements with Colombia and Panama? **America's Manufacturers!**

The U.S. manufacturing sector supports trade with Colombia and Panama!

- Colombia and Panama offer U.S. manufacturers a great opportunity to increase exports in growing markets. In 2007, Colombia's GDP grew at a rate of nearly 8%, and Panama's GDP grew at a rate of 11.5%, according to the IMF.
- Small and medium-sized manufacturers will strongly benefit from the agreements: Over 8,500 small and medium-sized companies export manufactured goods to Colombia, and nearly 5,000 smaller companies export manufactures to Panama. These firms represent 83% of U.S. exporters to these countries.

Manufactured goods account for most U.S. exports to Colombia and Panama!

- In 2007, the U.S. exported \$6.9 billion worth of manufactured goods to Colombia – 81% of the total \$8.5 billion in U.S. exports to Colombia. In 2007, the U.S. exported \$3.4 billion worth of manufactured goods to Panama – 92% of the total \$3.7 billion in U.S. exports to Panama.
- According to the National Association of Manufacturers, U.S. manufactured goods exports to Colombia grew 25% in 2007, 24% in 2006, and have grown by 134% over the past five years. U.S. manufactured goods exports to Panama grew 37% in 2007, 25% in 2006, and have grown by 180% over the past five years.

The trade agreements offer real advantages to the manufacturing sector!

- Due to existing U.S. trade preferences, over 90% of Colombian and Panamanian exports of manufactured goods enter the U.S. market duty free.
- U.S. manufactured goods face an average tariff of 14% in Colombia and 7% in Panama. These agreements will lower these tariffs to zero, in most cases immediately.
- Failure to pass the agreements could cause the U.S. to lose our strong position in the Colombian and Panamanian markets as other countries such as Canada and the European Union enter into free trade agreements with them.

The trade agreements with Colombia and Panama are great deals for U.S. manufacturers!

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Who Supports the Trade Agreements with Colombia and Panama? **American Farmers and Ranchers!**

American farmers and ranchers support trade with Colombia!

- The United States is the largest supplier of agricultural products to Colombia, with U.S. farm and ranch exports to the country doubling over the past four years. Colombia is the largest export market for American farmers in South America, purchasing \$1.67 billion in U.S. agricultural products in 2008.
- Colombia is a top market for U.S. wheat, soybean cake and meal, and cotton despite its high tariffs (67%, 18%, and 11%, respectively). Despite Colombia's steep tariffs on U.S. corn (ranging as high as 57% under a price band system), the country is the sixth largest market in the world for U.S. corn exports.
- Colombia has some of the highest tariffs for agricultural goods in South America, while 99.9% of Colombian agricultural goods enter the U.S. market duty free.

American farmers and ranchers support trade with Panama!

- The U.S. exported a record \$429 million in agricultural products to Panama in 2008. Panama is a valuable market for U.S. corn, soybean meal, and wheat despite its high tariffs (15%, 15% and 10%, respectively).
- Most Panamanian farm goods enter the U.S. marketplace duty free through the Caribbean Basin Initiative. Panama's average tariff on U.S. agriculture products is 15%, though tariffs as high as 260% are applied to some agriculture goods.
- Despite Panama's 90% tariff on U.S. rice, the country buys more rice from U.S. farmers than any South American country.

The agreements could produce nearly a billion dollars in new farm exports!

- More than half of all U.S. agricultural exports will win immediate duty-free access to the Colombian and Panamanian markets upon entry-into-force of the trade agreements. They will allow U.S. farmers and ranchers to access these markets on terms equal to or better than South American suppliers, who currently face lower tariffs when they sell to these countries.
- According to an analysis by the American Farm Bureau Federation, agricultural exports to Colombia and Panama are expected to grow by more than \$690 million dollars and nearly \$200 million a year, respectively, upon full implementation of the two trade agreements.



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Who Supports the Trade Agreements with Colombia and Panama? **The U.S. Service Industries!**

The U.S. service industries support trade with Colombia and Panama!

- U.S. service providers — including financial services, express delivery, telecommunications, IT, audiovisual, retail services, and many others — strongly support the U.S.-Colombia and U.S.-Panama Trade Promotion Agreements.
- Services are the largest part of the U.S. economy — accounting for over 93 million jobs and over 81% of private sector GDP in 2007.
- In 2008, U.S. services exports surpassed \$535 billion, up 11% from 2007. Over the same period, the U.S. services trade surplus increased from \$139 billion to \$168 billion. U.S. service exports accounted for nearly a third of U.S. exports.

Colombia and Panama are growing markets!

- In Colombia, the service sector accounts for 54% of GDP, and 59% of the labor force is employed in service industries. The service sector accounts for 80% of Panama's GDP, while 67% of its labor force is employed in service industries.
- Colombia's service sector accounted for \$70 billion of its GDP in 2007. In 2007, Panama's service sector accounted for \$13.6 billion of its GDP.

The trade agreements expand opportunities for the U.S. service sector!

- The trade agreements with Colombia and Panama provide a transparent and predictable legal framework for trade, dismantle barriers to trade in services, and ensure protection of U.S. investments.
- The agreements prohibit discriminatory treatment of U.S. companies and create increased market access, with comprehensive liberalization across the spectrum of service industries.
- New opportunities are vital to the continued growth and competitiveness of the U.S. service sector.

The trade agreements with Colombia and Panama mean new opportunities for U.S. service industries and will help advance development in these countries.



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Who Supports the Trade Agreements with Colombia and Panama? **America's High-Tech Industries!**

The U.S. high-tech industries support trade with Colombia and Panama!

- Members of the U.S. high-tech industries — from consumer electronics to software producers — strongly support the U.S.-Colombia and U.S.-Panama Trade Promotion Agreements.
- Currently, U.S. high-tech exports to Colombia and Panama directly support approximately 6,300 and 1,600 American jobs, respectively, according to data from the U.S. Census Bureau.
- Large and small tech companies derive about 60% of their revenue from foreign markets. With so many great American jobs tied to exports, opening foreign markets such as Colombia and Panama is a priority.

Colombians and Panamanians love American high-tech products!

- In 2007, the U.S. exported \$1.5 billion in technology merchandise to Colombia and \$390 million to Panama, according to TechAmerica (formerly AeA).
- According to TechAmerica, U.S. high-tech exports to Colombia grew 28% in 2007 and have grown by 100% over the past six years. U.S. high-tech exports to Panama grew 26% in 2007 and have grown by 83% over the past six years.

The trade agreements offer real advantages to the U.S. tech sector!

- The agreements require Colombia and Panama to join the World Trade Organization's Information Technology Agreement, removing tariff and non-tariff barriers to U.S. exports of high-tech products.
- Failure to pass the agreements could cause the U.S. to lose our position as a market leader in Colombia and Panama as other countries such as Canada and the European Union enter into trade agreements with them.

**The U.S.-Colombia and U.S.-Panama
Trade Promotion Agreements
are a WIN-WIN deal for consumers
and U.S. high-tech manufacturers!**

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Who Supports the Trade Agreements with Colombia and Panama? **The U.S. Textile and Apparel Industries!**

*The entire U.S. textile and apparel supply chain —
from cotton growers and fiber and yarn producers to importers and retailers —
supports the U.S.-Colombia and U.S.-Panama Trade Promotion Agreements.*

Colombians love U.S. cotton, yarn, and fabric!

- The U.S. textile and apparel industries employ more than 500,000 U.S. workers — more jobs than just about any other manufacturing sector. An estimated 500,000 Colombian workers are also employed in these industries.
- U.S. yarn, fabric, and cotton exports to Colombia currently face duties of 10-15%. These duties would be immediately eliminated under the agreement.
- Colombia is now the 15th largest buyer of U.S. yarn, fabric and cotton in the world. In 2008, U.S. yarn, fabric and cotton exports to Colombia hit \$155 million.

Panamanians love U.S. textiles and footwear!

- In 2007, U.S. shipments of textiles and apparel to Panama increased 53%, totaling nearly \$30 million.
- Panamanians buy more U.S. footwear than any country in South America. In 2007, the U.S. exported nearly \$10 million in U.S. footwear to Panama.

Without the trade agreements, jobs will move elsewhere, not to the U.S.

- While Latin America remains a key market for U.S. textile exports, the Western Hemisphere textile and apparel industries face stiff competition from Asia.
- Uncertainty arising from the temporary nature of trade preferences has motivated U.S. investors to take their business elsewhere, mostly to Asia. Since 2006, U.S. apparel imports from Colombia have dropped a whopping 41%. In turn, U.S. yarn and fabric exports to Colombia have dropped an incredible 35% during the same period.
- This dynamic is bad news for U.S. cotton growers and manufacturers of yarn, fiber, and fabric. Apparel manufacturers outside the Western Hemisphere use little U.S. cotton, yarn, and fabric.

The Western Hemisphere's integrated textile and apparel manufacturing industries use U.S. inputs on a significant scale — and that's good for tens of thousands of workers in the United States, Colombia, and Panama!

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Who Supports the Trade Agreements with Colombia and Panama? **Leading U.S. Newspapers!**

“We don't say it all that often, but President Bush is right: Congress should pass the Colombian free-trade agreement now. We believe that the trade pact would be good for America's economy and workers. Rejecting it would send a dismal message to allies the world over that the United States is an unreliable partner and, despite all that it preaches, does not really believe in opening markets to trade.”

— ***The New York Times***, November 18, 2008

“U.S. manufacturers and their employees are in a world of hurt. There is something House Speaker Nancy Pelosi could do right now that would boost their prospects. We're not talking about another government bailout. We're talking about something that would have an immediate, positive payback and wouldn't cost taxpayers a penny. In a word, Colombia. Pelosi could bring the Colombia Free Trade Agreement to a vote in the House.”

— ***The Chicago Tribune***, November 22, 2008

“While unions oppose the deal, there's no credible economic argument against it. Currently, more than 90 percent of Colombia's exports enter the United States duty-free under a temporary trade-preference program, but U.S. exports to Colombia face tariffs of up to 35 percent. The deal would level the playing field for U.S. exporters and create U.S. jobs.”

— ***Orlando Sentinel***, November 19, 2008

“The advantage for the United States is that it levels the playing field. U.S. products sold in Colombia currently pay tariffs of up to 35 percent, while practically all of Colombia's goods enter this country duty-free, thanks to existing trade law.”

— ***The Miami Herald***, November 17, 2008

“On its face, the Colombian FTA is a no-brainer: More than 80 percent of American exports of consumer and industrial goods to Colombia would become duty-free immediately. Remaining tariffs would be phased out over 10 years. We say no-brainer because most Colombian goods imported to the United States already come in duty free under previous agreements. This new deal would open the Colombian market for U.S. products, and that's good for American workers.”

— ***The Oklahoman***, September 23, 2008

“Colombian goods already enter this country duty-free; the pact currently blocked in Congress would open Colombia to U.S. exports.”

— ***The Palm Beach Post***, July 5, 2008



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“A vote for the Colombia deal would show Latin America that a staunch U.S. ally will be rewarded for improving its human rights record and resisting the anti-American populism of Venezuela's Hugo Chavez.”

—***The Washington Post***, March 31, 2008

“Colombia mostly sends us petroleum and coal, as well as coffee beans, cut flowers and clothing. We sell them lots of oil-drilling equipment, construction machines, computers, corn and consumer goods...The dropping of tariffs of up to 20 percent would encourage Colombia to buy more Florida agricultural products, especially oranges and tomatoes.”

—***Tampa Tribune***, March 1, 2008

“The Colombia trade deal would remove duties on all U.S. farm exports and 80 percent of other U.S. exports to the South American nation.”

—***Chicago Tribune***, March 1, 2008

“Maybe the next president can get it done, but why wait? The United States and Colombia have signed a valuable, worthy trade pact. Get it done now.”

—***South Florida Sun-Sentinel***, February 22, 2008

“Colombia is fighting a stubborn cocaine-fueled insurgency. Its government has managed to hold a Marxist drug-fueled rebellion at bay and is a strong U.S. ally. To leave them out of the trade partnership would be to betray a partner in democratic values... Congress should move quickly to pass the free trade pacts with Colombia and Panama and send Latin Americans the message that trade can lift everyone.”

—***Corpus Christi Caller-Times***, December 9, 2007

“First, and foremost, the benefits of free trade are undeniable... After years of democratization in the nations of Latin America, Venezuela — under cultish leader Hugo Chavez — has been turning toward collectivization. Successful trade, one hopes, can only help to negate his status and foster market economies and greater freedom throughout the region.”

—***The Republican*** (Springfield, Massachusetts), December 9, 2007

“Ratification of the trade promotion agreement would help consolidate Colombia’s progress by bringing jobs and income to its people... It’s time for Democrats to drop their strained human rights objections to the Colombia trade promotion agreement and deal with it on its merits.”

—***Washington Post***, November 9, 2007

“For Congress to now say that it is disgusted by the violence, particularly against one sector of the Colombia population, and to use that argument to undermine a free trade treaty, is a travesty.”

—***The South Florida Sun-Sentinel***, October 29, 2007



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“Few countries in the Western Hemisphere have shown as much improvement on human rights and international crime issues as Colombia, but Democrats threaten they’ll kill that deal, too. That would have the odious effect of keeping some Colombian farmers in the illegal drug business. Reducing barriers to trade would give Colombian farmers a better incentive to sell legal agricultural products.”

—*The Detroit News*, August 12, 2007

“Helping Colombia is in our national interest. It’s about helping our strongest friend in the region, not about catering to a domestic interest group. Unless Congress wants to send a signal that the United States either doesn’t care or doesn’t know who its friends are — there are fewer every day — lawmakers should extend Mr. Uribe a helping hand instead of giving him the back of the hand.”

—*Miami Herald*, July 24, 2007

“Denying Colombia duty-free access to U.S. markets — and denying American exporters such access to Colombian markets — wouldn’t improve human rights for the 44 million Colombians. The trade agreement should be approved.”

—*Chicago Tribune*, June 23, 2007

“Offering the Colombians anything less than access to economic growth would be unfair and damaging not only to them, but to us.”

—*San Francisco Chronicle*, June 13, 2007

“Now the Democratic-controlled Congress is balking at passing a painstakingly negotiated free trade agreement with Colombia. This would be both a betrayal and a blunder — because free trade and economic growth are perhaps the only ways to help the country continue its progress from near-failed state to democratic government struggling toward a modicum of peace, prosperity and accountability after four decades of violence. Colombians will view rejection of the agreement as a repudiation of their hard work and proof that U.S. protectionism trumps American promises about friendship, security and joint prosperity.”

—*Los Angeles Times*, May 26, 2007

“The twice-elected Mr. Uribe is the most far-sighted leader Colombia has had in decades, and his FTA is an attempt to align his country’s future firmly with the hemisphere’s free-market democracies. Peru, Panama and Colombia are saying they want to be America’s political and economic partners. Do Democrats in Congress want to drive them into the arms of Mr. Chávez?”

—*Wall Street Journal*, May 4, 2007

“On a continent where anti-U.S. sentiment has been rising, Colombia is America’s most steadfast friend.”

—*Chicago Sun Times*, June 29, 2006