



## Manufacturing and the U.S.-Colombia and U.S.-Panama TPAs: Jobs, Exports, and Growth

### 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 2010, Colombia's GDP grew at a rate of nearly 4.4%, and Panama's GDP grew at a rate of 6.5%, according to the IMF. Both countries are projected to enjoy economic growth averaging more than 5% a year through 2012, according to the EIU.
- U.S. manufactured goods exports to Colombia have more than doubled in the past five years, rising 133% in 2005-2010. U.S. exports to Panama have grown even faster, rising 182% in the same period. All of this occurred despite sometimes the two countries' often steep tariffs on U.S. exports.

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

- In 2010, the U.S. exported \$11 billion worth of manufactured goods to Colombia — accounting for more than 90% of the total of \$12 billion in U.S. merchandise exports to Colombia. The same year, the U.S. exported \$5.6 billion worth of manufactured goods to Panama — also more than 90% of total U.S. exports to Panama.
- From 2005 to 2010, 46 states increased their exports of manufactured goods to Colombia, and 44 states increased their exports of manufactured goods to Panama.
- America's manufacturing sector is complimentary – not competitive – with Colombia's manufacturers. Over 90% of Colombia's exports to the United States are oil, fruits, flowers, coffee or precious stones. American manufacturing will not be negatively impacted by Colombian exports. In 2010, the United States had a \$5.5 billion trade surplus in manufactured goods with Colombia.

### The trade agreements offer real advantages to the manufacturing sector!

- Due to existing U.S. trade preferences, nearly all Colombian and Panamanian exports of manufactured goods enter the U.S. market duty free.
- However, U.S. manufactured goods face an average tariff of 15% in Colombia and 7% in Panama. The trade agreements will lower these tariffs to zero, in most cases immediately.
- Failure to pass the agreements could cause U.S. manufacturers to lose their strong position in the Colombian and Panamanian markets as other countries enter into free trade agreements with them, as Canada and the EU are doing (in August 2011 and 2012, respectively).