

Colombia Opinion-Editorial
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On a recent trade mission to Bogotá and Medellín, Colombia led by the Alabama Development Office and supported by the Mobile Area Chamber of Commerce and the Alabama State Port Authority, nine individuals from Alabama heard presentations from numerous trade promotion entities. Members of the delegation were favorably impressed by the economic progress Colombia has made in the last several years. Local companies participating in the trip were Fokker Airinc of Fairhope, Masland Carpets of Saraland and Quality Valve, Mobile.

Today's Bogotá is much different than you might imagine. With more than seven million residents, it is the 4th largest city in South America and ranks as one of the best cities for doing business within Latin America, due largely to its stable political environment and a highly competitive workforce. Security in Bogotá and others cities throughout Colombia is a top priority, with much of the credit going to President Alvaro Uribe who won re-election in 2006.

According to the Latin American Trade Coalition, more than 8,000 U.S. companies export to Colombia – of which 84 percent are small and medium-sized firms. Closer to home, Alabama's export of merchandise in 2006 totaled \$13.87 billion, up 60 percent from 2002. Of Alabama's major markets, exports to Colombia grew the fastest from 2002-2006. Alabama's export of goods to Colombia surged from \$43 million to \$276 million, an increase of 376 percent, according to the International Trade Administration.

Why is this important? Exports sustain thousands of Alabama businesses. More than 2,400 companies exported from Alabama locations in 2005, and that translates into investment and jobs. As it related to agriculture, Alabama is a major exporter of livestock, poultry, eggs, beef and peanuts to Colombia. Despite high tariffs and other barriers on agriculture products, Colombia is already the second largest market for U.S. farm products in Latin America with significant potential for growth.

Though the Mobile area companies that participated in the recent trade mission feel they have strong leads and high potential for writing business in Colombia, all three companies currently pay high tariffs, between 15% and 20%, on the products they export into Colombia, a serious barrier to their competitiveness in that market.

To overcome this and other barriers, the U.S. Congress is debating whether to approve the U.S.-Colombia Free Trade Agreement, which would eliminate these tariffs on products exported from the United States to Colombia. A number of free trade agreements (FTA) are benefiting Alabama companies today, and in turn benefiting millions of men and women worldwide. For example, in the first three years of the U.S.-Chile FTA, U.S. exports to that country increased 90 percent. Similarly, a free trade agreement resulted in exports to Jordan increasing by more than 200 percent; and the North America FTA, one of the first, linking Canada to Mexico via the United States, has seen export growth of more than 239 percent.

The Mobile Area Chamber's international trade division has spent the last decade crossing the globe in an effort to help local companies increase their export business with much success. And this mission was no exception, as Mobile area companies wrote or believe they will write business from the contacts they made. Think of the potential that would exist were U.S. exporters allowed to become more competitive in this market.

So what can you do? Call your legislators and encourage them to support the U.S.-Colombia Free Trade Agreement. Alabama companies benefit from this effort, and more directly, products coming through the Alabama State Docks will have an even greater positive economic impact for Mobile. With the passage this FTA, tariffs would be eliminated over time, making Alabama companies even more competitive in the Colombian market, positively impacting not only agricultural exporters, but exporters of machinery, chemicals, transportation equipment and manufacturers.