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Ms. Speaker Nancy Pelosi

Office of the Speaker
H-232, US Capitol
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Honourable Congress of the United States of America

Small and medium enterprises in Colombia, represent 99% of the establishments in the country. We are supporters of market economy system, the free commerce socially responsible and the internationalization of productive activities. We firmly believe that the FTA is beneficial for the SMEs of the United States of America and Colombia. The presence of North American SMEs in our country will be higher and agreements for joint investments between medium companies of our two countries will become reality.

The consolidation of the democratic system in the Colombian society, the promotion of competence, the defense of labour and unions rights, the final overcome of our internal conflict and the strengthening of political and economical freedoms are objectives that would result benefited by the Treaty.

These arguments led the SMEs segment, represented by ACOPI in Colombia, to participate in an active manner in the negotiation process of the free trade agreement with the United States of America.

Thanks to the FTA negotiation process, Colombian SMEs have obtained changes, that if it were not for this Agreement, we could hardly materialize in the conditions inside which traditionally economic decisions in our country have been conformed. We can mention some of these achievements:

1. The access to raw materials and inputs that are not produced in Colombia or that are produced in a monopoly or inefficient oligopoly schemes. More than 26 thousand bakeries, 3 thousand confectioners, 2 thousand printings in the graphical arts sector and 200 metal metal mechanics companies will benefit from the tariff reduction agreements achieved.

2. The agreement tends to lessen money laundering encouraged through smuggling and other type of illicit activities, apart from enhancing the consumption patterns of the population and guarantee protection levels to the consumer in the use of goods and services.
3. SMEs supported the liberalization of great part of the remanufacture goods opening possibilities for acquiring machinery reconstructed and at the same time acknowledging the importance of small companies with a great potential for being internationalized through subcontracting relations with North American Companies.
4. SMEs belonging to the health sector, to the software sector, supplier enterprises of the public services and professionals, need to have the instruments that permit flexible access to the markets of the area in both directions, goals that will not be reached except with the signature of the Treaty.
5. The Commission for the homologation of titles in the field of professional services and the immediate tariff reduction to the exportable offer of Colombian SMEs are also important improvements for our sector that will redound in higher commerce volumes and investments.
6. The negotiation regarding public purchases matters opens the possibility of alliances between SMEs of both countries for providing directly and indirectly to the public sector and permitting that Colombia through the thresholds, design a public politic embodied for the SMEs in this field. Thanks to this agreement SMEs of the United States of America and of Colombia will have access to state purchase markets, observing at all times the responsibility standards in the labour relations and the quality of supplies.
7. The FTA is not a panacea. It is a challenge. Colombian SMEs sector has accepted this challenge. Due to this ACOPI backs up the National Government and Negotiating Team, and will fight for an internal agenda that will involve compensations for the sectors that are affected, starting by the proper small and medium enterprises, that will contain real productive politics for an open economy.

With more than 1300 employers among the victims of the violence in Colombia, we are the sector that has suffered the highest criminal abuse from the guerrilla and the paramilitaries. We reject emphatically

these manifestations of brutality and its ineludible links with drug dealers. The denegation of the FTA will certainly close opportunities for companies and workers, leaving young people from the countryside and of the city exposed to the temptation of drug dealing retribution and to its criminal agents. To strengthen our institutions and demand from them consequences in the fight against all violence manifestations is the correct behavior that the international community must assume.

A FTA between the United States of America and Colombia serves the democracy in our country. It serves for its workers and to increase the great friendly relation between our countries and its people. It is a real mechanism for the fight against drug dealers and places in the economic base, a platform for the authentic defense of labour rights so that Colombia can advance in the overcome of the internal conflict for the expansion of opportunities for our SMEs. We rely on your proven capability for understanding in whole our reality and in its determination for approving the Treaty at the briefest possible time under the consideration always superior of our common values regarding democracy and liberty.

With sentiments of our most distinguished consideration

JUAN ALFREDO PINTO SAAVEDRA

President of ACOPI

(Colombian Association of Micro, Small and Medium Enterprises)