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Trade and Employment Effects of the Andean Trade Preference Act - 2009

Bureau of International Labor Affairs

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Abstract

[Excerpt] The submission of this report to the Congress continues a series of reports by the U.S. Department of Labor on the trade and employment effects of the Andean Trade Preference Act (ATPA). The current report covers calendar year 2009 and represents the seventeenth in the series.

The ATPA, enacted on December 4, 1991, authorized the President to proclaim duty-free treatment for eligible articles from Bolivia, Colombia, Ecuador, and Peru. ATPA preferential duty treatment expired on December 4, 2001, but was renewed by the Andean Trade Promotion and Drug Eradication Act (ATPDEA) and applied to imports as of December 5, 2001. The ATPDEA significantly expanded the product coverage of the ATPA program. While the ATPA, as amended and expanded by the ATPDEA, was originally scheduled to expire on December 31, 2006, Congress has extended the programs several times, and currently the ATPA/ATPDEA is scheduled to expire on December 31, 2010. Section 207 of the ATPA directs the Secretary of Labor to undertake a continuing review and analysis of the impact of ATPA/ATPDEA preferences on U.S. employment and submit a summary report of such analysis annually to the Congress.

Three of the original four ATPA countries – Colombia, Ecuador, and Peru – received benefits under the ATPA/ATPDEA in 2009. A total of $9.7 billion in U.S. imports from the beneficiary countries entered the United States duty-free under ATPA/ATPDEA provisions. This represented 47 percent of all U.S. imports from the beneficiary countries in 2009, but just 0.6 percent of total U.S. imports from all sources. Of the $9.7 billion in imports that entered duty- free under the provision of the ATPA/ATPDEA, approximately ten percent, or $1.0 billion, could have qualified for duty-free entry under the Generalized System of Preferences (GSP) or the United States – Peru Trade Promotion Agreement (PTPA) and, as such, were not benefits available exclusively under the ATPA/ATPDEA. U.S. imports from the beneficiary countries that benefited exclusively from the ATPA/ATPDEA were $8.7 billion in 2009, which represented 42 percent of all U.S. imports from the beneficiary countries, but just 0.6 percent of total U.S. imports from all sources.

The main finding of this report is that preferential tariff treatment under the provisions of the original ATPA and the ATPDEA amendments has neither had an adverse impact on, nor posed a significant threat to, overall levels of U.S. employment.

Keywords

Andean Trade Preference Act, U.S. employment, imports

Comments

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TRADE AND EMPLOYMENT EFFECTS OF THE ANDEAN TRADE PREFERENCE ACT

Seventeenth Annual Report for 2010
Submitted to the Congress
Pursuant to Section 207 of the
Andean Trade Preference Act

Prepared by
The U.S. Department of Labor
Bureau of International Labor Affairs

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EXECUTIVE SUMMARY

The submission of this report to the Congress continues a series of reports by the U.S. Department of Labor on the trade and employment effects of the Andean Trade Preference Act (ATPA). The current report covers calendar year 2009 and represents the seventeenth in the series.

The ATPA, enacted on December 4, 1991, authorized the President to proclaim duty-free treatment for eligible articles from Bolivia, Colombia, Ecuador, and Peru. ATPA preferential duty treatment expired on December 4, 2001, but was renewed by the Andean Trade Promotion and Drug Eradication Act (ATPDEA) and applied to imports as of December 5, 2001. The ATPDEA significantly expanded the product coverage of the ATPA program. While the ATPA, as amended and expanded by the ATPDEA, was originally scheduled to expire on December 31, 2006, Congress has extended the programs several times, and currently the ATPA/ATPDEA is scheduled to expire on December 31, 2010. Section 207 of the ATPA directs the Secretary of Labor to undertake a continuing review and analysis of the impact of ATPA/ATPDEA preferences on U.S. employment and submit a summary report of such analysis annually to the Congress.

Three of the original four ATPA countries – Colombia, Ecuador, and Peru – received benefits under the ATPA/ATPDEA in 2009. A total of $9.7 billion in U.S. imports from the beneficiary countries entered the United States duty-free under ATPA/ATPDEA provisions. This represented 47 percent of all U.S. imports from the beneficiary countries in 2009, but just 0.6 percent of total U.S. imports from all sources. Of the $9.7 billion in imports that entered duty-free under the provision of the ATPA/ATPDEA, approximately ten percent, or $1.0 billion, could have qualified for duty-free entry under the Generalized System of Preferences (GSP) or the United States – Peru Trade Promotion Agreement (PTPA) and, as such, were not benefits available exclusively under the ATPA/ATPDEA. U.S. imports from the beneficiary countries that benefited exclusively from the ATPA/ATPDEA were $8.7 billion in 2009, which represented 42 percent of all U.S. imports from the beneficiary countries, but just 0.6 percent of total U.S. imports from all sources.

The main finding of this report is that preferential tariff treatment under the provisions of the original ATPA and the ATPDEA amendments has neither had an adverse impact on, nor posed a significant threat to, overall levels of U.S. employment.

INTRODUCTION

The Andean Trade Preference Act (ATPA), which was enacted on December 4, 1991 (Pub. L. No. 102-182, Title II, 105 Stat. 1233), was part of a larger Andean Initiative that the United States launched that year. The primary goal of the Andean Initiative was to expand private sector opportunities and investment in nontraditional sectors of the Andean countries as an alternative to production of illegal drugs and to help them diversify their economies and expand their exports. The ATPA authorized the President to proclaim duty-free treatment for eligible articles from Bolivia, Colombia, Ecuador, and Peru. The President proclaimed duty-free treatment of certain eligible articles from Bolivia and Colombia on July 2, 1992, Ecuador on April 13, 1993, and Peru on August 11, 1993. ATPA preferential duty treatment expired on December 4, 2001, but was renewed by the Andean Trade Promotion and Drug Eradication Act (ATPDEA) to apply to imports as of December 5, 2001, as part of the Trade Act of 2002 (Pub. L. No. 107-210, Div. C, Title XXXI, 116 Stat. 1023) on August 6, 2002. The ATPDEA significantly expanded the product coverage of the ATPA program. The ATPA, as amended and expanded by the ATPDEA, will be referred to hereafter in this report as the ATPA. The ATPA was scheduled to expire on December 31, 2006, however Congress has extended the program several times. Currently the ATPA is scheduled to expire on December 31, 2010.

On November 25, 2008, based on Bolivia's failure to meet ATPA eligibility criteria related to counternarcotics cooperation, President Bush suspended Bolivia's designation as a beneficiary country under the ATPA, effective December 15, 2008.[1] As a result, Bolivia did not receive benefits under the ATPA/ATPDEA during calendar year 2009, the year covered by this report.

The United States – Peru Trade Promotion Agreement (PTPA) entered into force on February 1, 2009. The PTPA makes permanent some benefits similar to the ones that Peru receives under the ATPA and further liberalizes trade with the United States in other areas. While benefits under the PTPA have replaced ATPA benefits in many instances, the PTPA did not entirely supplant the ATPA and Peru remains a designated beneficiary country of the ATPA.[2]

Section 207 of the ATPA requires the Secretary of Labor, in consultation with other appropriate federal agencies, to undertake a continuing review and analysis of the impact of the implementation of the ATPA on U.S. labor. The legislation also directs the Secretary to submit an annual report to the Congress that presents a summary of the results of the review and

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[1] At the end of 2008, Congress extended the ATPA through December 31, 2009, for Colombia and Peru. The same legislation extended the ATPA for Bolivia and Ecuador through June 30, 2009 – even though Bolivia remained suspended from the program at the time – and provided that benefits under the ATPA could be extended for an additional six months based on whether or not the President made certain determinations. Based on President Obama's decisions on June 30, 2009, benefits under the ATPA remain in effect for Ecuador, but no ATPA benefits remained in effect for Bolivia after that date. See http://www.ustr.gov/webfm_send/1184. At the end of 2009, Congress extended the ATPA through December 31, 2010.

[2] In some cases, items that would not qualify for duty-free entry under the PTPA may qualify for duty-free entry under the ATPA as the ATPA has less restrictive rules of origin than the PTPA. For example, the PTPA requires that apparel items be made from yarn and fabric produced in the United States or Peru to qualify for duty-free treatment. Under the ATPA, the yarn and fabric can be from the other ATPA beneficiary countries, in addition to the United States and Peru.

analysis. This report is the seventeenth in a series of annual reports to the Congress pursuant to Section 207 of the ATPA. It presents a summary of the analysis of the impact of duty-free treatment of U.S. imports from beneficiary countries under the ATPA on U.S. trade and employment during calendar year 2009. This report considers the three beneficiary countries that received benefits under the ATPA in 2009: Colombia, Ecuador, and Peru (hereafter, "the beneficiary countries").

First, this report reviews trends in U.S. trade with the three beneficiary nations and identifies the leading items in U.S. trade (imports and exports) with those nations. Next, U.S. imports from the beneficiary nations are examined with regard to the various ways they may enter duty free. The report then identifies U.S. trade preferences that are exclusively available to the beneficiary countries under the ATPA and the import product groups that have increased significantly or established significant U.S. market share since the extension of duty-free benefits offered exclusively by the ATPA. Finally, the report reviews domestic employment trends in the domestic industries that produce goods similar to those imports which received significant exclusive duty-free benefits under the ATPA. The report closes with some general conclusions on the impact of the ATPA on U.S. employment. All of the referenced data tables appear at the end of the report.

The value of U.S. imports for consumption and domestic exports used in this report are based on compilations of official statistics by the U.S. Department of Commerce, Bureau of the Census, and are extracted from the U.S. International Trade Commission's (USITC) Interactive Tariff and Trade Dataweb.[3] U.S. employment data are from the U.S. Department of Labor's Bureau of Labor Statistics (BLS).[4]

[3] The USITC Interactive Tariff and Trade Dataweb is available at http://dataweb.usitc.gov/. All trade data are in nominal terms.
[4] Unless otherwise noted, employment data are from BLS's Current Employment Statistics program and are available at www.bls.gov/ces.

U.S. MERCHANDISE TRADE WITH THE ATPA BENEFICIARY COUNTRIES IN 2009

Total U.S. Trade with the Beneficiary Countries

U.S. imports from the three beneficiary countries in 2009 amounted to $20.7 billion (see Table 1). These imports accounted for 1.3 percent of total U.S. imports from all sources in 2009. U.S. exports to the beneficiary countries in 2009 amounted to $16.7 billion (see Table 2). These exports accounted for 1.8 percent of all U.S. exports to the world in 2009.

By broad industrial sector, 46.6 percent of U.S. imports from the beneficiary countries in 2009 were oil, gas, minerals and ores; 33.3 percent were manufactured products; 15.9 percent were agricultural products; and 4.2 percent were other miscellaneous items (see Table 1). By comparison, 88.0 percent of U.S. exports to the beneficiary countries in 2009 were manufactured products; 6.2 percent were agricultural products; 4.6 percent were other miscellaneous items; and 1.2 percent was oil, gas, minerals, and ores (see Table 2).

Table 3 presents the 5-digit North American Industry Classification System (NAICS)-based industries[5] where U.S. imports from the beneficiary countries in 2009 exceeded $200 million. These leading import industries were: oil and gas ($8.4 billion); nonferrous metal (except aluminum) smelting and refining ($2.7 billion); non-citrus fruits and tree nuts ($1.7 billion); coal ($1.1 billion); petroleum refinery products ($1.0 billion); nursery products, flowers, seeds, and foliage ($635.0 million); fresh, chilled, or frozen fish and other marine products ($625.4 million); items imported under special classification provisions ($624.8 million); men's and boys' apparel ($388.8 million); women's and girls' apparel ($375.7 million); fruits and vegetables ($249.8 million); U.S. goods returned and re-imported items ($220.9 million); and vegetables and melons ($208.7 million). These leading 13 industries accounted for 88.6 percent of all U.S. imports from the beneficiary countries in 2009.

Table 4 presents the 5-digit NAICS-based industries where U.S. exports to the beneficiary countries in 2009 exceeded $200 million. These leading export industries were: petroleum refinery products ($2.5 billion); resin and synthetic rubbers ($882.5 million); other basic organic chemicals ($812.6 million); construction machinery ($756.8 million); computer equipment ($624.8 million); aerospace products and parts ($540.5 million); items exported under special classification provisions ($506.8 million); mining and oil and gas field machinery ($503.9 million); engines, turbines, and power transmission equipment ($452.2 million); navigational, measuring, electromedical, and control instruments ($396.0 million); corn ($379.0 million); pumps and compressors ($360.7 million); other general purpose machinery ($341.1 million); pharmaceuticals and medicines ($317.8 million); radio and television broadcasting and wireless communication equipment ($283.3 million); starch and vegetable fats and oils ($268.9 million); electrical equipment ($256.8 million); paper mill products ($256.2 million); wheat ($250.8

[5] For the purposes of relating international trade statistics to U.S. industrial output and employment, the Bureau of the Census has mapped 10-digit Harmonized Tariff Schedule (HTS) numbers used for U.S. exports and import statistics to their closest NAICS-based code, based on NAICS 2002. Some categories of traded items have no direct domestic counterpart and are classified in specially created NAICS-based 91000-99000 categories which have no direct domestic counterpart. For example, NAICS 99000—Special Classification Provisions, not otherwise specified or included, contains primarily imports and exports of low-value shipments not specified by kind, exposed film and prerecorded tapes, articles imported for repairs, returned goods, and articles donated to charity.

million); iron, steel, and ferroalloy ($206.0 million); and fertilizers ($201.9 million). These leading 21 industries accounted for two-thirds (66.6 percent) of all U.S. exports to the beneficiary countries in 2009.

Duty Treatment of U.S. Imports from the ATPA Beneficiary Countries in 2009

Approximately 88 percent of all U.S. imports from the beneficiary countries entered the United States duty-free in 2009, while the remaining 12 percent was subject to an average 0.6 percent rate of duty (see Table 5). There are several ways that an item imported from the beneficiary countries could have received duty-free treatment. In order of decreasing value, imports from the beneficiary countries qualified for duty-free treatment as follows:[6]

- Duty-free U.S. imports under the **ATPDEA amendments** were $8.1 billion in 2009 and accounted for 39.0 percent of all imports from the beneficiary countries in 2009, down from 51.2 percent in 2008.[7] Colombia accounted for 59.4 percent of the value of duty-free U.S. imports under the ATPDEA amendments in 2009, followed by Ecuador (30.7 percent), and Peru (9.8 percent).

- **Normal Trade Relations (NTR) duty-free** U.S. imports were $7.3 billion and accounted for 35.3 percent of all imports from the beneficiary countries in 2009, up from 28.3 percent in 2008.[8] Colombia accounted for 57.4 percent of the value of NTR duty-free U.S. imports in 2009, followed by Ecuador (30.7 percent), and Peru (9.8 percent). NTR duty-free imports from the beneficiary countries consisted mainly of traditional products from the region such as gold and silver bullion, coal, coffee, and bananas.

- Duty-free U.S. imports under the **original ATPA** (excluding the ATPDEA amendments) were $1.7 billion and accounted for 8.0 percent of all imports from the beneficiary countries in 2009, down from 9.4 percent in 2008. Colombia accounted for 48.2 percent of the value of duty-free U.S. imports under the original ATPA (excluding the ATPDEA amendments) in 2009, followed by Peru (22.7 percent), and Ecuador (19.9 percent).

- Duty-free U.S. imports from Peru under the **PTPA** were $898.1 million and accounted for 4.3 percent of all imports from the beneficiary countries in 2009, up from zero percent in 2008.[9]

- Duty-free U.S. imports under the **Generalized System of Preferences (GSP)** were $271.7 million and accounted for 1.3 percent of all imports from the beneficiary countries

[6] In addition, in 2009, a small amount of imports from the beneficiary countries entered duty-free under the WTO Agreement on Trade in Civil Aircraft ($1,334,992) and the WTO Agreement on Trade in Pharmaceutical Products ($302,641).
[7] Throughout this report, figures for imports from the "beneficiary countries" for years prior to 2009 include data for the original four beneficiary countries, including Bolivia. For reference, in 2008, U.S. imports from Bolivia under the ATPA accounted for just 0.8 percent of ATPA duty-free imports.
[8] Almost all nations are eligible for NTR duty treatment, which was formerly known as most-favored-nation (MFN) duty treatment. NTR duty-free U.S. imports are calculated as the difference between the customs value of imports entered with "no program claimed" and the dutiable value of the imports entered with "no program claimed".
[9] The PTPA entered into force on February 1, 2010.

in 2009, down from 2.1 percent in 2008.[10] Colombia accounted for 69.5 percent of the value of GSP duty-free U.S. imports from the beneficiary countries in 2009, followed by Ecuador (19.2 percent), and Peru (11.3 percent).[11]

In 2009, the average rate of duty paid on imports subject to duty ranged from 0.4 percent for items from Colombia and Ecuador to 2.5 percent for items from Peru (see Table 6).

Tables 7 and 8 show the 5-digit NAICS-based industries that had the highest level of duty-free imports under the original ATPA (excluding the ATPDEA amendments) and the ATPDEA amendments.

Duty-Free Provisions of the ATPA

Unless it is specifically excluded, a product must meet one of the following conditions to be eligible for duty-free treatment under the ATPA: (1) be wholly grown, produced, or manufactured in an ATPA beneficiary country; or (2) have at least 35 percent of the direct processing costs and materials produced in any one or more of the ATPA beneficiary countries, any of the Caribbean Basin Economic Recovery Act (CBERA) beneficiary countries,[12] Puerto Rico, or the U.S. Virgin Islands—inputs from the United States (up to 15 percent of the value) are allowed to account for a portion of the 35 percent content rule. In addition, the articles must be exported directly to the customs territory of the United States.

Products specifically excluded from ATPA duty-free treatment include most textile and apparel items; certain footwear; rum and tafia; canned tuna; certain agricultural products subject to tariff rate quotas including sugar, syrup, and molasses products.

The ATPDEA amendments to the ATPA (hereinafter referred to as the ATPDEA amendments) came into force on November 1, 2002, and significantly increased the amount of U.S. imports from the beneficiary countries eligible for duty-free treatment. Newly eligible items included petroleum and petroleum products; some leather items including certain gloves and footwear; tuna packaged in foil pouches; and certain watches and watch parts. Many items from the beneficiary countries that had previously been granted reduced rates of duty under the ATPA, including handbags, luggage, flat goods, work gloves, and leather wearing apparel from the beneficiary countries, were granted duty-free eligibility under the ATPDEA amendments. Additionally, the ATPDEA amendments permit certain apparel from the Andean region to enter the United States duty-free provided that special entry requirements are met.[13]

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[10] The U.S. GSP program was initiated in 1976 and provides for duty-free treatment of approximately 4,650 tariff items from more than 140 designated beneficiary developing countries and territories.

[11] Peru lost its benefits under the GSP on February 1, 2010, upon implementation of the PTPA.

[12] The CBERA is a U.S. trade initiative similar to the ATPA that was implemented in 1984 and directed toward countries and dependent territories in Central America and the Caribbean as part of a broader Caribbean Basin Initiative (CBI). During the period covered by this report (calendar year 2009), the 18 CBERA beneficiary countries and territories were: Antigua and Barbuda; Aruba; the Bahamas; Barbados; Belize; the British Virgin Islands; Dominica; Grenada; Guyana; Haiti; Jamaica; Montserrat; the Netherlands Antilles; Panama; St. Kitts and Nevis; St. Lucia; St. Vincent and the Grenadines; and Trinidad and Tobago.

[13] The entry requirements for textile and apparel products eligible for duty-free treatment under the ATPDEA are more complex than the rule of origin requirements for other products. For a full discussion of the requirements, see

In 2001, only 20 percent of the value of U.S. imports from the beneficiary countries qualified for ATPA duty-free treatment. However, in 2003, the first full year for which the ATPDEA amendments were in effect, the value of U.S. imports from the beneficiary countries benefited from duty-free treatment under the expanded ATPA increased to 50 percent. The share of imports from the beneficiary countries that entered duty-free under the expanded ATPA had continued to increase each year and reached 61 percent in 2008, prior to falling in 2009 to 47 percent. The decline in 2009 can be explained by two main factors: (1) a large decrease in the dollar value of petroleum products (eligible for duty-free treatment under the ATPDEA amendments) imported from Ecuador;[14] and (2) a large decrease in the share of ATPA imports from Peru as products that had previously been imported under ATPA were imported under the PTPA in 2009.

The ATPA was the exclusive basis for beneficiary nations to qualify for duty-free treatment of their exports to the United States in 2009 in the following cases: (1) products eligible for ATPA duty-free entry, but not eligible for duty-free entry under any other program; and (2) products eligible for both ATPA and GSP duty-free entry that were imported from a beneficiary country that had lost its GSP eligibility with respect to those products because it exceeded the program's competitive need limitations in the previous year.[15]

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http://www.cbp.gov/linkhandler/cgov/trade/trade_programs/international_agreements/special_trade_programs/atpa/atpdea_impl.ctt/atpdea_impl.pdf.

[14] The dollar value of U.S. imports of petroleum products from all sources fell in 2009 due to decreased demand and lower prices due to the economic crisis. The dollar value of U.S. imports of HTS 2709.00.10 (crude petroleum oils and oils from bituminous minerals, testing under 25 degrees A.P.I.) from Ecuador under the ATPDEA amendments fell by more than 60 percent from $6.1 billion in 2008 to $2.3 billion in 2009. The quantity fell by 32 percent from 68.8 million barrels to 46.7 million barrels.

[15] Under the GSP program, a beneficiary country may lose duty-free eligibility for a product (defined at the HTS-8 level) if, during a calendar year, U.S. imports of a GSP article from that country account for 50 percent or more of the value of total U.S. imports of that product, or exceed a certain inflation-indexed dollar value. These limits are referred to as competitive need limitations. Any loss of eligibility takes effect on July 1 of the calendar year following the year in which the competitive need limitation was exceeded.

U.S. EMPLOYMENT EFFECTS OF TRADE BENEFITS EXCLUSIVE TO THE ATPA

In 2009, U.S. imports from the beneficiary countries that benefited exclusively from the ATPA amounted to $8.7 billion. While this represented 42 percent of all U.S. imports from the beneficiary countries, it accounted for just 0.6 percent of total U.S. imports from all sources. Because of the very small share of total U.S. imports that benefited exclusively from the ATPA, it is unlikely these imports would displace or substitute for domestic output or production or affect overall U.S. employment.

This report examines industries where the ATPA plausibly may have affected employment levels. Any adverse U.S. employment effects due to the exclusive benefits of the ATPA would be associated with increased imports of items due to tariff preferences afforded to industry imports. In addition to the value of imports and the market share of total U.S. industry imports, any potential employment effect would also be dependent upon the size of the tariff forgone based on the ATPA preferences and the substitutability between domestic and imported products.[16]

U.S. Import and Domestic Employment Trends in Selected Industries Receiving Significant Benefits Provided under the ATPA in 2009

In 2009, three NAICS-based import industries enjoyed exclusive ATPA duty-free benefits exceeding $20 million *and* accounted for more than 3.0 percent of total U.S. industry imports from all sources.[17] These three import industries accounted for 85.3 percent of all imports receiving ATPA exclusive benefits. One of these industries benefited from the original ATPA, and the other two industries benefited from the ATPDEA amendments.

Original ATPA

- **NAICS 11142— Nursery products, flowers, seeds, and foliage**

ATPDEA Amendments

- **NAICS 21111—Oil and gas**
- **NAICS 31171—Prepared, canned, and packaged seafood products**

Trends in U.S. imports in the three NAICS-based import industries above and trends in industry employment in the U.S. industries producing products like those in the three industries are examined below. Significant increases in U.S. imports of these products from the beneficiary countries may, in part, reflect the availability of duty-free treatment exclusively under the ATPA.

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[16] Estimating and employing elasticities of substitution between domestic and imported items is beyond the scope of this report and are not discussed further.

[17] ATPA exclusive benefits were determined by examining the products associated with the constituent eight-digit Harmonized Tariff Schedule (HTS-8) items in each 5-digit NAICS-based industry to determine if they were also eligible for duty-free entry under another program and, if so, whether any ATPA beneficiary country had exceeded the GSP competitive need limitation for that item. Based on this information, the total value of ATPA duty-free imports for products benefiting exclusively from the ATPA in each industry was calculated.

Nursery Products, Flowers, Seeds, and Foliage (NAICS 11142)

U.S. imports of nursery products, flowers, seeds, and foliage from the beneficiary countries in 2009 were $635.0 million and accounted for 46.3 percent of U.S. imports of these items from all countries (up from 43.9 percent in 2008). This represented 3.1 percent of all U.S. imports from the beneficiary countries (up from 2.3 percent in 2008). ATPA duty-free imports of these items were $625.1 million in 2009, and accounted for 45.6 percent of total U.S. imports of nursery products, flowers, and seeds from all sources (up from 42.7 percent in 2008). ATPA duty-free imports that benefited exclusively from the ATPA amounted to $413.7 million in 2009 (30.2 percent of industry imports from all sources).

U.S. imports of nursery products, flowers, and seeds include: bulbs and tubers (HTS 0601); live plants and cuttings (HTS 0602); fresh cut flowers and buds (HTS 0603); foliage, branches, grasses, and mosses for bouquets or ornamental purposes (HTS 0604); and seeds, fruits, and spores used for sowing (HTS 1209). However, nearly all U.S. imports of these items from the beneficiary countries in 2009 were fresh cut flowers (98.5 percent), followed by foliage (1.2 percent) and live plants (0.3 percent). Almost half (48.7 percent) of all U.S. imports of fresh cut flowers (HTS 0603) from the beneficiary countries were fresh cut roses, which are not eligible for duty-free entry under the GSP program, but are eligible under the ATPA. In addition to roses, the tariff classification for fresh cut flowers covers a number of other flower types (including chrysanthemums, carnations, orchids, anthuriums, alstroemeria, gypsophilia, lilies, snapdragons, and flower buds), which are normally eligible for duty-free entry under the GSP program.

Nearly two-thirds of the ATPA duty-free imports of nursery products, flowers, and seeds benefited exclusively from the ATPA. The exclusive benefits were for the following three eight-digit Harmonized Tariff Schedule (HTS-8) items:

- HTS 0603.11.00—Fresh cut sweetheart, spray, and other roses from all beneficiary countries
- HTS 0603.12.70—Fresh-cut carnations from Colombia
- HTS 0603.14.00—Fresh-cut chrysanthemums from Colombia

While fresh cut roses are not eligible for GSP duty-free treatment, the other two HTS-8 items are normally eligible for duty-free treatment under both programs; however, Colombia has lost its GSP eligibility with respect to those products because it exceeded the program's competitive need limitations.

- In 2009, U.S. ATPA duty-free imports of fresh cut sweetheart, spray, and other roses (HTS 0603.11.00) from all the beneficiary countries were $304.9 million and accounted for 96.2 percent of all U.S. imports of fresh cut roses (up slightly from 95.8 percent in 2008). This item faces a NTR tariff rate of 6.8 percent. However, in 2009, only 0.2 percent of U.S. imports of fresh cut roses from all sources were subject to duty while the rest were granted duty-free entry through various U.S. free trade agreements and trade preference programs.[18] Colombia and Ecuador were, by far, the leading suppliers of fresh cut roses to the United States in 2009 accounting for 77.2 percent and 19.1 percent of all U.S. imports respectively.

- In 2009, U.S. ATPA duty-free imports of fresh cut other carnations (HTS 0603.12.70) [19] from Colombia were $33.6 million and accounted for 98.7 percent of all U.S. imports of these items (up slightly from 97.1 percent). This item faces a NTR tariff rate of 6.4 percent. However, in 2009, only 0.1 percent of U.S. imports of fresh cut other carnations from all sources were subject to duty while the rest were granted duty-free entry through various U.S. free trade agreements and trade preference programs.[20] Colombia was, by far, the leading supplier of fresh cut other carnations to the United States in 2009.

- In 2009, U.S. ATPA duty-free imports of fresh cut chrysanthemums (HTS 0603.14.00) from Colombia were $75.1 million and accounted for 99.1 percent of all U.S. imports of these items (up from 96.7 percent in 2008). This item faces a NTR tariff rate of 6.4 percent. However, in 2009, only 0.1 percent of U.S. imports of fresh cut chrysanthemums from all sources were subject to duty while the rest were granted duty-free entry through various U.S. free trade agreements and trade preference programs.[21] Colombia was, by far, the leading supplier of fresh cut chrysanthemums to the United States in 2009.

The benefits provided exclusively by the ATPA have allowed the ATPA countries to become the dominant suppliers of fresh cut roses, other carnations, and chrysanthemums to the U.S. market. However, other factors, such as proximity to the United States and climate, have also been important.

Cut flower types that are comparable to those receiving significant exclusive ATPA duty-free benefits include all roses, standard carnations, and chrysanthemums (referred to hereafter as the "like ATPA cut flowers"). The most recent information available on these domestically produced fresh cut flower types is presented below:[22]

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[18] In 2009, U.S. imports of fresh cut roses were granted duty-free entry under the North American Free Trade Agreement (NAFTA), the Dominican Republic – Central America – United States Free Trade Agreement (CAFTA-DR), and the African Growth and Opportunity Act (AGOA) in addition to the ATPA.

[19] This HTS classification for "fresh cut other carnations" covers all fresh cut carnations that are not miniature (spray) carnations.

[20] In 2009, U.S. imports of fresh cut other carnations were granted duty-free entry under the NAFTA in addition to the ATPA.

[21] In 2009, U.S. imports of fresh cut chrysanthemums were granted duty-free entry under the NAFTA, CAFTA-DR, and GSP in addition to the ATPA.

[22] See *Floriculture Crops 2009 Summary* (U.S. Department of Agriculture, National Agricultural Statistics Service, June 2010). Available online at http://www.nass.usda.gov/Publications/Todays_Reports/reports/floran10.pdf. See also *Floriculture and Nursery Crops Situation and Outlook Yearbook/FLO-2007* (U.S. Department of Agriculture, Economic Research Service, September 2007). Available online at http://www.ers.usda.gov/Publications/Flo/2007/09Sep/FLO2007.pdf. This annual report ceased publication in 2007, and these data are the latest available. Data are based on a 15 state survey. The 15 states were selected by the USDA and accounted for 75 percent of cash receipts received by greenhouse and nursery crop farmers in 2006.

- The number of domestic commercial rose growers fell from 357 in 1992 to 33 in 2009, while the quantity sold declined from 533.6 million stems in 1992 to 42.0 million stems in 2009, and the wholesale value of sales decreased from $174.5 million in 1992 to $17.7 million in 2009.[23] Over this same time period, the wholesale price rose from 32.7 cents per stem in 1992 to 42 cents per stem in 2009. The share of domestic consumption accounted for by imports rose from 34 percent in 1992 to 91 percent in 2006.[24]

- The number of domestic commercial standard carnation growers fell from 139 in 1992 to 13 in 2009, while the quantity sold declined from 213.6 million stems in 1992 to 2.6 million stems in 2009, and the value sold decreased from $30.8 million in 1992 to $440,000 in 2009. Over the same period, the wholesale price rose from 14.4 cents per stem to 17.0 cents per stem. The share of domestic consumption accounted for by imports rose from 67 percent in 1992 to 97 percent in 2006.

- The number of domestic commercial pompon chrysanthemum growers fell from 172 in 1992 to 25 in 2009, while the quantity sold declined from 15.4 million bunches in 1992 to 7.9 million bunches in 2009, and the value sold decreased from $18.0 million in 1992 to $11.3 million in 2009. Over the same period, the wholesale price rose from $1.16 per bunch to $1.43 per bunch. The share of domestic consumption accounted for by imports has remained steady and averaged 77 percent over the period from 1992 to 2006.

The USITC estimates that in 2007, ATPA imports of fresh cut flowers displaced 1.1 to 6.6 percent of U.S. output of roses and 1.1 to 6.5 percent of U.S. output of chrysanthemums.[25]

Until 2006, the Department of Agriculture published estimates of the number of hired workers in all floriculture crops, which include cut flowers, foliage plants, bedding garden plants, herbaceous perennials, and cut cultivated greens. For 2006, these data were used to further estimate that there were an estimated 80,579 hired workers in floriculture crops, 8,638 hired workers in cut flowers of all types, and 999 hired workers in "like ATPA cut flowers."[26]

The BLS Quarterly Census of Employment and Wages program publishes employment estimates for detailed agricultural industries.[27] The text chart below presents the trend in U.S. employment in the floriculture production industry (NAICS 111422), which includes establishments primarily engaged in growing and/or producing floriculture products including cut flowers and roses, but

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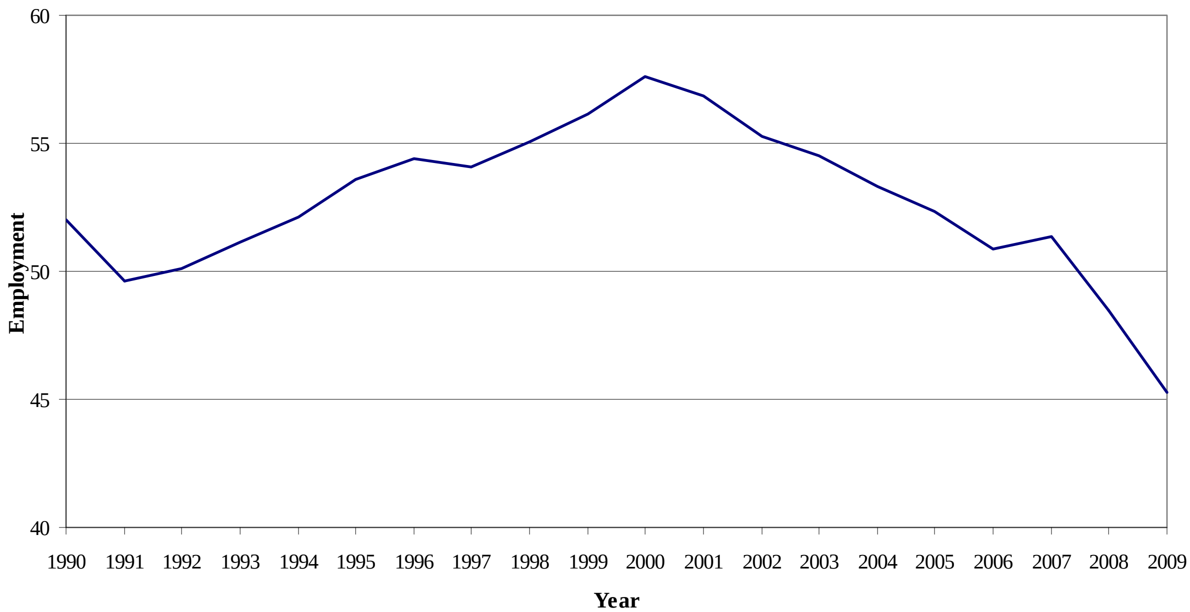
[23] Unless otherwise noted, data are available for 1992 through 2009. Historical data are from the *FLO-2007*. Data for 2009 are from the *Floriculture Crops 2009 Summary* and are preliminary.
[24] Data on the import share of domestic consumption is from the FLO-2007 publication that is no longer published. The most recent year for which data are available is 2006.
[25] See United State International Trade Commission, *The Impact of the Andean Trade Preference Act: Thirteenth Report* 2007 (Investigation No. 332-352; USITC Publication 4037; November 2008), p. 3-10. Available online at http://www.usitc.gov/publications/332/pub4037.pdf. Displacement effects for carnations were not calculated due to unavailability of U.S. production and/or export data. The most recent year for which data are available is 2007.
[26] For a more detailed explanation of this calculation, see U.S. Department of Labor, *Trade and Employment Effects of the Andean Trade Preference Act, 14th Annual Report*, p. 13. Available online at http://www.dol.gov/ilab/media/reports/otla/atpa2007/atpa2007.pdf.
[27] Data are available at www.bls.gov/cew. BLS's Current Employment Statistics program does not collect information on industry employment in agriculture.

also cut cultivated greens, potted flowering and foliage plants, and flower seeds, for the years 1990 to 2009.[28] During this period, employment in the industry peaked in 2000 and has declined since with the exception of a small gain in 2007. Employment fell to 45,268 workers in 2009, down from 48,486 workers in 2008.

Figure 1. U.S. Employment in Floriculture Production (NAICS 111422), 1990-2009 (annual average, in thousands)



Source: BLS, Quarterly Census of Employment and Wages

Trends in U.S. domestic production and U.S. imports from the beneficiary countries since implementation of the ATPA suggest that increased imports of fresh cut roses, carnations, and chrysanthemums due to the ATPA trade preferences may have displaced some domestic growers and workers located in the United States. Domestic production of chrysanthemums appears to have stabilized over the last several years, while domestic production of roses and especially carnations continues to fall by significant percentages each year.

Oil and Gas (NAICS 21111)

U.S. imports of certain oil and gas products from the beneficiary countries became eligible for duty-free treatment with the ATPDEA amendments that took effect on October 31, 2002. Although these products accounted for a significant percentage of exports from the beneficiary countries even prior to their obtaining duty-free status, exports of these products to the United States grew significantly each year since being provided duty-free treatment in 2002 through 2006 and have since fluctuated from year to year. U.S. imports of oil and gas from the beneficiary countries in 2009 were $8.4 billion (down from $13.3 billion in 2008, yet up radically from $1.9 billion in 2001) and accounted for 40.8 percent of all U.S. imports from the

[28] Data for 2009 are preliminary and subject to revision.

beneficiary countries (down from 46.6 percent in 2008 but up from 19.4 percent in 2001). This represented 4.8 percent of U.S. imports of oil and gas from all sources (up from 4.1 percent in 2008 and 2.5 percent in 2001). In 2009, 82.4 percent of these items, or $7.0 billion, entered duty-free under the ATPDEA amendments. Oil and gas imports represented over four-fifths (86.3 percent) of all imports under the ATPDEA amendments in 2009. The value of U.S. imports of oil and gas from all sources increased dramatically in the period between the implementation of the ATPDEA amendments and 2008 rising from $72.7 billion in 2001 to $325.6 billion in 2008. This rise was due to strong U.S. demand, rising oil prices, and insufficient domestic supply. However, the dollar value U.S. imports of oil and gas from all sources fell by nearly half in 2009 to $176.4 billion as a result of decreased demand and lower prices due the economic crisis.

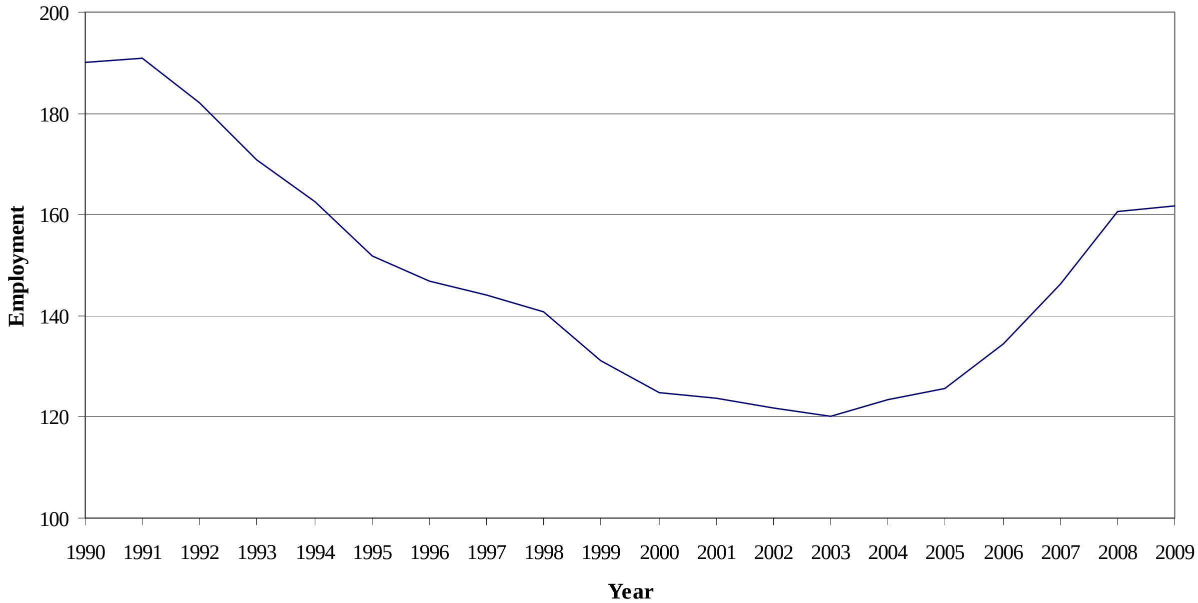
Two HTS-8 petroleum oils (HTS 2709.00.10 and 2709.00.20) are eligible for duty-free access under the ATPDEA amendments. ATPDEA duty-free imports of HTS 2709.00.10 from the beneficiary countries amounted to $6.0 billion in 2009 and accounted for 9.5 percent of U.S. imports from all sources (up from 9.4 percent in 2008). ATPDEA duty-free imports of HTS 2709.00.20 from the beneficiary countries amounted to $920.6 million in 2009 and accounted for 1.1 percent of U.S. imports from all sources (down from 1.2 percent in 2008).

The NTR tariff on these two items is quite low: 5.25 cents per barrel for HTS 2709.00.10 and 10.5 cents per barrel for HTS 2709.00.20. In 2009, the *ad valorem* equivalent rates were calculated to be around 0.1 percent and 0.2 percent respectively.

The text chart below presents the trend in U.S. employment in the oil and gas extraction subsector (NAICS 211), which includes the oil and gas extraction industry (NAICS 21111), for the years 1990 to 2009. Employment declined sharply between 1991 and 2003, but advanced in the following years. Employment in the subsector rose to 161,600 workers in 2009, up from 160,500 workers in 2008. The average hourly earnings of production workers in this subsector hit a peak in 2001 at $19.97, and declined in each of the following three years hitting a low in 2004 at $18.58. Average hourly earnings have increased substantially since 2004, reaching $27.60 in 2009.[29]

[29] Average hourly earnings are in nominal terms. Official estimates of real hourly earnings are not made available at this level of industry detail.

Figure 2. U.S. Employment in Oil and Gas Extraction (NAICS 211), 1990-2009 (annual average, in thousands)



Source: BLS, Current Employment Statistics

Given the fairly small percentage of U.S. imports of oil and gas accounted for by the beneficiary countries and the very low tariff benefit provided, it is unlikely that the duty-free provisions of the ATPDEA amendments have had any measurable effect on domestic employment in the oil and gas extraction sector.

Prepared, Canned, and Packaged Seafood Products (NAICS 31171)

U.S. imports of prepared, canned and packaged seafood products from the beneficiary countries in 2009 were $96.4 million and accounted for 4.6 percent of U.S. imports of prepared, canned, and packaged seafood products from all sources (down from 5.4 percent in 2008). This represented 0.5 percent of all U.S. imports from the beneficiary countries (up slightly from 0.4 percent in 2008). U.S. imports of items in this industry from the beneficiary countries peaked in 2003 at $156.8 million and had declined by nearly one-third by 2007, increased again in 2008, before falling in 2009 to its lowest level since 2001. ATPA duty-free imports which benefited exclusively from the ATPA amounted to $64.1 million in 2009 which includes $57.0 million that benefited exclusively under the ATPDEA amendments.[30] All of the exclusive benefits under the ATPDEA amendments in this industry were for tuna products from Ecuador.

[30] An additional $7.1 million of U.S. imports from the beneficiary countries benefited exclusively under the original ATPA. Nearly all of the items that benefited exclusively from the original ATPA ($6.7 million) were bulk tuna not packed in airtight containers (HTS 1604.14.40) from Colombia.

U.S. imports of tuna in flexible pouches that meet certain other conditions[31] became eligible for ATPA duty-free treatment with the ATPDEA amendments that took effect on October 31, 2002. Under the ATPDEA, there are two eight-digit tariff lines covering tuna under which some of the imports qualify for duty-free treatment (1604.14.30 - tunas and skipjack, not in oil, in airtight containers, not over 7 kg, not of U.S. possessions, over quota and 1604.14.10 - tunas and skipjack, whole or in pieces, but not minced, in oil, in airtight containers). These items face a NTR tariff rate of 12.5 percent and 35 percent respectively. In 2009, duty-free imports of these two items under the ATPDEA amendments amounted to $57.0 million, all of which was imported from Ecuador. Imports from the beneficiary countries under these two tariff lines including those that were not eligible for duty-free treatment (presumably because they were packaged in cans or not processed or harvested according to the qualifying conditions) were $76.5 million in 2009. Therefore, three-quarters (75 percent) of all imports from the beneficiary countries under these two tariff lines received duty-free treatment in 2009 under the ATPDEA amendments, down slightly from 77 percent in 2008 (but significantly up from just 22 percent in 2003, the first year in which the ATPDEA amendments was in effect). The high percentage of imports of these items eligible for duty-free treatment under the ATPDEA amendments suggests that Ecuadorian exporters have altered their processing procedures in order to take advantage of the duty-free treatment offered by the ATPDEA.

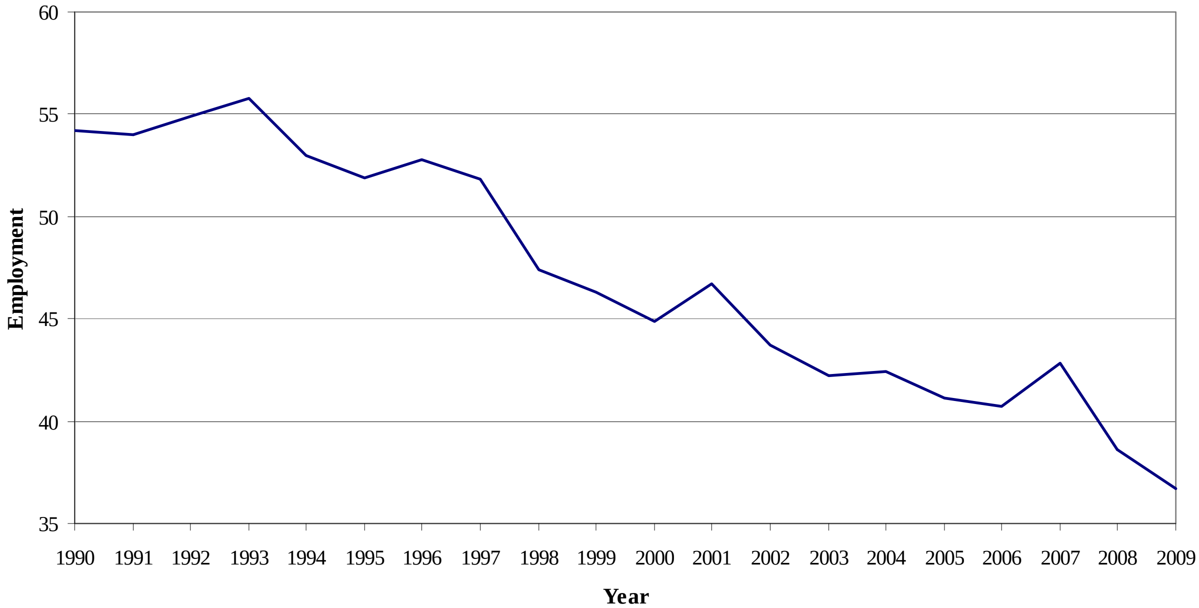
Currently Ecuador is the third largest exporter of these two items (combined) to the United States, well behind the leading supplier, Thailand and slightly behind the second largest supplier, the Philippines. In 2009, total U.S. imports of these two items from all sources were $612.9 million. Imports from Ecuador accounted for 12.5 percent ($76.4 million) of imports from all sources, while imports from Thailand accounted for 55.2 percent ($338.3 million) and the Philippines accounted for 12.8 percent ($78.2 million). For comparison, the USITC estimates that U.S. production of tuna was $550.0 million in 2007.[32] They find that in 2007, ATPA imports of tuna accounted for 6.1 percent of apparent U.S. consumption of tuna and may have displaced 1.9 to 3.4 percent of U.S. output of tuna.

The text chart below presents the trend in U.S. employment in the seafood product preparation and packaging industry group (NAICS 3117), which includes the prepared, canned, and packaged seafood products industry (NAICS 31171), for the years 1990 to 2009. Employment in this industry group has shown a long term negative trend over this period, much like the U.S. manufacturing sector as a whole. However, employment rose slightly in 2007 to 42,800, before falling again and stood at 36,700 workers in 2009. The average hourly earnings of production workers have been rising steadily and were $13.34 in 2009, up from $12.92 in 2008.

[31] Chapter 98, subchapter XXI, of the HTS of the United States lists these conditions which are that the tuna must be harvested by U.S. vessels or vessels of the ATPDEA beneficiary countries and must have been prepared or preserved in any manner in an ATPDEA beneficiary country.

[32] See United State International Trade Commission, *The Impact of the Andean Trade Preference Act: Thirteenth Report* 2007 (Investigation No. 332-352; USITC Publication 4037; November 2008), pages 3-10 and 3-12. Available online at http://www.usitc.gov/publications/332/pub4037.pdf. The USITC focuses its analysis on just one HTS-8 item (HTS 1604.14.30 - Tunas and skipjack, not in oil, in airtight containers, n/o 7 kg, not of U.S. possessions, over quota). This item accounts for 94 percent of the combined two items that benefit exclusively from the ATPDEA discussed in this report (1604.14.30 and 1604.14.10). The most recent year for which data are available is 2007.

Figure 3. U.S. Employment in Seafood Product Preparation and Packaging (NAICS 3117), 1990-2009 (annual average, in thousands)



Source: BLS, Current Employment Statistics

Overall, imports of these items from the beneficiary countries account for a small and generally declining percentage of total U.S. imports. Although the tariff preference provided by the ATPDEA amendments for the two eight-digit tariff lines identified above is substantial, Thailand, which does not receive duty-free treatment, is still by far the leading exporter to the U.S. market. It is unlikely that the duty-free provisions of the ATPA have had a significant effect on domestic employment in this sector.

CONCLUSIONS

It is unlikely that the ATPA itself has had a significant effect on overall U.S. employment. U.S. imports from the beneficiary countries have remained small, accounting for only 1.3 percent of U.S. imports from all sources in 2009. Further, U.S. imports from the beneficiary countries that benefited exclusively from ATPA duty-free entry amounted to $8.7 billion or just 0.6 percent of total U.S. imports from all sources.

U.S. imports of products similar to those produced by three domestic industries received substantial exclusive ATPA duty-free benefits in 2009: nursery products, flowers, seeds, and foliage (fresh cut roses, standard carnations, and chrysanthemums); oil and gas; and prepared, canned, and packaged seafood products (tuna in pouches). Even in these industries that led in terms of value of exclusive ATPA duty-free imports, it is difficult to identify adverse effects on U.S. employment in U.S. industries that produced similar products.

Generally, the current level and composition of the beneficiary countries' exports to the United States do not appear to pose a threat to overall U.S. employment. At the industry-level, trends in U.S. domestic production and U.S. imports from the beneficiary countries since implementation of the ATPA suggest that it may be the case that increased imports of certain fresh cut flowers due to the ATPA trade preferences may have displaced some growers and workers in the United States; however, given the complexities involved it is difficult to isolate conclusively the factors responsible for these trends. For other industries, the likelihood of such displacement is even less pronounced.

Tables

Table 1. U.S. Imports from the Beneficiary Countries by NAICS-based Sector, 2006-2009 (customs value, thousands of dollars)

NAICS-based U.S. Import Sector	Value of U.S. Imports from the Beneficiary Countries				2009 Percent of Total	
	2006	2007	2008	2009	U.S. Sector Imports from the World	U.S. Imports from the Beneficiary Countries
Total U.S. Imports from the Beneficiary Countries	**22,510,596**	**20,922,939**	**28,483,018**	**20,689,874**	**1.3**	**100.0**
11 - Agriculture and Livestock Products	2,713,379	2,919,794	3,208,395	3,291,052	8.9	15.9
111 - Agricultural Products	2,148,547	2,323,907	2,586,782	2,659,909	12.4	12.9
112 - Livestock and Livestock Products	5,935	7,623	5,139	4,837	0.1	([1])
113 - Forestry Products, not elsewhere specified or included	2,467	1,783	1, 708	914	0.1	([1])
114 - Fish, Fresh, Chilled, or Frozen and Other Marine Products	556,429	586,481	614,766	625,391	6.3	3.0
21 - Oil, Gas, Minerals and Ores	10,108,126	9,329,266	15,009,773	9,638,985	5.3	46.6
211 - Oil and Gas	8,700,357	7,866,517	13,281,788	8,444,962	4.8	40.8
212 - Minerals and Ores	1,407,769	1,462,749	1,727,984	1,194,023	17.9	5.8
31-33 - Manufacturing	8,723,298	7,821,382	9, 201, 479	6,884,319	0.5	33.3
311 - Food and Kindred Products	731,696	704,026	902,757	923,356	2.6	4.5
312 - Beverages and Tobacco Products	48,846	34,980	29,356	14,705	0.1	0.1
313 - Textiles and Fabrics	30,781	33,277	35,751	25,402	0.5	0.1
314 - Textile Mill Products	42,510	41,607	35,277	29,465	0.2	0.1
315 - Apparel and Accessories	1,401,801	1,239,089	1,169,997	835,189	1.2	4.0
316 - Leather and Allied Products	47,335	53,589	47,989	29,875	0.1	0.1
321 - Wood Products	175,729	159,314	133,009	77,670	0.8	0.4
322 - Paper	37,828	32,858	24,888	24,210	0.1	0.1
323 - Printed Matter and Related Products	46,257	59,265	49,562	38,003	0.8	0.2
324 - Petroleum and Coal Products	1,451,695	1,262,490	1,963,441	1,016,862	1.4	4.9
325 - Chemicals	215,836	245,270	344,159	322,529	0.2	1.6
326 - Plastics and Rubber Products	87,847	89,909	103,610	76,651	0.3	0.4
327 - Nonmetallic Mineral Products	341,014	287,169	235,254	170,711	1.3	0.8
331 - Primary Metal Manufacturing	3,448,074	2,888,813	3,475,125	2,889,061	5.2	14.0
332 - Fabricated Metal Products, not elsewhere specified or included	85,341	99,053	66,296	48,232	0.1	0.2
333 - Machinery, Except Electrical	52,457	73,821	67,463	45,922	0.1	0.2
334 - Computer and Electronic Products	24,539	26,271	21,566	19,226	([1])	0.1
335 - Electrical Equipment, Appliances, and Component	51,167	72,776	76,389	50,137	0.1	0.2
336 - Transportation Equipment	20,842	21,415	22,214	16,979	([1])	0.1
337 - Furniture and Fixtures	59,588	59,397	51,144	27,569	0.1	0.1
339 - Miscellaneous Manufactured Commodities	322,116	336,992	346,231	202,538	0.2	1.0
51 – Publishers' Commodities	55	8	4	6	([1])	([1])
511 - Newspapers, Books, and Other Published Matters, , not elsewhere specified or included	55	8	4	6	([1])	([1])
91-99 - Special Classification Provisions	965,737	852,490	1, 063, 368	875,514	1.3	4.2
910 - Waste and Scrap	191,693	157,515	83,641	20,677	0.6	0.1
920 - Used or Second-hand Merchandise	14,022	16,325	19,388	9,108	0.2	([1])
980 - U.S. Goods Returned and Re-imported Items	182,479	141,193	159,081	220,914	0.6	1.1
990 - Special Classification Provisions, not elsewhere specified or included	577,543	537,457	801,258	624,814	2.8	3.0

([1]) Less than 0.05 percent
Note: The beneficiary countries for 2009 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The value of U.S. imports is the customs value of U.S. imports for consumption.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 2. U.S. Exports to the Beneficiary Countries by NAICS-based Sector, 2006-2009 (thousands of dollars)

NAICS-based U.S. Export Sector	Value of U.S. Exports to the Beneficiary Countries				2009 Percent of Total	
	2006	2007	2008	2009	U.S. Sector Exports to the World	U.S. Exports to the Beneficiary Countries
Total U.S. Exports to the Beneficiary Countries	**11,636,520**	**14,620,503**	**19,762,733**	**16,697,348**	**1.8**	**100.0**
11 - Agriculture and Livestock Products	853,901	1,423,822	1,610,001	1,029,530	1.8	6.2
111 - Agricultural Products	826,807	1,396,950	1,582,754	998,841	2.0	6.0
112 - Livestock and Livestock Products	12,576	13,823	16,226	17,301	1.2	0.1
113 - Forestry Products, not elsewhere specified or included	3,657	4,542	3,968	4,571	0.3	([1])
114 - Fish, Fresh, Chilled, or Frozen and Other Marine Products	10,861	8,508	7,053	8,817	0.3	0.1
21 - Oil, Gas, Minerals and Ores	36,949	51,613	138,021	192,195	1.1	1.2
211 - Oil and Gas	14,410	26,627	98,447	166,436	2.6	1.0
212 - Minerals and Ores	22,539	24,986	39,574	25,759	0.2	0.2
31-33 - Manufacturing	10,257,147	12,531,528	17,071, 272	14,700,140	1.8	88.0
311 - Food and Kindred Products	351,842	457,560	716,850	581,003	1.3	3.5
312 - Beverages and Tobacco Products	9,754	11,436	18,733	14,889	0.3	0.1
313 - Textiles and Fabrics	151,170	113,613	105,154	71,836	1.1	0.4
314 - Textile Mill Products	28,023	34,509	43,863	33,948	1.5	0.2
315 - Apparel and Accessories	37,521	35,354	37,614	31,451	1.1	0.2
316 - Leather and Allied Products	13,466	13,473	18,024	14,868	0.8	0.1
321 - Wood Products	10,008	13,743	20,695	27,745	0.7	0.2
322 - Paper	369,351	445,718	518,962	390,081	2.1	2.3
323 - Printed Matter and Related Products, not elsewhere specified or included	32,825	41,708	46,199	52,579	0.9	0.3
324 - Petroleum and Coal Products	1,328,757	1,348,919	2,635,734	2,531,009	6.1	15.2
325 - Chemicals	2,460,822	3,256,208	3,842,304	3,054,693	2.1	18.3
326 - Plastics and Rubber Products	195,466	251,897	333,856	303,774	1.5	1.8
327 - Nonmetallic Mineral Products	66,070	88,717	99,761	68,120	0.9	0.4
331 - Primary Metal Manufacturing	167,766	272,129	550,096	302,906	0.8	1.8
332 - Fabricated Metal Products, not elsewhere specified or included	249,881	313,299	455,674	391,903	1.4	2.3
333 - Machinery, Except Electrical	2,009,581	2,447,841	3,482,677	3,088,128	3.0	18.5
334 - Computer and Electronic Products	1,462,016	1,756,747	2,099,530	1,754,240	1.6	10.5
335 - Electrical Equipment, Appliances, and Component	323,656	391,935	526,307	483,263	1.8	2.9
336 - Transportation Equipment	682,864	885,659	1,068,426	1,110,484	0.7	6.7
337 - Furniture and Fixtures	14,890	21,025	23,606	20,343	0.6	0.1
339 - Miscellaneous Manufactured Commodities	291,418	329,858	427,207	372,877	1.1	2.2
51 – Publishers' Commodities	8,595	13,579	10,799	8,987	1.2	0.1
511 - Newspapers, Books, and Other Published Matter, not elsewhere specified or included	8,595	13,579	10,799	8,987	1.2	0.1
91-99 - Special Classification Provisions	479,928	599,961	932,639	766,496	1.2	4.6
910 - Waste and Scrap	49,789	55,716	119,337	75,033	0.3	0.4
920 - Used or Second-hand Merchandise	48,221	75,758	212,953	184,699	3.0	1.1
990 - Special Classification Provisions, not elsewhere specified or included	381,918	468,487	600,350	506,765	1.5	3.0

([1]) Less than 0.05 percent

Note: The beneficiary countries for 2009 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The value of U.S. exports is the free alongside ship (FAS) value of domestic U.S. exports at the U.S. port of export.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 3. Total and Leading 5-digit NAICS-based Industry U.S. Imports from the Beneficiary Countries, 2006-2009 (customs value, millions of dollars)

(5-digit NAICS-based industries with more than $200 million in U.S. imports from the beneficiary countries in 2009, ranked by 2009 value)

NAICS-based U.S. Import Sector	Value of U.S. Imports from the Beneficiary Countries				2009 Percent of Total	
	2006	2007	2008	2009	U.S. Industry Imports from the World	U.S. Imports from the Beneficiary Countries
Total U.S. Imports from the Beneficiary Countries	22,510.6	20,922.9	28,483.0	20,689.9	1.3	100.0
The leading NAICS-based Industries in 2009 were:						
21111 - Oil and Gas	8,700.4	7,866.5	13,281.8	8,445.0	4.8	40.8
33141 - Nonferrous Metal (Except Aluminum) Smelting and Refining	3,080.2	2,363.7	2,887.3	2,724.8	13.1	13.2
11133 - Non-citrus Fruits and Tree Nuts	1,328.4	1,388.7	1,658.3	1,746.8	16.4	8.4
21211 - Coal	1,189.3	1,244.6	1,497.2	1,079.0	74.6	5.2
32411 - Petroleum Refinery Products	1,451.6	1,262.3	1,963.3	1,016.7	1.4	4.9
11142 - Nursery Products, Flowers, Seeds, and Foliage	600.8	666.2	651.3	635.0	46.3	3.1
11411 - Fish, Fresh, Chilled or Frozen Fish and Other Marine Products	556.4	586.5	614.8	625.4	6.3	3.0
99000 - Special Classification Provisions, not elsewhere specified or included	577.5	537.5	801.3	624.8	2.8	3.0
31522 - Men's and Boys' Apparel	690.6	624.7	593.3	388.8	1.8	1.9
31523 - Women's and Girls' Apparel	606.7	510.7	475.3	375.7	1.0	1.8
31142 - Fruits and Vegetables	166.0	183.4	246.7	249.8	5.6	1.2
98000 - U.S. Goods Returned and Reimported Items	182.5	141.2	159.1	220.9	0.6	1.1
11121 - Vegetables and Melons	167.4	205.0	198.2	208.7	4.3	1.0

Note: The beneficiary countries for 2009 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia.
The value of U.S. imports is the customs value of U.S. imports for consumption.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 4. Total and Leading 5-digit NAICS-based Industry U.S. Exports to the Beneficiary Countries, 2006-2009 (millions of dollars)

(5-digit NAICS-based industries with more than $200 million in U.S. exports to the ATPA countries in 2009, ranked by 2009 value)

NAICS-based U.S. Export Sector	Value of U.S. Exports to the Beneficiary Countries				2009 Percent of Total	
	2006	2007	2008	2009	U.S. Industry Exports to the World	U.S. Exports to the Beneficiary Countries
Total U.S. Exports to the Beneficiary Countries	11,636.5	14,620.5	19,762.7	16,697.3	1.8	100.0
<u>The leading NAICS-based Industries in 2009 were:</u>						
32411 - Petroleum Refinery Products	1,327.8	1,347.4	2,633.6	2,528.3	6.1	15.1
32521 - Resin and Synthetic Rubbers	574.9	992.9	1,171.0	882.5	3.5	5.3
32519 - Other Basic Organic Chemicals	864.0	959.2	1,068.1	812.6	2.7	4.9
33312 - Construction Machinery	485.7	593.7	912.0	756.8	6.4	4.5
33411 - Computer Equipment	609.4	651.7	766.9	624.8	3.0	3.7
33641 - Aerospace Products and Parts	270.7	299.1	391.8	540.5	0.7	3.2
99000 - Special Classification Provisions, not elsewhere specified or included	381.9	468.5	600.3	506.8	1.5	3.0
33313 - Mining and Oil and Gas Field Machinery	439.6	538.2	777.0	503.9	4.3	3.0
33361 - Engines, Turbines and Power Transmission Equipment	184.7	219.4	384.1	452.2	2.3	2.7
33451 - Navigational, Measuring, Electromedical, and Control Instruments	249.4	332.7	420.7	396.0	1.2	2.4
11115 - Corn	464.4	680.6	717.0	379.0	4.1	2.3
33391 - Pumps and Compressors	123.2	170.2	222.2	360.7	5.3	2.2
33399 - Other General Purpose Machinery	236.2	283.6	357.8	341.1	2.1	2.0
32541 - Pharmaceuticals and Medicines	167.3	186.8	263.2	317.8	0.7	1.9
33422 - Radio and Television Broadcasting and Wireless Communications Equipment	313.9	221.4	342.0	283.3	6.2	1.7
31122 - Starch and Vegetable Fats and Oils	145.3	192.3	360.5	268.9	3.3	1.6
33531 - Electrical Equipment	125.1	157.0	221.2	256.8	2.4	1.5
32212 - Paper Mill Products	257.9	308.4	344.5	256.2	3.8	1.5
11114 - Wheat	115.9	402.3	505.3	250.8	4.7	1.5
33111 - Iron, Steel, and Ferroalloy	95.2	188.8	454.4	206.0	1.9	1.2
32531 - Fertilizers	174.5	227.3	303.1	201.9	5.2	1.2

<u>Note</u>: The beneficiary countries for 2009 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The value of U.S. exports is the free alongside ship (FAS) value of domestic U.S. exports at the U.S. port of export.
<u>Source</u>: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 5. U.S. Imports from the Beneficiary Countries by U.S. Import Program, 2006-2009 (customs value, thousands of dollars)

U.S. Import Program	2006	2007	2008	2009
No Program Claimed				
Customs Value	8,571,991	8,016,110	10,627,902	9,721,790
Dutiable Value	1,331,517	1,279,318	2,577,141	2,428,231
Calculated Duties	21,807	19,476	20,212	12,340
Average Rate of Duty	1.6%	1.5%	0.8%	0.5%
ATPA (excluding the ATPDEA Amendments)				
Customs Value	2,925,048	2,810,112	2,672,175	1,651,683
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
ATPDEA Amendments				
Customs Value	10,559,400	9,496,730	14,570,499	8,062,560
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
PTPA				
Customs Value	0	0	0	980,516
Dutiable Value	0	0	0	82,427
Calculated Duties	0	0	0	3,679
Average Rate of Duty	0	0	0	4.5%
GSP				
Customs Value	453,900	599,270	611,584	271,688
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
Pharmaceuticals				
Customs Value	11	3	0	303
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
Civil Aircraft				
Customs Value	246	714	858	1,335
Dutiable Value	0	0	0	0
Calculated Duties	0	0	0	0
Average Rate of Duty	0	0	0	0
Total				
Customs Value	22,510,596	20,922,939	28,483,018	20,689,874
Dutiable Value	1,331,517	1,279,318	2,577,141	2,510,657
Calculated Duties	21,807	19,476	20,212	16,019
Average Rate of Duty	1.6%	1.5%	0.8%	0.6%

Note: The beneficiary countries for 2009 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The dutiable value represents the customs value of the foreign merchandise imported into the United States that is subject to duty. The calculated duty represents the estimated import duties collected. Estimated duties are calculated based on the applicable rates of duty as shown in the Harmonized Tariff Schedule of the United States Annotated for Statistical Reporting Purposes. Estimates of calculated duty do not necessarily reflect amounts of duty paid. The average rate of duty is computed as the ratio of calculated duties over the dutiable value, expressed as a percent. Because of rounding, figures may not add to total shown.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 6. U.S. Imports from the Beneficiary Countries by U.S. Import Program and Country, 2009 (customs value, thousands of dollars)

Beneficiary Country	No Program Claimed	ATPA (excluding the ATPDEA Amendments)	ATPDEA Amendments	GSP	PTPA	Civil Aircraft	Pharmaceuticals	Total
Colombia								
Customs Value	5,429,989	796,854	4,792,631	188,730	0	853	303	11,209,359
Dutiable Value	1,246,494	0	0	0	0	0	0	1,246,494
Calculated Duties	5,334	0	0	0	0	0	0	5,334
Average Rate of Duty	0.4%	0	0	0	0	0	0	0.4%
Ecuador								
Customs Value	2,444,751	271,525	2,476,921	52,263	0	439	0	5,245,899
Dutiable Value	989,804	0	0	0	0	0	0	989,804
Calculated Duties	3,756	0	0	0	0	0	0	3,756
Average Rate of Duty	0.4%	0	0	0	0	0	0	0.4%
Peru								
Customs Value	1,847,049	583,305	793,008	30,696	980,516	43	0	4,234,615
Dutiable Value	191,933	0	0	0	82,427	0	0	274,359
Calculated Duties	3,251	0	0	0	3,679	0	0	6,930
Average Rate of Duty	1.7%	0	0	0	4.5%	0	0	2.5%
Total U.S. Imports from the Beneficiary Countries								
Customs Value	9,721,790	1,651,683	8,062,560	271,688	980,516	1,335	303	20,689,874
Dutiable Value	2,428,231	0	0	0	82,427	0	0	2,510,657
Calculated Duties	12,340	0	0	0	3,679	0	0	16,019
Average Rate of Duty	0.5%	0	0	0	4.5%	0	0	0.6%

Note: See the note to Table 5 for the definitions of the U.S. import programs. The dutiable value represents the customs value of the foreign merchandise imported into the United States that is subject to duty. The calculated duty represents the estimated import duties collected. Estimated duties are calculated based on the applicable rates of duty as shown in the Harmonized Tariff Schedule of the United States Annotated for Statistical Reporting Purposes. Estimates of calculated duty do not necessarily reflect amounts of duty paid. The average rate of duty is computed as the ratio of calculated duties over the dutiable value, expressed as a percent. Because of rounding, figures may not add to total shown.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 7. The Leading 20 Duty-Free U.S Imports under the ATPA (excluding the ATPDEA Amendments) from the Beneficiary Countries by NAICS-based Industry, 2009 (customs value, thousands of dollars)

NAICS-based Industry	Value of ATPA Duty-Free U.S. Imports			
	2006	2007	2008	2009
AGRICULTURE AND LIVESTOCK PRODUCTS				
Agricultural Products				
11121 - Vegetables and Melons	155,167	186,960	174,300	61,227
11133 - Noncitrus Fruits and Tree Nuts	60,010	60,898	72,143	75,532
11142 - Nursery Products, Flowers, Seeds, and Foliage	594,133	651,490	633,936	625,078
11199 - All other Agricultural Product	5,780	7,001	14,768	14,001
MINED PRODUCTS				
Mining (except Oil and Gas)				
21229 - Other Metal Ores	71,470	72,027	66,138	17,146
MANUFACTURED PRODUCTS				
Food Manufacturing				
31131 - Sugars	91,816	13,304	15,595	27,446
31134 -Nonchocolate Confectionery Products	11,763	10,103	12,150	18,487
31141 - Frozen Foods	49,264	57,163	66,342	48,850
31142 - Fruits and Vegetables	117,752	119,552	175,374	144,432
31194 - Seasonings, Dressings, and Other Prepared Sauces	26,015	35,609	52,726	22,990
Wood Product Manufacturing				
32121 - Veneer, Plywood, and Engineered Wood Products	18,220	14,823	19,729	23,474
Chemicals				
32521 - Resin and Synthetic Rubbers	43,641	53,112	38,155	22,761
Plastics and Rubber Products				
32619 - Other Plastics Products	29,783	39,876	33,496	29,352
Nonmetallic Mineral Products				
32712 - Clay and Refractory Building Materials	40,530	29,799	33,316	28,549
32721 - Glass and Glass Products	22,631	11,481	17,156	17,500
Primary Metal Manufacturing				
33141 - Nonferrous Metal (Except Aluminum) Smelting and Refining	994,762	1,001,211	879,035	239,415
33142 - Copper Rolling, Drawing, Extruding, and Alloying	43,310	41,844	59,727	25,394
Fabricated Metal Product Manufacturing				
33232 - Ornamental and Architectural Metal Products	45,504	27,076	18,435	12,637
Other General Purpose Machinery Manufacturing				
33991 - Jewelry and Silverware	176,947	114,162	77,269	19,328
33999 – Other Manufactured Commodities	14,112	16,038	15,959	13,825

Note: The beneficiary countries for 2009 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. Excludes duty-free entries under the ATPDEA.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

Table 8. The Leading 10 Duty-Free U.S Imports under the ATPDEA Amendments from the Beneficiary Countries by NAICS-based Industry, 2009 (customs value, thousands of dollars)

NAICS-based Industry	Value of ATPDEA Duty-Free U.S. Imports			
	2006	2007	2008	2009
MINED PRODUCTS				
Oil and Gas Extraction				
21111 - Oil and Gas	8,038,812	7,485,193	12,206,606	6,956,683
MANUFACTURED PRODUCTS				
Food Manufacturing				
31171 - Seafood Products, Prepared, Canned and Packaged	69,897	72,420	78,419	56,960
Apparel Manufacturing				
31511 - Hosiery and Socks	53,180	53,870	51,998	29,008
31522 - Men's and Boys' Apparel	655,183	589,789	570,618	297,621
31523 - Women's and Girls' Apparel	575,359	484,015	449,689	275,691
31529 - Other Apparel	32,832	32,778	30,329	15,457
31599 - Apparel Accessories	6,186	6,738	8,185	7,152
Leather and Allied Product Manufacturing				
31621 - Footwear	4,952	4,114	3,848	3,051
31699 - Other Leather Products	23,439	27,896	23,548	13,776
Petroleum and Coal Products Manufacturing				
32411 - Petroleum Refinery Products	1,099,464	739,754	1,146,805	407,118

Note: The beneficiary countries for 2009 are Colombia, Ecuador, and Peru. The beneficiary countries for previous years also include Bolivia. The ATPDEA amendments came into force on November 1, 2002.
Source: Compiled from official statistics of the U.S. Department of Commerce, Bureau of Census.

ACRONYMS

ATPA	Andean Trade Preference Act
ATPDEA	Andean Trade Promotion and Drug Eradication Act
BLS	Bureau of Labor Statistics
CAFTA-DR	Dominican Republic – Central America – United States Free Trade Agreement
CBERA	Caribbean Basin Economic Recovery Act
GSP	Generalized System of Preferences
HTS	Harmonized Tariff Schedule
NAFTA	North American Free Trade Agreement
NAICS	North American Industrial Classification System
NTR	Normal Trade Relations
PTPA	United States – Peru Trade Promotion Agreement
USDA	U.S. Department of Agriculture
USITC	U.S. International Trade Commission