Guidebook to the Andean Trade Preference Act

ATPA

U.S. DEPARTMENT OF COMMERCE / International Trade Administration
U.S. Agency for International Development

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July 1992

U.S. DEPARTMENT OF COMMERCE / International Trade Administration

U.S. Agency for International Development

FOREWORD

Over the past decade, Bolivia, Colombia, Ecuador, and Peru have faced a mounting challenge of international narcotics trafficking that has threatened both their political and economic well-being. Despite the obstacles, these Andean countries have initiated comprehensive economic reforms, at varying degrees, as part of an effort to stimulate legitimate private sector activity and to attract more foreign trade and investment partners. However, unlike the news of drug-related activities, these important reforms rarely make the headlines in the United States. This guidebook seeks to explain new opportunities for U.S. entrepreneurs and the reality of doing business in the region.

Most cocaine originates from the Andes, and the vast majority is smuggled into the United States for consumption; consequently, the U.S. Government has launched efforts to curb the sale and use of illegal narcotics in the United States and deter drug production overseas. At the same time, the governments of the four Andean countries have cracked down on growers, processors, and traffickers of cocaine. But if growers and processors in particular are to discontinue their activities, viable economic alternatives that allow them to earn a decent income must be made available.

The Andean Trade Initiative (ATI) recognizes the challenge of creating alternatives to the demand for coca leaf production. As the trade component of the U.S. Government's antidrug efforts, the ATI offers a series of programs to assist these countries with economic development, especially in agriculture, and to stimulate private sector initiative. A primary element of the initiative was accomplished with the passage of the Andean Trade Preference Act (ATPA) in December 1991, which provides broadened duty-free access to the large and lucrative U.S. market. This guidebook provides an overview of the ATPA, the types of assistance available to U.S. businesses interested in doing business in the region, and the four eligible beneficiaries.

The ATPA offers new, important, and potentially profitable opportunities to the United States and the four potential ATPA beneficiaries. Previous experience with the Caribbean Basin Initiative—which the ATPA is modelled on—shows an increase in multilateral trade and investment activity and economic diversification in the region. The Department of Commerce and the Agency for International Development urge you to look closer at the possibilities that the ATPA countries offer, take full advantage of the programs and services described within this guidebook, and call on us for further assistance in understanding this important part of our world.

U.S. DEPARTMENT OF COMMERCE
International Trade Administration
Latin America/Caribbean
Business Development Center

U.S. Agency for International Development
Bureau for Latin America and the Caribbean

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CHAPTER I

Basic Facts About the Andean Trade Preference Act

Q: What is the Andean Trade Preference Act (ATPA)?

A: It is a unilateral trade benefit program similar to the Caribbean Basin Initiative (CBI) designed to promote economic development through private sector initiative in the four Andean countries of Bolivia, Colombia, Ecuador, and Peru. The ATPA is referred to as the trade component to President Bush's "war on drugs." One of the goals of ATPA is to encourage alternatives to coca cultivation and production by offering broader access to the U.S. market. Another goal is to stimulate investment in nontraditional sectors and diversify the Andean countries' export base.

The primary provision of the program is expanded duty-free entry into the United States granted through an act of Congress under the Andean Trade Preference Act (ATPA). The ATPA went into effect on December 4, 1991 and will expire on December 4, 2001, but the law first requires that each country be reviewed by the Administration to determine their eligibility based on criteria set forth in the act (see Appendix E). Once each country is designated by the President as a "beneficiary," this broadened access, available to a wide range of goods produced in these Andean countries, will serve as an incentive for investment and increased export production. The Department of Commerce contacts at the end of this chapter can provide an update on each country's beneficiary status.

Q: What are the differences between ATPA and CBI?

A: CBI is a broader, permanent program that offers the following measures that ATPA does not:

- Access to Section 936 financing
- Separate cumulation for antidumping and countervailing duty investigations
- Scholarship assistance
- A pilot preclearance program

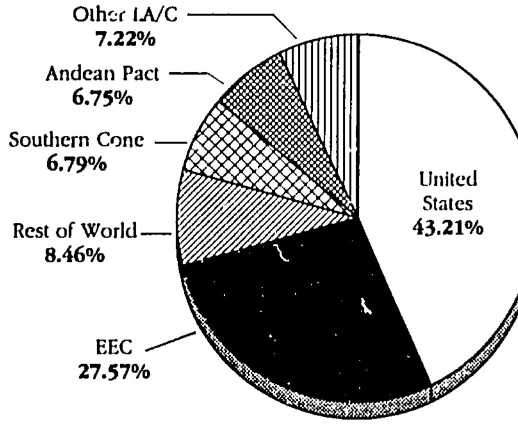
In other words, most non-tariff provisions extended through CBI legislation are not a part of ATPA. Further details on CBI are in *Caribbean Basin Initiative Guidebook*, available from the U.S. Government Printing Office (Stock no. 003-009-00585-0), Tel: (202) 783-3238.

Q: How will ATPA benefit the United States and U.S. companies?

A: ATPA will contribute to the economic growth and diversification of the Andean beneficiaries that are combating the export of illegal narcotics. Broader access to the U.S. market helps to provide an incentive to growers and middlemen to engage in legitimate economic activities. For example, a peasant farmer might forgo coca production for the cultivation of a legal agricultural product that benefits from free entry into the United States, especially since local governments have stepped up efforts to eradicate coca fields and punish growers. Reduced production would help to isolate and destroy the drug trade in the region and help diminish the availability of illegal drugs in the United States.

The United States is the largest trading partner with the Andean region (see Figure 1). As the Andean economies grow and diversify, demand for U.S. goods and services will also increase. Experience with the CBI demonstrates that two-way trade and investment has increased significantly. While the export of nontraditional CBI products (manufactured goods, flowers, fruits, etc.) expanded by nearly 150 percent between 1983 and 1991, so too has the demand for U.S. machinery and equipment, intermediate goods, and services. In fact, U.S. exports to the CBI have increased by 50 percent since the program started in 1984.

Figure 1
Exports by Destination Bolivia, Colombia, Ecuador & Peru



Source: *Direction of Trade Yearbook 1991*, International Monetary Fund.

U.S. investment in the Andean region, as opposed to far away locations outside the hemisphere, can help increase U.S. competitiveness through lower labor costs and other comparative advantages. Moreover, U.S. companies with a manufacturing presence in the Andean region can take advantage of trade opportunities emerging in some of the neighboring South American countries with large and growing economies, such as Chile and Argentina. Recent trade and investment reforms in the Andean region offer additional opportunities to U.S. investors. (Specific country information is available upon request. See Appendix C and Chapter IV: Country Profiles.)

Q: What criteria must a product meet to be eligible for duty- free entry into the United States under ATPA?

A: Like CBI, certain categories of products are excluded from duty-free entry. These excluded items are:

- Most textiles and apparel
- Canned tuna
- Petroleum and petroleum products
- Footwear, except disposable items and footwear parts such as uppers
- Certain leather, rubber, and plastic gloves*
- Luggage, handbags, and flat goods*
- Certain leather wearing apparel*
- Rum and tafia**
- Watches and watch parts, if any component originated in a non-most-favored-nation country

For a comprehensive list of excluded products listed by Harmonized Tariff Code, see Appendix B.

Sugar remains subject to the tariff-rate quota system proclaimed on September 13, 1990, which created a two-tiered tariff system. Like CBI and countries benefiting from the Generalized System of Preferences (GSP), the Andean countries may export a previously designated, "lower tier" amount duty free. Any sugar imports above that allocation are subject to an "upper tier" tariff.

All other products may qualify, as long as:

1. They are imported directly into the United States from any of the four qualifying Andean countries;
2. They are wholly grown, produced, or manufactured in one or more of the four Andean countries or they are substantially transformed into new and different articles of commerce in one or more of the four Andean countries; and
3. The cost or value of materials produced in any of the Andean countries or any of the 23 CBI beneficiary countries*** plus the direct cost or value of processing performed in any of these countries total at least 35 percent of the article's customs appraised value. In addition, the cost or value of inputs produced in the United States (other than Puerto Rico) may be counted toward the 35 percent requirement, but only to a maximum of 15 percent of the appraised value of the article.

See Chapter II for greater detail and definitions.

Q: What if the product contains materials from other than CBI/ATPA countries, the United States, Puerto Rico, or the U.S. Virgin Islands? Can the value of those materials be counted towards the 35 percent value-added requirement?

A: Yes, if that material or article is first substantially transformed in a CBI/ATPA country into a new and different article of commerce and then substantially transformed again upon incorporation into the final, benefiting product (see Chapter II for further details).

Before importing or undertaking an ATPA project, companies should obtain an advance ruling from the U.S. Customs Service on the eligibility of their product for duty-free entry. Rulings may be obtained from:

Special Classification Branch
Commercial Rulings Division
U.S. Customs Service
1301 Constitution Avenue, NW
Washington, DC 20229
Tel: (202) 566-5765

Requests for advance rulings must be in writing and detail the production process and the direct costs of processing used to meet the 35 percent value-added requirement. It may be advisable to have an experienced U.S. customs broker or trade attorney review the request prior to submission.

Q: Which industries appear to have the most promising growth potential for the region?

A: The four Andean beneficiary countries have a number of strong export sectors with many products already benefiting from duty-free entry under the GSP (see Chapter IV: Country Profiles). Other products already being exported to the United States that stand to gain from duty-free status under the ATPA are listed in Appendix A. Businesses should use this appendix and other sources of information indicated throughout this publication to determine potential markets and trade opportunities.

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* Tariff rates on leather-related products (excluding footwear) will be reduced by a maximum of 20 percent over the next five years, with no more than a 2.5 percentage point on any one product.

** Rum and tafia are the only categories excluded under the ATPA that are not excluded under CBI.

*** For the purposes of this calculation, inputs from Puerto Rico or the U.S. Virgin Islands are considered CBI country products and may count toward the full 35 percent.

Q: Are there other advantages to investing in the Andean region?

A: The four ATPA beneficiaries and Chile established the basic framework for an Andean trade pact in 1969. Venezuela later joined the Andean Pact in 1973, while Chile withdrew in 1976. The Andean Pact saw little progress until 1990 when the five member countries agreed to establish a common market by 1996. Pact members recently agreed to implement a free trade zone by January 1992 and announced Decision 291, which grants national treatment to foreign investors and opens the way to lift all remittance restrictions. If successfully implemented, U.S. manufacturers with operations in the region will be able to move their products freely across the five borders (see Appendix H for further details).

Colombia is also negotiating independently with Venezuela and Mexico (popularly known as the G-3) for a possible free trade agreement. Chile may also join in, thus expanding trade opportunities for companies located in the region.

Finally, the European Economic Community has also expanded its GSP program to Bolivia, Colombia, Ecuador, and Peru for a period of four years (see Appendix I for further details).

Q: What can U.S. firms do to take advantage of the ATPA?

A: For U.S. companies new to international trade, Chapter V offers a brief step-by-step process for doing business overseas. While undertaking market research and strategic planning, U.S. companies should utilize the key U.S. Government agencies and Andean trade and investment promotion organizations in the United States and abroad listed in Chapters III and IV. For companies specifically interested in the trade and investment opportunities created by ATPA, or for the Caribbean region by the CBI, the U.S. Department of Commerce's Latin America/Caribbean Business Development Center (LA/CBDC) in Washington can provide program information and assistance in locating contacts, product sources, or joint venture partners. The LA/CBDC can be reached at (202) 377-0841 or 0703.

For companies interested in selling goods or services in the Andean region, the Department of Commerce has a variety of services available to help locate buyers or distributors and to publicize new products in Andean markets. The best starting point is the nearest Commerce Department district office (listed in Appendix G) or by calling Commerce's Trade Information Center at 1-800-872-8723.

Individuals seeking country specific guidance on doing business, particularly U.S. exporters, should contact the country desk officers in Washington at (202) 377-1659 for Colombia and Bolivia and (202) 377-2521 for Ecuador and Peru. Both the desk officers or the LA/CBDC can also provide information on each country's status as a beneficiary under the ATPA.

In-country advice and assistance is available from commercial officers in the U.S. embassies abroad. The U.S. Agency for International Development also has private sector offices that assist local chambers and trade organizations with financial and technical assistance. These offices are listed for each country in Chapter V.

Scheduled Telephone Change

The prefix for all telephone numbers in the Herbert C. Hoover Building (14th St. & Constitution Ave., NW, Washington, DC 20230) of the Department of Commerce is scheduled to be changed from 377 to 482 on September 28, 1992. The last four digits of numbers between 377-000 and 377-6499 will remain the same.

CHAPTER II

Duty-Free Entry into the U.S. Market: ATPA, CBI, and GSP

ANDEAN TRADE PREFERENCE ACT

The Andean Trade Preference Act (ATPA) provides duty-free entry into the United States for a broad range of products from Bolivia, Colombia, Ecuador, and Peru*. The ATPA became law on December 4, 1991 and is due to expire on December 4, 2001. The ATPA is the main component of an overall U.S. strategy known as the Andean Trade Initiative (ATI). ATI seeks to combat the production of illegal narcotics by assisting Bolivia, Colombia, Ecuador, and Peru with economic development projects and programs.

Products eligible for duty-free entry may still be subject to federal excise taxes, such as those that apply to alcohol products. Furthermore, products must still comply with all applicable laws, regulations, and standards such as those designed to protect U.S. consumers and industry from unfair trading practices (for example, antidumping or countervailing duties) and potentially harmful or unsafe products.

Some products are statutorily barred from receiving duty-free benefits under the ATPA. They are:

- Most textiles and apparel
- Canned tuna
- Petroleum and petroleum products
- Footwear, except disposable items and footwear parts such as uppers
- Certain leather, rubber, and plastic gloves (subject to reduced rates of duty)
- Luggage, handbags, and flat goods (subject to reduced rates of duty)
- Certain leather wearing apparel (subject to reduced rates of duty)
- Watches and watch parts, if any component originated in a non-most-favored-nation (or Column 2) country
- Rum and tafia

To be entitled to duty-free treatment, an article must be wholly grown, produced, manufactured, or *substantially transformed* (see "Definitions" section) in one or more ATPA beneficiary countries and be imported directly into the United States. At least 35 percent of the customs appraised value of the article must be attributable to the *cost or value of materials produced* (see "Definitions" section) in one or more ATPA or CBI countries and/or the direct costs of processing performed in one or more of these countries. The Commonwealth of Puerto Rico and the U.S. Virgin Islands are defined as beneficiary countries for purposes of this requirement; therefore, value attributable to Puerto Rico or the U.S. Virgin Islands may also be counted. In addition, the cost or value of materials produced in the customs territory of the United States (other than Puerto Rico) may be counted toward the 35 percent value-added requirement, up to a maximum of 15 percent of the appraised value of the article.

The cost or value of materials from other than CBI/ATPA countries, the U.S. Virgin Islands, Puerto Rico, and the United States can be counted toward the 35 percent value-added requirement if they are first substantially transformed (see "Definitions" section) in a CBI/ATPA country into new and different articles of commerce which are substantially transformed a second time upon incorporation into the benefited article. This process is known as *double substantial transformation* (see "Definitions" section) and is enforced by the U.S. Customs Service.

The 35 percent value-added and substantial transformation requirements are intended to ensure that operations established to take advantage of the ATPA trade benefits are substantial enough to provide real economic benefit to the ATPA countries. Simple "pass through" operations in which goods from non-ATPA countries receive minimal processing or packaging before reexport to the United States might otherwise injure U.S. industries while contributing little to economic development in the Andean region.

Definition of Terms

35 Percent Value-Added: Products that are wholly (100 percent) the growth, product, or manufacture of ATPA countries are presumed to meet the 35 percent value-added criterion. For other articles, however, the value added in ATPA/CBI countries must be calculated to ensure that it is at least 35 percent. Information on the total value added must be provided on the Certificate of Origin Form A (Revised), if requested by the U.S. Customs Service (see following section entitled "Documentation").

** ATPA first requires that each country be reviewed by the Administration to determine its eligibility based on criteria set forth in the act (See Appendix E). For an update call (202) 377-1659 for Colombia and Bolivia, (202) 377-2521 for Ecuador and Peru or (202) 377-0841 for general ATPA-related inquiries.*

In calculating the percentage of value added, only direct costs of processing and the cost of materials produced in a beneficiary country may be counted toward the 35 percent minimum.

Direct Costs of Processing: These costs include those directly incurred or reasonably allocated to the production of the article, such as the cost of labor directly involved in production; direct supervision of processing; rent for factory space (production area only, not administrative offices); electricity directly used in processing; dies, molds, tooling, and depreciation thereof; research and development; and inspection and testing. Administrative expenses (including supervision, rent for administrative space, electricity, etc.), profit, insurance, advertising, and salespersons' salaries **are not** considered direct cost of processing operations and therefore may not be counted toward the 35 percent valued-added requirement.

Cost of Materials: The cost of materials used to produce the article is the manufacturer's actual cost for the materials, including freight, insurance, packing and all other costs incurred in transporting the materials to the manufacturer's plant. It also includes the actual cost of waste or spoilage (less the value of recoverable scrap) and taxes or duties imposed on the materials by the beneficiary developing country (provided such taxes or duties are not remitted upon exportation).

Substantial Transformation: This term applies to any process that results in a new and different article of commerce. Factors such as a change in the tariff classification, value-added, complexity of the operation, etc. will be considered when determining if there is a substantial transformation. Generally, the U.S. Customs Service decides on a case-by-case basis whether a given process results in a substantial transformation. Therefore, it is strongly recommended that interested parties obtain an advance ruling from the U.S. Customs Service for products not wholly grown, manufactured, or produced in the Andean countries.

Examples of operations which do not qualify as substantial transformation are:

- Putting batteries in devices
- Fitting together a small number of components by bolting, gluing, or soldering
- Blending domestic with foreign substances, such as reconstituting fruit juices by adding water to juice concentrate
- Diluting chemicals with inert ingredients to bring them to standard degrees of strength
- Painting or applying decals or labels

Examples of operations that usually result in a substantial transformation include:

- The complex assembly of a large number of components into a printed circuit board
- Mixing two or more chemical compounds, resulting in a chemical reaction which creates a new chemical compound
- Producing frozen juice concentrate from raw fruit
- Producing wooden picture frames from raw lumber
- Cutting materials to defined shapes or patterns suitable for use in an assembly operation

Double Substantial Transformation. This process involves transforming materials and then using them as constituent materials in the production of the eligible article. Double substantial transformation can be used to meet the 35 percent value-added criterion of ATPA. This is illustrated in the following example:

Twenty four karat fine gold bars are shipped from Brazil (a non-ATPA or CBI beneficiary) to Peru where they are melted down and mixed with 14 karat gold alloy to create 14 karat gold wire. The gold wire is then extruded and machine formed into links which are soldered together to create gold chains. The processing in Peru results in a double substantial transformation of the pure gold imported into Peru. The conversion of the 24 karat fine gold into 14 karat gold wire produces a new and different intermediate article of commerce, which itself is substantially transformed when processed into gold chains. As a result, the cost or value of the constituent material (the 14 karat gold wire) may be counted toward the 35 percent value-added requirement.

Before importing or undertaking an ATPA project, companies should obtain an advance ruling from U.S. Customs Service on the eligibility of their product for duty-free entry. Rulings may be obtained from:

Special Classification Branch
Commercial Rulings Division
U.S. Customs Service
1301 Constitution Avenue, NW
Washington, DC 20229
Tel: (202) 566-5765

Requests for advance rulings must be in writing and detail the production process and the directs costs of processing used to meet the 35 percent value added requirement. It may be advisable to have an experienced U.S. customs broker or trade attorney review the request prior to submission.

Documentation

Normally, the U.S. Customs Service will allow an eligible product to enter duty free, whether or not the

Certificate of Origin Form A is presented at the time of entry. If the Form A is not available, the importer will have to produce it to substantiate his claim to duty-free entry, if requested to do so by Customs. The ATPA countries are responsible for printing and supplying this form. The Form A may be purchased from any of the commercial printers listed below:

Formular-Verlag Purschke and Hensel
Barbacher Strasse 232
D 5-300 Bonn
Germany

Wilhelm Kohler Verlag
495 Minden 2
Postfach 1530
Bruckenkopf 2a
Germany

Che San and Company
10 Pottinger Street
Hong Kong

Cheung Lee Printing Company
210 A Li Po Chun Chambers
185-195 Des Voeux Road, Central
Hong Kong

Winson Printing Company
80-82 Wharf Road
North Point
Hong Kong

The exporter in the ATPA country should cross out the words "Generalized System of Preferences" where they appear on Form A and substitute the words "Andean Trade Preference Act."

The U.S. Customs district director at the port of entry may require more detailed information to support the statements made on Form A. In addition, where necessary value is added in a bonded warehouse or foreign trade zone in Puerto Rico after final exportation of the article from a beneficiary country, a detailed declaration prepared by the party responsible for the addition of such value shall be filed in lieu of the Form A.

Detailed and well documented evidence sufficient to prove that the product meets the 35 percent test should be kept on file by the Andean exporter for five years. As a practical matter, documentary evidence usually needs to be kept on file no longer than a few months, by which time liquidation normally has occurred.

In most cases, the information provided by the Andean exporter to the U.S. Customs Service at the time of the product's entry will be sufficient for duty-free benefits. The U.S. Customs Service has the authority, however, to require a detailed accounting and, if necessary, full documentary evidence that the product meets ATPA requirements. The Customs Service requires the posting of a bond equivalent to the value of the shipment plus estimated duties for all entries to ensure compliance with ATPA regulations and other U.S. laws.

CARIBBEAN BASIN INITIATIVE

The ATPA was modelled after the Caribbean Basin Initiative (CBI) and is essentially identical in its requirements and the benefits it confers. In drafting ATPA, however, U.S. policy-makers endeavored to further integrate the Caribbean Basin and Andean regions. For this reason, under ATPA, the cost or value of materials produced in and/or processing performed in a CBI beneficiary country may be attributed to the 35 percent value-added requirement. The U.S.Virgin Islands and Puerto Rico are considered CBI beneficiary countries for these purposes.

As of July 1992, the following 23 countries have been designated CBI beneficiaries*:

Antigua and Barbuda	Guyana
Aruba	Honduras
Bahamas	Jamaica
Barbados	Montserrat
Belize	Netherlands Antilles
British Virgin Islands	Panama
Dominica	St. Kitts-Nevis
Dominican Republic	St. Lucia
El Salvador	St. Vincent and the Grenadines
Grenada	
Guatemala	Trinidad and Tobago

The following countries may be eligible for CBI trade benefits but have not formally requested designation:

Anguilla	Suriname
Cayman Islands	Turks and Caicos Islands

CBI countries may not, however, benefit inversely from ATPA country inputs. That is, goods shipped from CBI countries to the United States cannot include inputs from ATPA countries to meet the 35 percent content rule, unless they meet the double substantial transformation requirement.

GENERALIZED SYSTEM OF PREFERENCES

The Generalized System of Preferences (GSP) allows some 4,300 products into the United States duty free from developing countries throughout the world. The ATPA differs from GSP in several important ways. Whereas GSP applies worldwide, ATPA duty-free entry is limited to Bolivia, Colombia, Ecuador, and

** Haiti had been a beneficiary of the CBI until a U.S. economic embargo was imposed on Haiti on November 5, 1991 under the auspices of an Organization of American States-endorsed economic embargo.*

Peru. GSP is scheduled to expire on July 4, 1993, whereas ATPA extends to December 4, 2001. The product coverage under the ATPA is also broader and includes over 6,000 products.

Direct importation, substantial transformation, and 35 percent value-added requirements apply to both GSP and the ATPA, but the ATPA is more liberal in several respects. First, GSP requires that the 35 percent added-value be from a single beneficiary country or specified associations of countries, such as the Andean Pact (see Appendix H). Under the ATPA, the 35 percent can include materials and/or processing from CBI beneficiary countries, including the U.S. Virgin Islands and Puerto Rico. Second, under the ATPA, the value of U.S. materials may be counted toward the 35 percent value added requirement, up to a maximum of 15 percent of the appraised value of the article. Third, and perhaps most significantly, under GSP a country may be "graduated" from duty-free entry privileges for a particular product or from the entire GSP program, as occurred with Singapore, Hong Kong, Taiwan, and Korea. Each year, GSP duty-free benefits are eliminated for some products from the more competitive developing countries that have achieved a specified market penetration in the United States. The absence of this graduation process under the ATPA and the CBI gives investors and exporters from the region greater certainty of continued duty-free access under these two special access programs.

U.S. Government Programs for Business Development in the ATPA Region

More than 15 U.S. Government agencies offer a wide range of business development services for traders and investors. This chapter describes 11 of these agencies and any specific program they have for ATPA projects.

U.S. DEPARTMENT OF COMMERCE

The U.S. Department of Commerce's International Trade Administration (ITA) has a network of expert trade specialists in 66 U.S. embassies worldwide and 68 cities in the United States linked by an electronic message system that allows for worldwide rapid exchange of commercial information. In addition, ITA houses country and product specialists in its Washington offices. The primary mission of the ITA network is to increase U.S. exports and foreign investment.

Two ITA offices in Washington focus on fostering stronger commercial ties between the United States and the ATPA region. The Latin America/Caribbean Business Development Center is primarily responsible for promoting business development in the Andean region and providing information on the ATPA, while the Andean Division develops U.S. commercial policy and provides assistance to U.S. exporters. A more detailed list of programs and services of these two offices follow.

Latin America/Caribbean Business Development Center

The Latin America/Caribbean Business Development Center (LA/CBDC) is designed to facilitate two-way trade and investment by providing information to businesses interested in pursuing commercial opportunities, with a focus on implementing the Andean Trade Preference Act and the Caribbean Basin Initiative. Special, sector-specific projects include agribusiness, tourism, telecommunications, and energy. The Center's principal activities include:

- *Business Counseling:* Consultations with the Center's staff can assist in understanding trade programs, business trends, and additional contacts.
- *Matchmaking:* Through contacts in all parts of the Andean region, the Center can assist U.S. companies to locate Andean trade and investment opportunities.
- *Workshops, Symposia, and Conferences:* The Center sponsors informative programs featuring experts on topics such as the regional commercial environment, trade regulations, and how to trade and invest overseas.
- *Business Development Missions:* The Center organizes and supports third party missions to the region allowing U.S. business representatives to explore specific commercial prospects and get a hands-on view of a country.
- *Latin America/Caribbean Business Promotion Council:* Chartered under the Federal Advisory Committee Act, this committee consists of 15 senior executives with business experience in the Latin America/Caribbean region who provide advice and assistance to the Secretary of Commerce and the Administrator of the Agency for International Development on programs to increase trade and investment in the region and promote Latin America and the Caribbean within the business community.
- *Publications:* The Center publishes separate guidebooks to the Andean and Caribbean Basin regions as well as the monthly *LA/C Business Bulletin*. The *Bulletin* is designed to inform U.S. and Latin American firms of sourcing, investment, and joint-venture opportunities, in addition to upcoming events and economic trends in the region. The Center also publishes information on financing opportunities and industry and investment trends in the region.

For a free subscription to the *Bulletin* (subscription request must be in writing): or information on other LA/CBDC publications and activities, contact

U.S. Department of Commerce
Latin America/Caribbean
Business Development Center
HCHB 3203
Washington, DC 20230
Tel: (202) 377-0703/0841
Fax: (202) 377-2218

Andean Division

Country desk officers in the Andean Division of ITA's Office of Latin America are responsible for developing and supporting U.S. commercial policies in the region and serve as a good source of information on trade and investment potential in the Andean countries. Desk officer responsibilities include:

- *Business Counseling:* Desk officers provide guidance to U.S. business inquirers on the economic and commercial conditions in their assigned countries, such as: trade and investment regulations, tariffs, business practices, economic and political developments, trade data and trends, market size, and market growth. In addition, the Andean Division is the key contact for informa-tion on the Andean Pact economic integration process and its implications for U.S. business (see Appendix H).
- *Developing and Recommending Policy:* Desk officers develop and recommend trade and investment policy positions in the interest of U.S. business and represent the Department of Commerce in bilateral consultations with the Andean governments. They also participate in negotiations of trade and investment accords, such as bilateral framework agreements.
- *Coordinating Trade Promotion Activities:* Desk officers coordinate with U.S. embassy commercial and economic teams overseas to advance U.S. business interests through commercial development, technical assistance, and promotion activities. The Andean Division also works closely with other U.S. Government agencies through the Trade Promotion Coordinating Committee (TPCC) to streamline trade promotion activities benefiting U.S. business.

U.S. Department of Commerce
Andean Division
HCHB 3025
Washington, DC 20230
Tel: Colombia/Bolivia Desk:
(202) 377-1659
Ecuador/Peru Desk:
(202) 377-2521

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

U.S. Agency for International Development (AID) programs are administered by AID Missions in 70 countries around the world. In Latin America and the Caribbean, AID field offices include individual private sector offices that coordinate their activities with AID's Bureau for Latin America and the Caribbean, Office of Trade and Investment in Washington, D.C

AID's program in support of ATPA is designed to stimulate economic growth, promote higher standards of living, improve foreign exchange earnings, and serve as a catalyst to the growth of trade and investment in the region. AID's support for private sector initiatives is wide ranging and tailored to each country. Support includes:

- *Financial Assistance:* AID offers financial assistance to ATPA countries for short-term stabilization and economic recovery. This assistance helps finance imports of raw materials and intermediate goods for the private sector.
- *Improving the Business Climate:* AID supports policy reforms and incentives to restore domestic business confidence, rationalize interest and foreign exchange rates, attract foreign investment, and develop new trading patterns. AID also helps to improve public administration and upgrade the infrastructure needed to attract private investments. In most ATPA countries, AID supports export promotion organizations designed to link local businesses with foreign buyers or investors.
- *Assistance to the Business Community:* AID funds programs that upgrade human resource skills and managerial capabilities, overcome technical marketing and export obstacles, and capitalize financial intermediaries that provide credits to business enterprises in the country.

For AID in-country contacts, see the individual country profiles in Chapter III. In Washington, contact:

U.S. Agency for International Development
Bureau for Latin America and the
Caribbean
Office of Trade and Investment
Room 3253
Washington, DC 20523
Tel: (202) 647-9100
Fax: (202) 647-8098

U.S. CUSTOMS SERVICE

The U.S. Customs Service, an agency of the Department of the Treasury, is responsible for the enforcement of customs-related laws, including the assessment and collection of duties, taxes, and fees on imported merchandise, and enforcing the regulations of numerous other federal agencies at ports of entry and along the land and sea borders of the United States.

Authoritative information on a particular customs question may be obtained by writing to the district director of the Customs Service at the expected port-of-entry (see Appendix F) for the goods in question, or to:

Director, Trade Operations
U.S. Customs Service
1301 Constitution Avenue, NW
Washington, D.C. 20229

Andean/Caribbean Help Desk

In support of the Andean Trade and Caribbean Basin Initiatives, the U.S. Customs Service established a special information service ("Help Desk") for Andean and Caribbean Basin exporters to provide details on U.S. Customs requirements. The service is *for exporters located overseas only* and not for U.S. importers intending to import from the Andean or Caribbean region (U.S. importers should work with the nearest Customs office listed in Appendix F).

The Help Desk can provide information on U.S. import requirements, tariff classification, customs procedures, and marking laws. Requests for binding tariff classification rulings should be accompanied by samples of the product to be imported. The Andean/Caribbean Help Desk does not provide import statistics, current importers of a given product, market prices, demand, and other marketing questions.

U.S. Customs Service
Andean/Caribbean Help Desk
909 S.E. First Avenue
7th Floor
Miami, FL 33131
Tel: (305) 530-7025/7026
Fax: (305) 350-7574

U.S. DEPARTMENT OF AGRICULTURE

The U.S. Department of Agriculture (USDA) administers a broad range of ATPA-related international programs in areas such as research and technical assistance in tropical agriculture, market information, economic analysis, agricultural commodity assistance to developing countries, and development and administration of import regulations, to assure product quality and safety, and protect U.S. agriculture from foreign plant and animal diseases and pests.

The official representatives of USDA overseas are the agricultural attaches. In the ATPA countries, attaches are located in Bolivia, Colombia, and Peru (the attache in Peru also covers Ecuador). The primary responsibility of these officers is to represent U.S. agricultural interests by reporting on production and trade policies overseas and by facilitating agricultural trade, including U.S. Government commodity donations and long-term credit programs for purchasing U.S. agricultural products.

USDA foreign offices also serve as contact points in foreign countries for questions regarding U.S. import regulations for fresh agricultural products and meat and poultry entering the United States. Specific questions are transmitted by the agricultural attache to appropriate representatives of USDA's Animal and Plant Health Inspection Service (APHIS), the Agricultural Marketing Service (AMS), or the Food and Safety Inspection Service (FSIS).

The Trade and Investment Program of the Office of International Cooperation and Development (OICD), located in Washington, DC, designs and implements a variety of programs to facilitate agribusiness development and related projects in developing countries, including the ATPA region. These programs include workshops in agricultural marketing, transportation and infrastructure, production and processing, and similar fields; business opportunity/investment missions; technical team visits; agribusiness site tours in the United States; and agricultural task forces. OICD'S Agribusiness Information Center also can provide exporters with access to agricultural databanks and other forms of expertise provided by both the public and private sectors in the United States. It is a clearinghouse for requests from U.S. and Andean agribusinesses and provides information on technical and scientific expertise, agricultural investment, trade, and marketing.

For questions regarding USDA regulations and appropriate administering agencies, contact:

U.S. Department of Agriculture
OICD/Food Industries Division
Trade and Investment Program
South Agriculture Building, Room 3250
Washington, DC 20250-4300
Tel: (202) 690-3985
Fax: (202) 690-0349

EXPORT-IMPORT BANK OF THE UNITED STATES

The Export-Import Bank of the United States (Eximbank) provides credit support to U.S. exporters and Andean buyers in the form of loans, guarantees, and insurance. Eximbank credit support can play a critical role in financing capital goods, spare parts, and raw material imports needed for ATPA-related development projects. Eximbank programs currently value $1.5 billion for the Andean region.

Exporters and commercial lenders may reduce their risks by purchasing export credit insurance from Eximbank's agent, the FCIA Management Company, Inc. Several policies covering political and commercial risk are available, including New-to-Export, Multi-Buyer, Single-Buyer, Lease Insurance, Bank Letter of Credit, and Financial Institution Buyer Credit. Policies are available for short-term (up to 180 days) and medium-term (181 days to 5 years) export receivables.

Eximbank's loans and guarantees cover up to 85 percent of the U.S. export value, with repayment terms of 1 year or more. Eximbank's loans provide competitive, fixed interest rate financing for U.S. export sales directly to foreign buyers or responsible parties that extend loans to foreign buyers. Eximbank's guarantees provide repayment protection for private sector loans to creditworthy buyers of U.S. goods and services and are available alone or in combination with an intermediary loan.

Eximbank provides all of its services to Colombia and has established Credit Guarantee Facilities that provide pre-approved lines of credit to Colombian commercial banks. The banks in turn extend medium-term credit directly to Colombian businesses purchasing eligible capital goods and services from U.S. companies. Some Eximbank limitations exist for Bolivia and Ecuador, while no coverage is currently available for Peru. For further details, contact:

Export-Import Bank of the United States
811 Vermont Avenue, NW
Washington, DC 20571
Tel: Medium-& Long-Term Programs
(202) 566-8943
Short-Term Insurance
(202) 566-8955

OVERSEAS PRIVATE INVESTMENT CORPORATION

The Overseas Private Investment Corporation (OPIC), a self-sustaining U.S. Government agency, promotes private sector growth in developing countries and emerging economies by encouraging U.S. private investment. OPIC assists investors through three principal programs:

1. Financing investments through direct loans or loan guarantees;
2. Insurance of investments against currency inconvertibility, expropriation and war, revolution, insurrection, and civil strife;
3. Investor information service, which includes investor counseling, country and regional information kits, computer-assisted projects and investor matching, and investment missions.

OPIC finance and insurance programs are available for new ventures considered commercially and financially sound, or for the expansion of existing viable businesses. In all instances, the projects that OPIC supports must assist in the social and economic development of the host country and not conflict with the economic interests of the United States. OPIC programs are available at various levels in Bolivia, Colombia, and Ecuador, while an agreement with Peru is under negotiation.

OPIC financing is available only for ventures involving at least 25 percent equity and management participation by U.S. businesses. Insurance is limited to the U.S. equity participation in the venture. Projects must be within the demonstrated competence of the proposed management. Competence should be illustrated by a proven record of success in the same or closely related business, and investors should be willing to take a financial risk in the enterprise.

Overseas Private Investment Corporation
110 New York Avenue NW
Washington, DC 20527
Tel: (202) 336-8799 or 1-800-424-6742
Fax: (202) 408-9859

OFFICE OF THE U.S. TRADE REPRESENTATIVE

The Office of the U.S. Trade Representative (USTR) is part of the Executive Office of the President and is responsible for coordinating and negotiating U.S. trade policy. USTR administers the provisions of the Andean Trade Preference Act (ATPA) and coordinates interagency efforts to assist the Andean nations with trade expansion USTR is also responsible for the following U S. Government programs:

- *Trade Component of the Enterprise for the Americas Initiative (EAI):* Includes negotiating Bilateral Framework Agreements and implementing Bilateral Trade and Investment Councils, a forum for liberalizing trade and investment barriers and moving toward the regional goal of a free trade area. All four ATPA beneficiaries have signed framework agreements with USTR.
- *Bilateral Investment Treaties (BITs):* Negotiated between the United States and foreign countries, BITs serve as incentives for U.S. companies to locate in signatory countries by ensuring U.S. firms that they will receive fair treatment by the signatory government. None of the ATPA four has signed a BIT with the United States.
- *Bilateral Intellectual Property Rights (IPR) Agreements:* Negotiated between the United States and foreign countries, IPR agreements ensure patents, trademarks, copyright, and other types of IPR are provided aequate and effective protection. None of the ATPA countries has signed an IPR agreement.

Office of the U.S. Trade Representative
Assistant U.S. Trade Representative
for Latin America, the Caribbean,
and Africa
600 17th Street, NW
Washington, DC 20506
Tel: (202) 395-5190
Fax: (202) 395-3911

U.S. TRADE DEVELOPMENT PROGRAM

The U.S. Trade Development Program (TDP) funds feasibility studies for development projects in developing countries that lead to the export of U.S. goods and services. TDP has committed more than $11.4

million since 1981 to assess the feasibility of 26 projects in ATPA countries. TDP works with governments and governmental organizations in funding infrastructure studies and with U.S. investors in co-financing studies that could lead to specific investments. (Funding is currently unavailable for Peru.)

U.S. Trade Development Program
SA 16, Room 309
Washington, DC 20523-1602
Tel: (703) 875-4357

U.S. INFORMATION AGENCY

U.S. Information Agency (USIA) officers in U.S. embassies throughout the region provide information on ATPA-related trade and investment issues through media events and publications. USIA organizes ARNET interactive, televised conferences in which audiences overseas are able to directly question business experts in Washington. Many USIA posts have an extensive collection of video cassettes and arrange invitational showings on specific topics.

The agency's Wireless File, a daily compilation of news articles and copies of major speeches and policy announcements, is distributed regularly to newspapers, magazines, and selected individuals in the government and professional fields. USIA publications such as *Economic Impact*, and special pamphlets on selected topics are distributed by the posts to a targeted audience.

USIA also organizes exchange programs for both Americans (the American Participant and Academic Specialist programs) and host country nationals (the International Visitors and Voluntary Visitors programs). These programs allow American and host-country private sector and government experts in a variety of business-related fields to exchange ideas and information with their counterparts and colleagues.

U.S. Information Agency
Office of American Republic Affairs
Room 750
301 4th Street, SW
Washington, DC 20547
Tel: (202) 485-7864

U.S. DEPARTMENT OF LABOR

The U.S. Department of Labor can help companies design labor force development and training programs, including programs to develop small-business entrepreneurial skills, increase labor and management productivity, and improve labor-management relations in the workplace. The Department of Labor also can provide U.S. firms with information on labor force characteristics in specific countries. It also monitors labor conditions in the Andean region through labor attaches posted in U.S. embassies.

U.S. Department of Labor
Bureau of International Labor Affairs
Room S-5006
Washington, DC 20210
Tel: (202) 523-6201

U.S. DEPARTMENT OF TRANSPORTATION

The U.S. Department of Transportation is a source of information and technical assistance for infrastructure development in the Caribbean Basin in the areas of port efficiency and management training, avionics, highway planning, engineering and maintenance, and other areas related to improved transportation. The Office of International Transportation reviews transportation-related impediments to Andean investment, trade, and development; and recommends solutions, and where appropriate implements them.

U.S. Department of Transportation
Office of International Transportation
and Trade
Room 10302
400 7th Street, SW
Washington, DC 20590
Tel: (202) 366-9516

CHAPTER IV

Country Profiles

The Andean Trade Preference Act offers expanded duty-free treatment for a variety of exports from Bolivia, Colombia, Ecuador, and Peru. Before receiving these trade benefits, however, each country must demonstrate its compliance with certain criteria set forth in the act (see Appendix E). To Determine the status of each country's eligibility, contact the U.S. Department of Commerce offices listed in the following sections for each country.

BOLIVIA

In 1985 the Government of Bolivia launched an economic austerity program now often cited as the best example of the positive effects of shock liberalization and the model for many of its Latin American neighbors. Inflation, which prior to the reforms reached 8,100 percent, was merely 15 percent in 1991, an impressive figure in Latin America. Moreover, gross domestic product (GDP) growth reached 4.1 percent in 1991, improving on the 3 percent average of previous years.

Such good news comes to a country that has traditionally faced many barriers to economic development, including no direct access to the sea, a poor infrastructure, and, until recently, political instability. Nevertheless, Bolivia—the size of California and Texas combined—is rich in natural resources, particularly minerals, natural gas, and timber. Its diverse geography and climates and its proximity to the large economies of Argentina, Brazil, and Chile also help to balance some of the disadvantages.

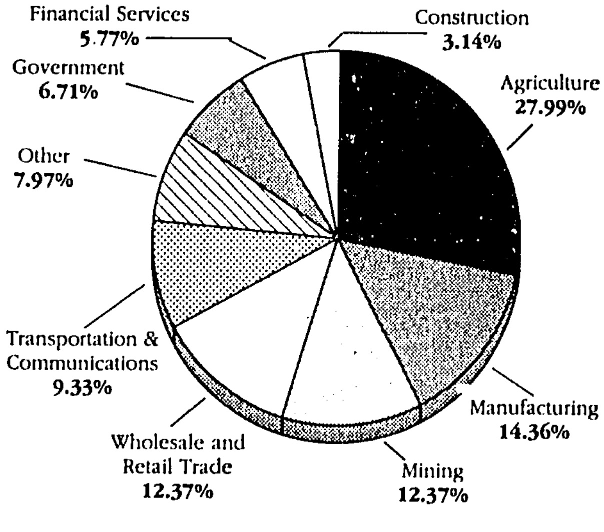
Like its larger neighbors, Bolivia has also reaffirmed its commitment to a democratic government. President Jaime Paz Zamora has maintained and even strengthened both the economic and political institutions of his democratically elected predecessor. Though infrequent, isolated incidents of guerrilla-type violence do occur in an otherwise peaceful country with a large population of Aymara and Quechua Indians living outside the mainstream institutions.

Bolivia's GDP totaled $6.36 billion in 1990, generated primarily by the agriculture, mining, and manufacturing sectors (see Figure 2). With great potential for growth, agriculture makes up 28 percent of GDP, which in 1990/91 enjoyed its best output in 10 years. Products vary from potatoes produced in the highlands to sugar from the eastern tropics. Rice, maize, timber, and soya are other important agricultural products.

The mining and hydrocarbons sector accounts for 70 percent of Bolivia's exports and 12.4 percent of GDP. Minerals make up 45 percent of Bolivian exports led by tin, zinc, silver, and gold. Bolivia also possesses significant amounts of natural gas and petroleum, most of which is sold to neighboring Argentina. Bolivia's manufacturing sector, accounting for 14.4 percent of GDP, generates few exports and consists of basic industries such as textiles, leather goods, wood products, beverages, and food processing. Despite low labor costs, the high cost of capital and limited infrastructure have dissuaded new investment in this sector.

Nevertheless, from a legal standpoint, Bolivia's investment climate is quite attractive. Investment reforms

Figure 2
Bolivia Composition of Gross Domestic Product (1990, Preliminary)



Total GDP- $6,. 64 M
(1988 US $)

Source: *Economic and Social Progress in Latin America 1991*, Latin-American Development Bank.

implemented since 1985 include guarantees of national treatment for foreign investors, unlimited remittances, and free convertibility of foreign currency. Privatization of certain state-owned companies recently received congressional approval. The government has also issued a new hydrocarbons law, which authorizes YPFB (the state-owned oil company) to enter into joint ventures and contracts with private firms, and a revised mining law, which opens previously restricted border areas. Both laws have triggered new foreign investment.

Bolivia's trade regime is equally attractive. Tariff rates of 5 percent for capital goods and 10 percent for all other goods rank among the lowest in the region. Import permits are only required for sugar, wheat, and certain national security items. Bolivia imported $189.7 million in U.S. goods in 1991, 20 percent of total imports of $942 million and a 37 percent increase over the previous year. Bolivian exports totaled $927 million in 1991, a 54 percent increase since 1988. Exports to the United States have increased by almost 76 percent since 1989 and comprise nearly 23 percent of Bolivia's 1991 exports, second after Argentina.

Though tin and other minerals dominate Bolivia's exports, traditional agricultural products, such as potatoes, soya, tropical nuts, timber, and wood products have short-term export potential, given their duty-free eligibility to the United States (see Figure 3). Other products identified as short-term exportables include: cut flowers, spices (garlic and pepper), handicrafts, leather goods, colorants, essential oils, and essences. Many agricultural products face U.S. phytosanitary or zoosanitary restrictions, but have potential for export in the region. These include tropical fruits and juices (passion fruit, pineapple, and bananas), tobacco, mushrooms, hearts of palm, strawberries, medicinal herbs, beef cattle, and canned meat. (See Appendix A for other products eligible for duty-free entry under the ATPA.)

The small but developing Bolivian economy will create potential trade for U.S. exporters of mining, oil and gas field equipment; electric power equipment; agricultural machinery and equipment; food processing equipment; computers and peripherals; telecommunications equipment; construction material and equipment; and health care products (see Figure 4).

Figure 3

Major Bolivian Exports to the U.S. in 1991

(by Tariff Section US $'000)

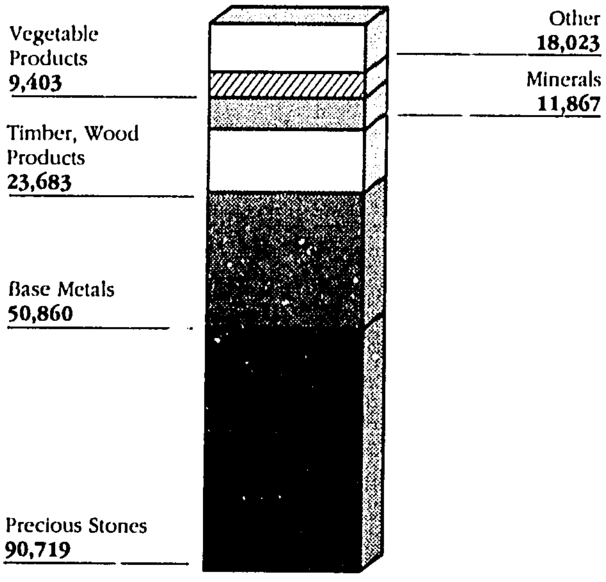
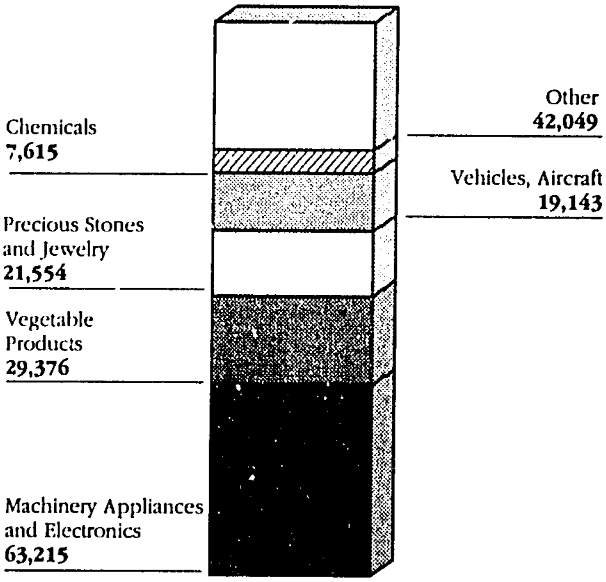


Figure 4

Major U.S. Exports to Bolivia in 1991

(by Tariff Section US $'000)



KEY CONTACTS

U.S. Department of Commerce
Latin America/Caribbean
Business Development Center
HCHB 3203
Washington, DC 20230
Tel: (202) 377-0703 or 0841
Fax: (202) 377-2218

Desk Officer for Bolivia
HCHB 3025
Washington, DC 20230
Tel: (202) 377-1659
Fax: (202) 377-4726

Bolivian Investment & Export Development Program
7220 N.W. 36th Street
Suite 500
Miami, FL 33166
Tel: (305) 593-9551
Fax: (305) 593-9508

500 Fifth Avenue
Suite 1423
New York, NY 10110
Tel: (212) 575-0268
Fax: (212) 575-1078

Embassy of Bolivia
Commercial Counselor
3014 Massachusetts Avenue, NW
Washington, DC 20008
Tel: (202) 483-4410
Fax: (202) 328-3712

U.S. Embassy-La Paz
Economic/Commercial Officer
APO Miami 34032
Tel: 011-591-2-350251
Fax: 011-591-2-359875

U.S. Agency for International Development
Director, Trade & Investment
Private Sector Office
POB 4530
La Paz, Bolivia
Tel: 011-591-2-350120
Fax: 011-591-2-391552

Bolivian-American Chamber of Commerce
P.O. Box 8268
La Paz, Bolivia
Tel: 011-591-2-342523
Fax: 011-591-2-371503

KEY FACTS

Head of State: President Jaime Paz Zamora (term ends August 1993)

Population (1991): 7,156,591

Labor Force (1983): 1.7 million

Literacy (1990e): 78%

Unemployment (1990): 8.1%

GDP (1990): $6.36 billion

GDP per capita: $887

Currency: Bolivianos (3.87/$ June, 1992)
Interest Rate (10/91): 19.8%

Inflation (1991): 15%

1991 Trade(e):
Total Exports (c.i.f.): $927 million
percent U.S.: 23%
Total Imports (c.i.f.): $941.7 million
percent U.S.: 20%

Ports: None; maritime outlets include Arica and Antofagasta, Chile and Matarani, Peru.

Electricity: 833,000 kW capacity

Highways: 38,836 km total; 1,300 km paved

COLOMBIA

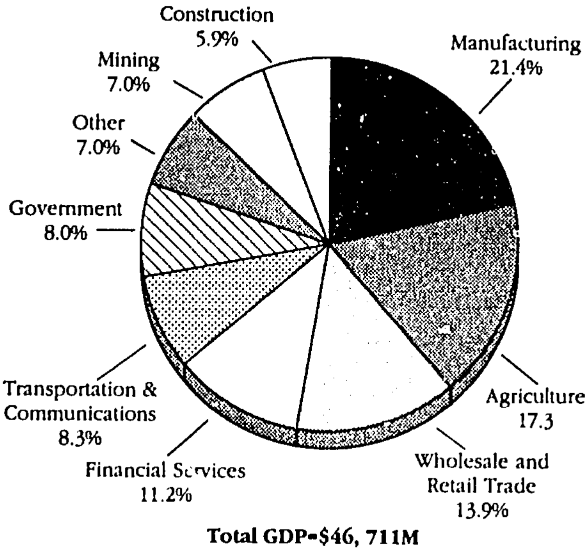
The Republic of Colombia is a geographically diverse country, nearly three times the size of Montana, located on the northwest corner of South America. Its tropical coastal plain, cool highlands, and lush mountains allow it to produce a wide variety of products, such as bananas, fresh flowers, coal, and coffee. Ports on both the Pacific and Caribbean coasts give Colombia the additional, strategic advantage of direct access to U.S. ports on both the east and west coasts.

Colombia has been independent since 1810 and its 34 million people enjoy a history of democratic government, despite the challenges posed by drug-related activities and leftist guerrilla movements. Peace negotiations and a new, more inclusive constitution—inaugurated in January 1991—have helped to diminish the threat of the latter, and the Colombian Government continues to crack down on the former. While violence still poses a problem, it is rarely targeted towards foreigners or businesses, and many U.S. corporations maintain successful operations in Colombia.

Colombia's violent image has overshadowed its impressive economic growth and low debt burden maintained throughout the 1980s. Real GDP growth averaged 3.7 percent from 1988 to 1990, though it dropped to 2.2 percent in 1991, due, in part, to the adverse effects of restrictive monetary measures designed to reduce inflation. GDP totaled $46.7 billion in 1990 (see Figure 5), which constitutes half the total GDP of the four ATPA beneficiaries. Colombia's manufacturing sector contributed to 21 percent of its GDP, driven primarily by the following industries: textiles and apparel, leather, wood and paper, rubber, food processing, graphics and printing, cement, and chemicals. Agricultural production (17 percent of GDP) has diversified in recent years from traditional coffee and sugar production to cut flowers, bananas, tobacco, and seafood. The mining sector's 7 percent contribution, which includes coal, gold, precious stones, and petroleum, should witness a significant boost from a huge, new oil find in central Colombia estimated at 3 to 5 billion barrels. Overall, GDP

Figure 5

Colombia: Composition of Gross Domestic Product (1990, Preliminary)



Source: Economic and Social Progress in Latin America 1991, Inter-American Development Bank.

growth is expected to pick up once the economy adjusts to the effects of the apertura or "opening," the government's comprehensive economic liberalization program.

Since its implementation in February 1990, Colombia's apertura has created important trade and investment opportunities for local and foreign businesses. The government has eliminated prior licensing requirements for 97 percent of items for import. In addition, the Colombian Government consolidated all duties into four tariff levels in August 1991: zero percent for primary goods, inputs, and capital goods not produced in country; 5 and 10 percent for the above categories produced in country; and 15 percent for all final consumer goods. In addition, the import surcharge was reduced from 10 to 5 percent. The apertura goes well beyond liberalization of the trade regime, however, to include tax reform, a revised labor code, privatization, conversion to a free market foreign exchange of the peso, and elimination of price controls.

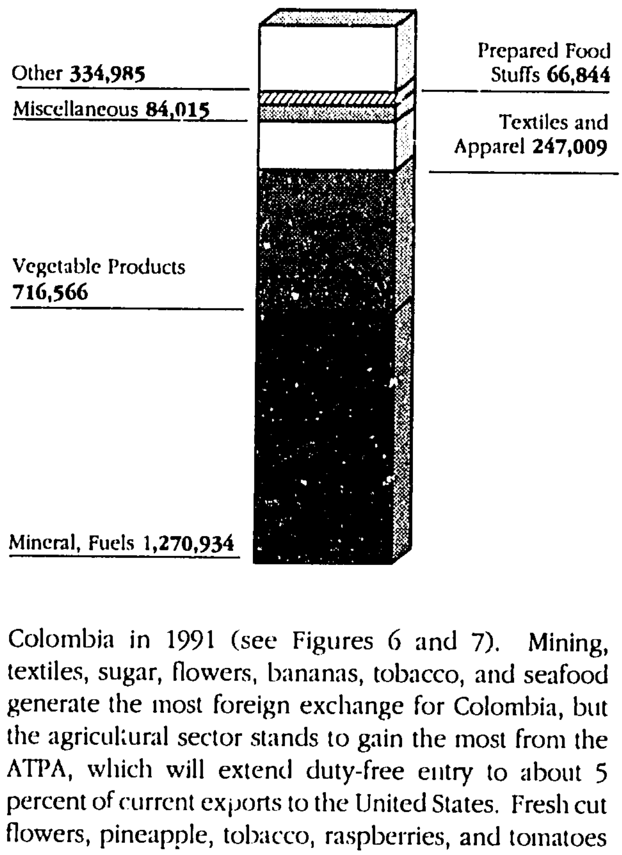
The apertura's reform of the investment regime will generate in the long term even greater economic expansion in Colombia, given its large and diverse industrial base and relatively advanced economy. New regulations established in 1991 open all sectors of the economy to foreign investment, provide national treatment, eliminate prior government approval (with some exceptions), and provide full repatriation of all net profits. In addition, foreign institutional and individual funds can invest in the Colombian stock market through registered stockbrokers. Colombia also offers investment opportunities in mining, communications, finance, agriculture, construction, wood processing, rubber products, textile and leather manufactures, metals, chemicals, and services. A new "free zone" law creates investment opportunities in both free trade areas and tourism free zones to attract hotel and resort developers.

Colombia exported $7.7 billion in 1991, continuing a boom that has averaged 12.5 percent over the past two years and providing a significant boost to Colombia's overall economic growth. The United States is Colombia's largest trading partner by far, importing nearly $2.7 billion from and exporting $1.9 billion to

Figure 6

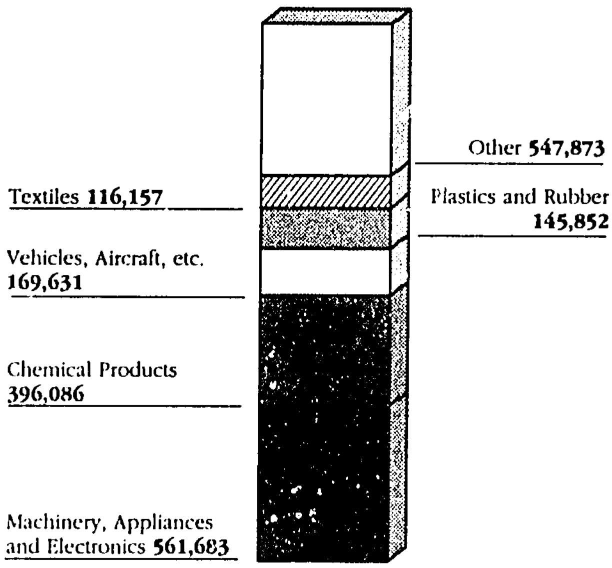
Major Colombian Exports to the U.S. in 1991

(by Tariff Section US $'000)



Colombia in 1991 (see Figures 6 and 7). Mining, textiles, sugar, flowers, bananas, tobacco, and seafood generate the most foreign exchange for Colombia, but the agricultural sector stands to gain the most from the ATPA, which will extend duty-free entry to about 5 percent of current exports to the United States. Fresh cut flowers, pineapple, tobacco, raspberries, and tomatoes may now enter duty free, while passion fruit, pitaya, papaya, mango, and grapes offer short-term export potential. Once Colombia and the U.S. Department of Agriculture finalize an acceptable treatment process to eliminate the conveyance of the Mediterranean fruit fly, exportation of these fruits to the United States can begin. A wide variety of other agricultural products only have a medium-term export potential due to U.S. plant and health regulations. Other, nonagricultural goods with immediate potential for export include concrete and iron products, ceramics, jewelry, and glassware. (For an

Figure 7
Major U.S. Exports to Colombia in 1991
(by Tariff Section US $'000)



extended list of products see Appendix A.)

As trade and investment between the United States and Colombia strengthens, so too will the demand for U.S. products. Most imports complement the Colombian export sector and include textile, agricultural, and food processing machinery; machine tools and metalworking equipment; automotive parts; building products; drilling equipment; computer and telecommunications equipment; medical instruments; plastics production machinery; printing and graphic arts equipment; and travel and tourism services.

KEY CONTACTS

U.S. Department of Commerce
Latin America/Caribbean
Business Development Center
HCHB 3203
Washington, DC 20230
Tel: (202) 377-0703 or 0841
Fax: (202) 377-2218

Desk Officer for Colombia
HCHB 3025
Washington, DC 20230
Tel: (202) 377-1659
Fax: (202) 377-4726

For Colombian exports:
Bancoldex
250 Park Avenue, 13th Floor
New York, NY 10177
Tel: (212) 972-7474
Fax: (212) 972-7479

Brickell Bay Tower
1001 S. Bayshore Drive
Suite 1904
Miami, FL 33131
Tel: (305) 374-3144
Fax: (305) 372-9365

6100 Wilshire Blvd.
Suite 1170
Los Angeles, CA 90048
Tel: (213) 965-9760
Fax: (213) 382-5029

Edificio Mercantil Plaza
Oficina 701
P.O. Box 00918
Hato Rey, Puerto Rico
Tel: (809) 766-0495

Embassy of Colombia
Commercial Counselor
1701 Pennsylvania Avenue, NW
Washington, D.C. 20006
Tel: (202) 463-6679
Fax: (202) 223-0526

U.S. Embassy-Santafe de Bogota
Commercial Section
APO Miami 34038
Tel: 011-571-288-4045
Fax: 011-571-285-7945

Colombo-American Chamber of Commerce
Calle 35 No. 6-16
Apartado A 8008
Santafe de Bogota, Colombia
Tel: 011-571-285-7800
Fax: 011-571-288-6434

KEY FACTS

Head of State: President Cesar **Gaviria** Trujillo (term ends August 1994)
Population (1991): 33,770,550
Labor Force (1990): 12 million
Literacy (1990e): 87%
Unemployment (1991): 9.6%
GDP (1990): $46.7 billion
GDP per capita (1990): $1,416
Currency: Peso (669/$ June, 1992)
Average interest rate (1991): 36.6%
Inflation (1991): 26.8%

1991 Trade(e):

Total Exports (f.o.b.): $7.7 billion
percent U.S.: 39%

Total Imports (c.i.f.): $4.5 billion
percent U.S.: 47%

Caribbean ports: Barranquilla, Cartagena, Covenas, San Andres, Santa Marta

Pacific ports: Buenaventura, Tumaco

Electricity: 9,430,000 kw capacity

Highways: 75,450 total; 9,350 km paved

ECUADOR

The Republic of Ecuador (literally "equator" in Spanish) is wedged along the Pacific coast between Colombia and Peru in the northwestern portion of South America. Its diverse topography covers an area of about 277,000 square km (slightly smaller than the state of Nevada) and offers tremendous natural resources. Both the coastal and sierra regions offer rich agricultural areas with ample rainfall while substantial petroleum reserves exist in the Amazonian Oriente region. Because of its diverse topography, the Ecuadorian Pacific coast and Andean highlands have evolved into two distinct commercial centers. Long a major port, the city of Guayaquil has evolved into the commercial hub of the country, shipping 70 percent of Ecuadorian exports. Quito, Ecuador's mountain capital and academic center, has a smaller but active commercial sector. The dichotomy of the two cities becomes readily apparent to those who visit Ecuador and should be taken into account when doing business there.

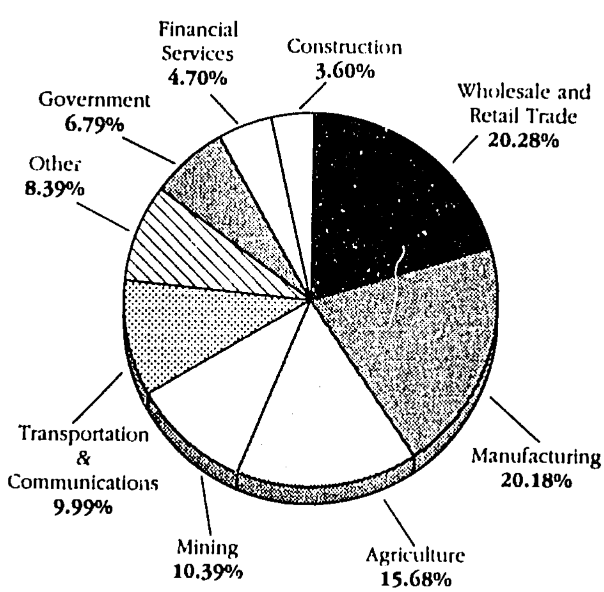
Independent since 1822, Ecuador is a constitutional republic, with an electoral and representative system. Ecuador's 10.8 million people elect the president of the republic by direct popular vote for one 4-year term. The new administration will assume office in August. Once the new administration assumes office it is predicted that Ecuador's slow, yet steady, pace of economic reform will pick up.

Ecuador has experienced volatile economic fluctuations over the past few years, influenced by international economic developments and natural disasters which affected its petroleum and agricultural production. These inconsistencies have hindered the government's attempts to improve numerous areas of economic policy and stimulate private sector activity and economic growth. Ecuador's GDP growth was virtually stagnant from 1988 to 1990, with an average annual growth of only 0.75 percent. However, in 1990 GDP grew by 1.5 percent over the previous year, totaling $13.2 billion, and is estimated to have increased another 2.2 percent in 1991. Of the four Andean beneficiaries, Ecuador ranks third in terms of GDP, accounting for about 14 percent of total GDP for ATPA countries. Continuing inflation, a large external debt (yet to be renegotiated), and public and private sector institutional rigidities have limited the effectiveness of the economic reforms.

Manufacturing and wholesale and retail trade equally divided over 40 percent of Ecuador's total GDP in 1990 (see Figure 8). The other two major sectors of the economy, agriculture and petroleum and mining, accounted for about 16 and 10 percent of the country's GDP, respectively. Agriculture, though not the largest sector of the economy, does employ nearly 35 percent of Ecuador's labor force and is a leading producer of bananas, balsawood, coffee, cocoa, fish, and shrimp. Ecuador's major industries include food processing, textiles, chemicals, fishing, timber, and petroleum. The famous Galapagos Islands have allured tourists for many years, but the government hopes to attract greater interest in the equally scenic mainland through investment incentives and tourism development.

Figure 8

Ecuador Composition of Gross Domestic Product (1990, Preliminary)



Total GDP = $13,225 M
(1988 US$)

Source: Economic and Social Progress in Latin America 1991, Inter-American Development Bank.

Although much of the government's focus has been on short-term economic stabilization, in mid-1990 the Borja administration began to consider the importance of an outward-oriented strategy, following the example of its Andean neighbors. In an effort to improve the economic and business environment and attract new investment, the Borja administration has modified the tax structure; liberalized the foreign investment regime; implemented tariff cuts; eliminated most prior import licensing; and introduced significant new mining, labor, foreign investment, and in-bond assembly laws. In 1991, most restrictions on foreign investment were lifted, and as a result, offshore entrepreneurs may now invest in most sectors without prior authorization, enjoy national treatment, and remit profits overseas without restrictions. In addition, Ecuador will waive income tax for those foreign firms that reinvest earnings in priority sectors (mining, hydrocarbons, manufacturing, fishing/agriculture, and tourism); those that reinvest earnings in the priority sectors will pay the same rate as domestic firms (25 percent).

Ecuadorian exports increased by a projected 12 percent in 1991, totaling about $3.2 billion, of which the United States imported $1.3 billion. Major Ecuadorian exports include shrimp, petroleum, cut flowers, cocoa, and wood products (see Figure 9). U.S. exports to Ecuador, led by paper products, wheat, and parts for construction equipment, reached $908 million in 1991, an increase of 35 percent over the previous year (see Figure 10). Both tariff liberalization and increased consumer confidence contributed to this impressive figure. Ecuador plans a progressive duty reduction for materials used in the production of exportable goods. As a member of the Andean Pact, Ecuador has agreed in principle to reduce tariffs to other member states. Currently, duties to other Andean Pact members range from 2-35 percent. The duty rate on capital goods not produced locally have been cut to zero or 2 percent (3 or 5 percent including surcharges).

Figure 9

Major Ecuadorian Exports to the U.S. in 1991 (by Tariff Section US $'000)

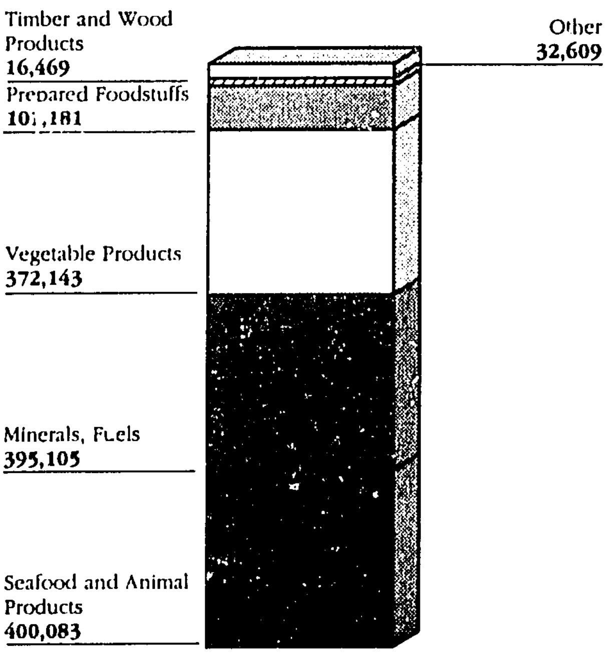
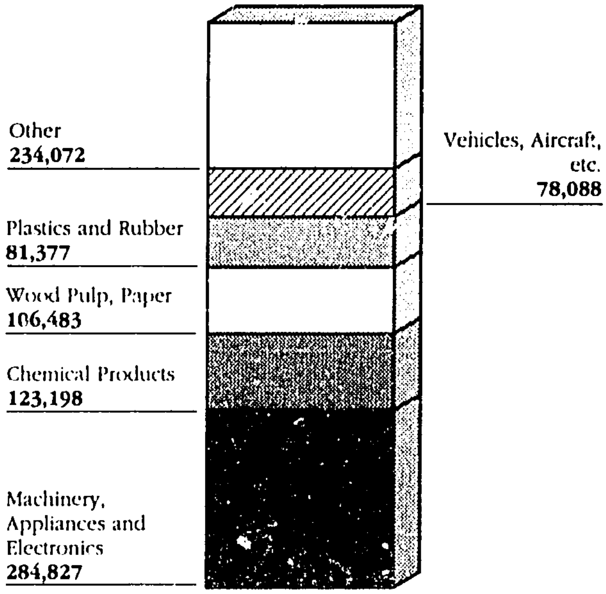


Figure 10

Major U.S. Exports to Ecuador in 1991 (by Tariff Section US $'000)



With the possibility of Andean trade preferences, Ecuador has reemphasized the importance of export markets and promotion. Promising Ecuadorian exports include cut flowers, handicrafts, fresh tuna and skipjack, pineapple and grape juice, iron, steel wire, limes, wood products, and tropical fruits and melons (though still subject to treatment standards of the U.S. Department of Agriculture). See Appendix A for other ATPA duty-free items. A successful export program will increase opportunities for U.S. exporters of agricultural machinery and equipment, food processing and packaging machinery, commercial fishing equipment, mining equipment, computers and software, and telecommunications equipment.

KEY CONTACTS

U.S. DEPARTMENT OF COMMERCE

Latin America/Caribbean
Business Development Center
HCHB 3203
Washington, DC 20230
Tel: (202) 377-0703 or 0841
Fax: (202) 377-2218

Desk Officer for Ecuador
HCHB 3025
Washington, DC 20230
Tel: (202) 377-2521
Fax: (202) 377-4726

Ecuadorian Government Trade Office
551 Fifth Avenue, #910
New York, NY 10176
Tel: (212) 687-0484

Embassy of Ecuador
Commercial Counselor
2535 15th Street, NW
Washington, DC 20009
Tel: (202) 667-2194
Fax: (202) 265-9325

U.S. Embassy-Quito
Commercial Counselor
Unit 5334
APO AA 34039-3420
Tel: 011-593-2-561-404
Fax: 011-593-2-504-550

U.S. Consulate General-Guayaquil
Commercial Assistant
APO AA 34039
Tel: 011-593-4-325-286
Fax: 011-593-4-324-558

Ecuadorian-American Chamber of Commerce
Executive Director
Edificio Multicentro
La Nina y Seis de Diciembre
Quito, Ecuador
Tel: 011-593-2-543-512
Fax: 011-593-2-504-571

Executive Director
G. Cordova 812, Piso 3, Oficina 1
Guayaquil, Ecuador
Apdo. 11305
Tel: 011-593-4-312-761/760
Fax: 011-593-4-326-259

PROEXANT (Agricultural Exports)
Edificio "Las Camaras"
3er Piso
Ave. de La Republica y Amazonas
Quito, Ecuador
Tel: 011-2-3-449689 or 449723
Fax: 011-2-3-440-574

Chimborozo 203 y Velez
12vo Piso
Guayaquil, Ecuador
Tel: 011-593-517194 or 327056
Fax: 011-593-328928

KEY FACTS

Head of State: President Rodrigo Borja Cevallos (term ends August 1992)

Population (1991): 10,751,648

Labor Force (1989): 4,300,000

Literacy (1990e): 86%

Unemployment (1990): 8%

GDP (1990) $13.2 billion

GDP per capita (1990): $1,247

Currency: Sucre (1,471/$1 June 1992)

Interest rate (1990): 53%

Inflation (1991): 49%

1991 Trade(e):
Total Exports: $3.2 billion
percent U.S.: 41%
Total Imports: $2.6 billion
percent U.S.: 35%

Ports: Guayaquil, Manta, Puerto Bolivar, Esmeraldas

Electricity: 1,983,000 kw capacity

Highways: 28,000 km total; 3,600 km paved

PERU

The third largest country in South America, Peru shares borders with Ecuador, Colombia, Bolivia, Chile, and Brazil and covers a land area of about 1.3 million square km, three times larger than the state of California. With a coastline spanning 2,414 km along the Pacific Ocean, Peru is one of the largest seafood producers in Latin America. The country's three topographical and climatic regions—the western coastal plain (costa), the high and rugged Andes in the center (sierra), and the eastern lowland jungle of the Amazon Basin (selva)—generate a diversity of natural resources, such as metals, minerals, petroleum, forest, and fish.

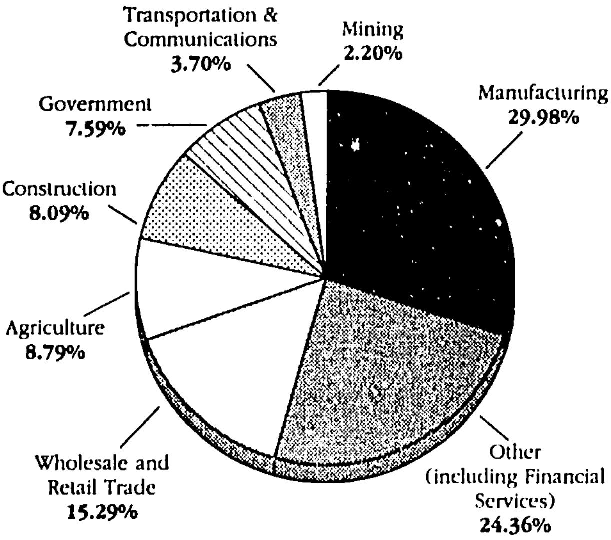
Although independent since 1821, the military has played a prominent role in Peruvian politics. Coups have repeatedly interrupted civilian constitutional governments. Like many other Latin American countries, Peru was ruled by a series of military governments throughout the late 1960s and 1970s; but in 1980, the country returned to democratic rule and adopted a new constitution. In June 1990, nearly 60 percent of Peru's 22.3 million people elected Alberto Fujimori to the 5-year presidency. In April 1992 President Fujimon dissolved the Congress and Judiciary and suspended the Constitution.

Of the four possible Andean beneficiaries, Peru ranks second in terms of GDP, accounting for about 30 percent of total beneficiary countries' GDP. Manufacturing accounted for 30 percent of Peru's GDP in 1990 (see Figure 11). Peru's major industries include fishing, textiles, clothing, food processing, cement, auto assembly, steel, shipbuilding, and metal fabrication. With the signing of several major contracts with U.S. and foreign investors, significant expansion of Peru's large mining and petroleum sectors is expected over the next few years. Investments in the petroleum sector alone could total $215 million. Although agricultural production accounted for only 9 percent of Peru's GDP in 1990, it employs 37 percent of the labor force. Major agricultural and animal products include coffee, cotton, sugarcane, rice, wheat, potatoes, plantains, poultry, red meats, dairy, wool, and seafood.

In 1990, the Fujimori administration inherited an economy near collapse, void of international reserves, shunned by external credit markets, and plagued with hyperinflation and a deep recession. Over the last two years, Peru has made remarkable strides to establish an economic reform program and carry out sweeping stabilization measures designed to correct the country's economic woes and reverse years of mismanagement. In an effort to stimulate and strengthen the economy

Figure 11

Peru Composition of Gross Domestic Product (1990, Preliminary)



Total GDP-US $28,270M
(1988 U.S.$)

Source: Inter-American Development Bank, Economic and Social Progress in Latin America, 1991

and to reestablish itself in the international financial community, the Fujimori government eliminated long-standing government price controls and subsidies, initiated a broad privatization program, pursued a tight monetary policy to restrain inflation, and set up a successful arrears-clearing exercise with the international financial community.

In addition, the Peruvian Government has liberalized its trade regime by lowering the tariff ceiling from 84 to 25 percent (a 15 percent duty applies to 90 percent of imported products), eliminating import licenses, and allowing market forces to determine the exchange rate. Investment reforms enacted in late 1991 will demonopolize the Peruvian economy, eliminate screening, guarantee national treatment to foreign investors, and allow free remittance of profits. Foreign investors with more than $2 million in investment may sign agreements beginning January 1, 1992, with the Peruvian Government to retain legal and tax benefits in the future, even if the law is modified. Overall, these liberalization measures have succeeded in vastly improving the overall business climate and generated positive growth in 1991 (estimated at 2.4 percent) for the first time since 1987.

While there has been little public opposition to President's economic policies, various radical groups have long challenged the Peruvian administration, often by violent means. The Marxist guerilla movement, Sendero Luminoso (Shining Path) is the most violent and has been responsible for a series of attacks, terrorist activities, and assassinations over the past several years. Travelers to Peru are urged to consult the State Department's latest travel advisory prior to visiting the country. Upon arrival, business visitors should alert the U.S. Embassy of their presence and itinerary.

Peruvian exports fell to approximately $3.2 billion in 1991, down almost 9 percent from 1989 (see Figure 12). The United States imported $778 million or about 25 percent of Peru's 1991 exports. A host of factors contributed to Peru's poorer export performance in 1990-91. These include lower world prices for Peru's major foreign exchange earners (metals—mainly copper, zinc, and lead—and fishmeal), labor unrest, an overvalued exchange rate, a cholera epidemic, severe drought, and a general lack of credit. Peruvian exports that will benefit from broadened duty-free access to the United States include jewelry; zinc; copper; wire; lead; precious metals, including gold; asparagus; seafood, including yellowtail, mackerel, and sardines; tomatoes; orange juice; and dried potatoes. (See Appendix A for other products eligible for duty-free entry under the ATPA.)

Peru's imports have increased by 48.5 percent from 1989 to $2.97 billion in 1991 to which the United States contributed nearly $840 million (see Figure 13). Principal U.S. exports experiencing significant gains over the last two years include commodities (corn, wheat, rice, sugar, and vegetables), aircraft and equipment, non-crude petroleum, electrical plant equipment and machinery, mechanical handling equipment, motor vehicles and parts, computer equipment, telecommunications equipment, textile and leather machinery, and medicinal products.

Figure 12
Major Peruvian Exports to the U.S. in (by Tariff Section US $'000)

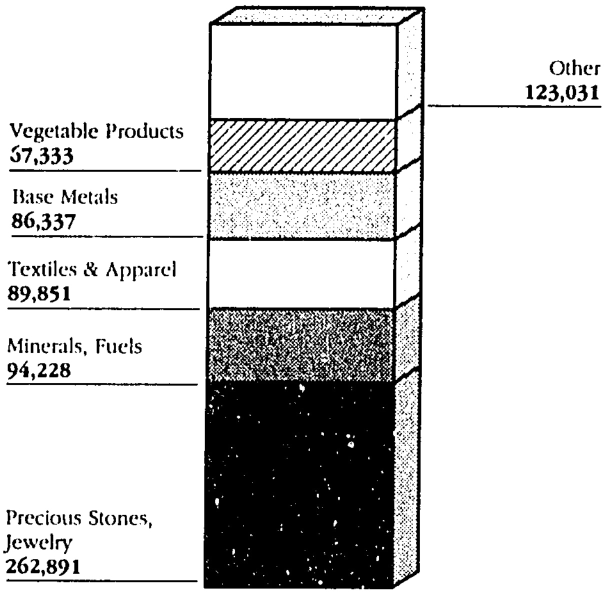
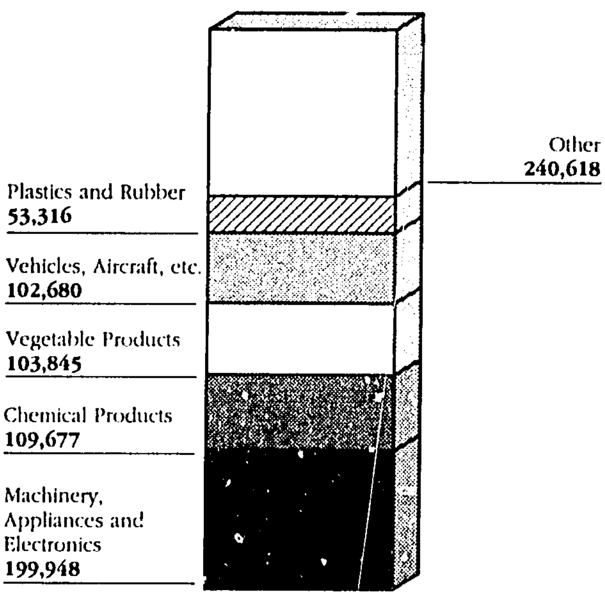


Figure 13
Major U.S. Exports to Peru in (by Tariff Section US $'000)



KEY CONTACTS

U.S. Department of Commerce
Latin America/Caribbean
Business Development Center
HCHB 3203
Washington, DC 20230
Tel: (202) 377-0703 or 0841
Fax: (202) 377-2218

Desk Officer for Peru
HCHB 3025
Washington, DC 20230
Tel: (202) 377-2521
Fax: (202) 377-4726

Embassy of Peru
Commercial Counselor
1700 Massachusetts Avenue, NW
Washington, DC 20036
Tel: (202) 887-5151
Fax: (202) 955-5857

U.S. Embassy-Lima
Commercial Counselor
Unit 3780
APO AA 34031
Tel: 011-51-14-33-0555
Fax: 011-51-14-33-4687

Private Sector Officer
USAID/Lima (ID)
APO Miami 34031
Tel: 011-51-14-333200
Fax: 011-51-14-337034

American Chamber of Commerce of Peru
Avenida Ricardo Palma 836
Lima 18, Peru
Tel: 011-51-14-479349
Fax: 011-51-14-479352

Asociacion de Exportadores (ADEX)
Avenida Santo Toribio 151
San Isidro
Lima 27 Peru
Tel: 011-51-14-418309
Fax: 011-51-14-424782

Sociedad Nacional de Exportadores
Bartolome Herrera No. 254
Lima 18, Peru
Tel: 011-51-14-464394
Fax: 011-51-14-467973

KEY FACTS

Head of State: Alberto Fujimori
(term ends July 1995)

Population (1991): 22,361,785

Labor Force (1986): 6,800,000

Literacy (1990e): 85%

Unemployment (1991): 20%

GDP (1990): $28.3 billion

GDP per capita (1990): $1,267

Currency: Nuevo Sol (1.2/$ June, 1992

Inflation (1991): 139%

1991 Trade(e):

Total Exports (f.o.b.): $3.16 billion
percent U.S.: 25%
Total Imports (f.o.b.): $2.97 billion
percent U.S.: 28%

Major Ports: Callao, Ilo, Iquitos, Matarani, Talara

Electricity Capacity: 4,8867,000 kw

Highways: 56,645 km total; 6,030 km paved

CHAPTER V

Doing Business with the ATPA Countries

International trade has long been an important component of Latin American and Caribbean countries' economic growth, at times contributing up to 50 percent of gross national product (GNP). After a decade of stagnation, economic growth in the region has increased significantly in the 1990s. Latin American and Caribbean trade has climbed from $140.5 billion in 1986 to an estimated $236 billion in 1991. Reflecting the linkage between economic growth and increased two-way trade, U.S. exports to Latin America and the Caribbean have increased by an annual average of 12 percent from 1986 to 1990 and is estimated to have increased by 14 percent in 1991, totaling $62 billion. This rate of increase is well above U.S. export growth to the rest of the world which was 7 percent in 1991.

Doing business with the ATPA countries is no different than doing business anywhere else in the world and in many ways easier, given the United State's proximity and close political and economic ties with the region. For businesses new to global trade, many resources are available at the local, state, and federal level: from formal classes and seminars to guidebooks and computer data. Both exporters and importers should take advantage of the available information and follow a similar path when deciding to enter into international commerce (see figure 14). The steps to follow are generally the same for exporters and importers, with the main difference being the sources information. This guidebook provides contacts at the federal level for both types of traders, in addition to key contacts for each country. Appendix C lists more comprehensive publications on trading, regulations, and specific types of products. The following basic steps to doing business internationally solely serve as an introduction to the thought process and the abundance of available resources that should be utilized by any business seriously considering overseas trade.

CONDUCT MARKET RESEARCH

Identifying the source or demand for products and the level of competition is the first step to trade and can partially be achieved by studying trade and demographic data. U.S. trade data (both exports and imports) are logged on to the National Trade Data Bank, which is available at any U.S. Department of Commerce district office (see Appendix G), Federal Deposit Library and many local world trade centers or chambers of commerce. In addition, the Washington-based Organization of American States maintains a database that includes trade statistics from Latin American and Caribbean countries in addition to sourcing information for products from the region.

When determining the marketability of products, especially those that are new or different, demographic information and spending patterns point to trends and are often available on these same databases.

In addition, trade associations in the United States, and trade promotion organizations, chambers of commerce, or export associations from the Andean region can often provide more specific data on products and sources. U.S. trade associations, in particular, often host annual international trade shows and provide technical assistance to members. However, not all of them are trade oriented and some only assist U.S. exporters. Most libraries carry trade association directories.

For NTDB subscriptions ($360 per year; $35 per month), contact:

National Trade Data Bank
U.S. Department of Commerce
Office of Business Analysis
HCHB Room 4885
Washington, DC 20230
Tel: (202) 377-1986

For the OAS Trade Information Service and fees, contact:

Coordinator, Trade Information Service
Secretary General of the OAS
1889 F Street, NW
Washington, DC 2006
Tel: (202) 458-3275
Fax (202) 458-3967

TARIFF AND NONTARIFF REGULATIONS

Broader duty-free access to the United States for products originating from ATPA countries may create a more competitive price. Depending on the product, the tariff rate would normally vary from zero to 35 percent of the product value.

Nevertheless, ATPA duty-free products must still comply with the complex regulations designed to protect U.S. consumers from unsafe products, to keep plant and animal diseases and pests out of the United States, and to protect U.S. industry from damage due to unfair trading practices. Knowledge of and conformance to these standards, which range from labeling to pesticide tolerance levels for produce, can make the difference between success and failure in exporting to the United States. The Customs Offices listed in Appendix F can provide an indication of whether an import would require inspection by agencies such as the Food and Drug Administration or the Food Safety Inspection Service, in addition to any special taxes or tariffs.

U.S. businesses interested in exporting to the ATPA countries should refer to the country desk officers listed in Chapter IV for specific information on tariffs and other trade regulations. Generally speaking, most products that meet packaging or health safety standards in the United States will not have any difficulty with standards in the Andean region.

For questions concerning agricultural shipments to the United States, contact:

Office of International Cooperation
& Development
Food Services Division
Trade & Investment Program
U.S. Department of Agriculture
South Agriculture Building, Room 3250
Washington, DC 20250-4300
Tel: (202) 690-3985 Fax: (202) 690-0349

For fruit and vegetable prices and regulations and printed reports, contact:

U.S. Department of Agriculture
Fruit and Vegetable Market News
Agricultural Marketing Service
P.O. Box 96456
Washington, DC 20090-6456
Tel: (202) 720-2175 Fax: (202) 720-0547

For meat and poultry items, contact:

International Programs
Food Safety and Inspection Service
U.S. Department of Agriculture
Room 341-E
Washington, DC 20250
Tel: (202) 720-6933
Fax: (202) 690-3856

For labeling, packaging, and pesticide tolerance rules for food products or medicines, contact:

U.S. Food and Drug Administration
International Affairs Staff
Americas Desk Officer
5600 Fishers Lane, Room 1147
Rockville, MD 20856
Tel: (301) 443-4480
Fax: (301) 443-0235

PRICING, QUALITY, AND QUANTITY

Preparing a product to compete in the market extends beyond the minimum U.S. regulatory requirements. It includes ensuring that the product can be produced, delivered on time, sold at a competitive price, be of quality comparable or exceeding that of other manufacturers, meet the product design and packaging demands of the buyer, and remain consistent from shipment to shipment. For agricultural products in particular, quality and a consistent quantity drive the market. Often the best way to ensure these criteria is for the buyer to visit the production operation and inspect the facilities and products coming directly off the line or harvested from the field, not just the samples shipped to you.

Product prices can often be determined from the trade databases mentioned earlier, trade associations, or in the case of agricultural products through the U.S. Department of Agriculture's Market News Service. Tariffs and taxes also affect the price, but in the case of most ATPA products imported into the United States, tariffs are not imposed. See Chapter III for tariff levels and contacts for exporting to ATPA countries.

Freight and insurance costs must also be considered when determining the final price of a traded product. Information of this sort is usually available from world trade centers, freight forwarders, or export/import companies generally located near major ports.

MARKETING AND DISTRIBUTION

During the market research phase, a new exporter should have conducted an initial assessment of the basic methods for selling the specific product, including channels of distribution and geographical concentrations of business. In addition to identifying a regional market, recognition of the type of marketing channel—retail, industrial, or institutional—is critical. Attendance or participation in a leading trade show, either in the United States or overseas, is one of the most effective methods of attaining knowledge about industry specific marketing and distribution options. An industry trade show is a major center for buying and selling and establishing distributor contracts. It is also an excellent opportunity to view and compare price and quality with competing products.

The choice of distribution method may be dictated by an industry or product norm or may be influenced by costs or the timeliness/servicing required to ensure a sale. Commerce Department district offices offer a number of services to assist U.S. exporters with identifying product agents or distributors in their country(s) of interest (see Appendix G). U.S. importers can identify import sources through trade shows, country contacts, and services provided by the Department of Commerce's Latin America/Caribbean Business Development Center (see Chapters III and IV, respectively). U.S. industry publications and others, such as the *Directory of Importers*, available in most libraries, can also help U.S. buyers of ATPA products. (See Appendix C for information on other useful publications.)

APPENDIX A

Top 35 Products Eligible for Duty-Free Entry or Duty Reduction Under ATPA

(Does not include items currently duty-free under GSP)

Table 1.—Bolivia: Leading U.S. Imports for consumption, Customs value (dollars)

HS commodity	1989	1990	1991
Total selected commodities	431,707	604,325	854,663
06031060—Fresh cut roses	129,894	202,347	527,517
42023160—Wallets, carrying cases, etc. with outer surface of leather	74,152	215,849	97,107
42022190—Handbags with outer surface of leather, valued over $20	14,085	1,756	46,471
42022160—Articles for pocket or handbag made of leather	9,960	3,485	31,507
42029100—Golf, travel or sport bags with outer surface of leather	53,808	21,615	25,613
42021100—Attache cases, etc. with outer surface of leater	69,039	6,754	22,806
42022280—Handbags with outer surface of man-made fibers	468	17,589	18,803
10089000—"Other" cereals, including wild rice	18,617	10,828	14,940
42029230—Travel or sports bags of at least 85% silk	0	9,576	12,593
07121000—Dried potatoes	0	0	7,768
42021280—Attache cases, etc. of at least 85% silk	0	33,936	7,446
42031040—Leather apparel items	12,158	9,414	6,070
42029900—"Other" cases or bags	0	0	3,945
42022260—Handbag with outer surface of vegetable fibers, not cotton	0	0	3,500
42023295—Articles for pocket or handbag of cotton	0	588	3,067
42022245—Handbags with outer surface of cotton	0	0	2,867
42022900—Handbags with outer surface of "other" fibers	0	1,200	2,558
57021090—Hand-woven carpets	0	1,755	2,555
62111230—Women's or girls' swimwear of at least 70% silk	0	0	2,541
42022240—Handbags with outer surface of at least 85% silk	655	978	2,186
42029290—Bags, cases, etc. with outer surfaces of at least 85% silk	0	0	2,067
63049960—Hand-loomed articles/furnishings other than of wool or fine animal hair	0	2,169	1,683
65059020—Hand-loomed and folklore headgear	0	0	1,401
62171000—Certain clothing accessories, not knitted or crocheted	0	800	1,263
42029245—Travel, sports bags, etc. of plastic sheeting	459	0	1,000
62179000—Certain garment or accessory parts	0	0	958
63059000—Sacks and bags used for packing goods	0	0	724
42021240—Trunks, suitcases, etc. with outer surface of cotton	0	0	588
61109000—Sweaters, pullovers, sweatshirts of at least 70% silk	750	252	579
61149000—Certain silk blend garments	0	438	539
61178000—Made up clothing accessories, knitted or crocheted	0	1,858	491
61171060—Shawls, scarves, mufflers, veils, etc.	0	0	450
63023900—Bed linen, not knitted or crocheted, of at least 85% silk	0	1,120	393
57050020—Carpets and other textile floor coverings	13,065	3,615	350
65059090—Hats and other headgear	0	0	317
Total of items shown	397,110	547,922	854,663
Total other	34,597	56,403	0

Source: Compiled from official statistics of the U.S. Department of Commerce.
Top 35 commodities sorted by Imports for consumption, Customs value in 1991.

Table 2.—Colombia: Leading U.S. Imports for consumption, Customs value (dollars)

HS commodity	1989	1990	1991
Total selected commodities	84,052,149	98,672,987	118,830,525
06031060—Fresh cut roses	56,415,783	62,959,905	67,543,095
42021100—Attache cases, etc. with outer surface of leather	10,070,342	10,250,999	14,136,173
42029100—Golf, travel or sports bags with outer surface of leather	2,713,802	4,394,126	5,209,678
72142000—Concrete reinforcing bars and iron rods	0	1,678,551	4,449,000
42022160—Articles for pocket or handbag made of leather	2,733,552	3,599,622	3,728,424
62121020—Brassieres, other tan those containing lace	218,125	864,629	3,372,931
16041440—Tuna and skipjack, not in airtight containers	33,792	1,272,310	2,956,038
42022190—Handbags with outer surface of leather, valued over $20	1,340,896	1,342,284	2,079,934
62033940—Certain men's or boy's suit type jackets and blazers	1,744,511	2,143,272	2,054,350
69089000—Glazed ceramic flags and paving, hearth or wall tiles	1,332,312	1,162,410	1,034,755
42023160—Wallets, carrying cases, etc. with outer surfaces of leather	373,604	689,871	995,132
42032908—Gloves, wholly of horse or cow hide	1,457,775	1,100,207	948,310
72144000—Bars and rods of iron or nonalloy steel	0	0	915,244
73121090—Rope, cable, and cordage,other than stranded wire	25,232	380,640	795,737
62121010—Brassieres containing lace, net or embroidery	65,820	6,468	765,632
62111230—Women's or girls' swimwear of at least 70% silk	0	124,655	639,414
62046990—Women's or girls' trousers and overalls of "other" material	55,590	114,331	637,404
58042900—Mechanically made lace	79,049	823,088	524,986
69081050—Glazed ceramic tiles, cubes and similar articles	531,671	470,788	516,343
62043980—Women's or girls' jackets or blazers of "other" materials	0	0	473,320
62045940—Women's or girls' skirts and divided skirts of at least 70% silk	255,322	257,523	388,457
72165000—Angles, shapes and sections of iron or steel	0	0	3[illegible],065
59071010—Woven labels of textile materials	86,258	108,235	270,400
73063050—Tubes, pipes and hollow profiles of iron or steel	334,087	0	216,683
72162100—L-shaped sections of iron or steel	0	103,500	213,542
73121030—Stranded wire of iron or steel (except stainless steel)	0	7,700	184,985
24011040—Oriental or turkish type cigarette leaf, not stemmed	0	194,984	177,160
95079070—Artificial baits and flies	129,215	144,711	166,483
61124900—Women's or girls' nonsynthetic swimwear	0	48,654	158,595
24012080—Tobacco, partly or wholly stemmed	2,340	330,410	155,446
72253050—Flat rolled products of tool steel	0	0	144,93[illegible]
42029230—Travel or sports bags of at least 85% silk	52,574	60,951	143,292
73170055—Nails, tacks and corrugated nails, staples, etc.	43,187	111,448	136,306
42029290—Bags, cases, etc. with outer surfaces of at least 85% silk	34,979	88,729	133,855
62046930—Women's or girls' trousers and overalls of silk	17,819	67,033	113,796
Total of items shown	79,608,637	94,902,034	116,726,904
Total other	4,443,512	3,770,953	2,103,621

Source: Compiled from official statistics of the U.S. Department of Commerce.
Top 35 commodities sorted by Imports for consumption, Customs value in 1991.

Table 3.—Ecuador: Leading U.S. Imports for consumption, Customs value (dollars)

HS commodity	1989	1990	1991
Total selected commodities	10,890,380	10,997,291	13,823,572
16041440—Tuna and skipjack, not in airtight containers	3,516,950	5,407,628	6,060,345
06031060—Fresh cut roses	4,348,827	4,790,454	5,883,696
62101040—Garments made up of plastic or rubber	0	0	811,745
24012080—Tobacco, partly or wholly stemmed	503,398	0	132,108
20029000—Tomatoes, other than whole or in pieces	13,318	157,855	120,577
72092300—Flat-rolled iron or nonalloy steel products	0	0	84,278
20049090—Vegetables and mixtures of vegetables	0	0	60,190
42023295—Articles for pocket or handbag of cotton	516	0	51,972
42023160—Wallets, carrying cases, etc. with outer surface of leather	19,897	28,151	50,614
08053040—Limes, fresh or dried	455,102	42,755	50,126
07108097—Asparagus reduced in size, raw/cook by boiling	0	0	46,098
42022280—Handbags of man-made fibers	5,095	12,460	41,592
72092200—Flat rolled iron or nonalloy steel products	0	0	41,556
07092090—Asparagus, fresh or chilled	1,600	34,895	35,114
42021100—Trunks, suitcases, etc. with outer surface of leather	3,598	16,718	31,608
20059050—Pimientos, prepared or preserved	0	0	25,162
42022160—Handbags with outer surface of plastic	1,320	13,924	24,158
20096000—Grape juice (including grape must), unfermented	0	44,301	22,810
42029100—Cases, containers with outer surface of leather	6,448	14,753	21,162
58063930—Narrow woven fabrics, not pile, of at least 85% silk	0	0	20,445
42021280—Attache cases, etc. of at least 85% silk	0	10,299	20,158
16041320—Sardines, sardinella, not smoked	0	2,167	17,229
42031040—Leather apparel items	3,429	7,990	14,737
24021060—Cigars, cheroots and cigarillos containing tobacco	0	0	13,500
42029230—Travel or sports bags of at least 85% silk	384	5,709	11,759
42022240—Handbags with outer surface of at least 85% silk	259	2,086	9,367
62061000—Women's or girls' silk blouses	0	0	8,580
62171000—"Other" made up clothing accessories	2,101	3,062	8,210
08071080—Melons, fresh	198,091	37,270	7,780
16041310—Smoked sardines, in oil, not skinned or boned	0	0	7,585
65020090—Hat shapes, plaited or assembled, not blocked	4,681	19,210	5,136
42022245—Handbags of cotton	0	1,088	4,945
08119080—Cherries, sweet variety	0	0	4,537
42021260—Trunks, suitcases, etc. with outer surface of "other" material	0	776	4,349
07070050—Cucumbers, including gherkins, fresh or chilled	0	0	4,180
Total of items shown	9,085,014	10,653,551	13,757,408
Total other	1,805,366	343,740	66.164

Source: Compiled from official statistics of the U.S. Department of Commerce.
Top 35 commodities sorted by Imports for consumption, Customs value in 1991.

Table 4.—Peru: Leading U.S. Imports for consumption, Customs value (dollars)

HS commodity	1989	1990	1991
Total selected commodities	3,522,439	3,948,259	4,346,454
07092090—Asparagus, fresh or chilled	1,298,959	2,087,519	1,881,938
52010020—Cotton, not carded or combed, having a staple length of 28.575 mm	0	0	819,602
20056000—Asparagus, prepared or preserved	565,928	299,357	450,868
42031040—Leather apparel articles	164,921	158,908	160,847
26139000—Molybdenum ores and concentrates, other than roasted	0	0	139,253
29214315—Trifluralin	0	0	112,813
20091100—Frozen orange juice	29,553	176,170	88,426
69120045—Ceramic mugs or cups	0	27,007	65,175
16041925—Bonito, yellowtail and pollock, whole or in pieces	60,000	48,937	53,550
62111230—Women's or girls' swimwear of at least 70% silk	0	0	52,794
56012900—Wadding of textile materials, excluding cotton	0	37,289	46,516
69120039—Ceramic household table and kitchenware in sets	69,213	43,596	41,218
16041320—Sardines, sardinella, not smoked	110,819	33,341	34,300
07108097—Asparagus, reduced in size, raw/cook by boiling	0	0	31,983
69089000—Glazed ceramic flags and paving, hearth and wall tile	242,674	47,616	29,687
22089030—Brandy, except grape brandy and slivovitz	0	0	28,539
07121000—Dried potatoes	32,218	47,728	26,000
20057075—Olives, prepared or preserved, in saline solution	15,575	14,560	22,251
07099040—"Other" fresh vegetables, including sweet corn	0	0	20,000
42022190—Handbags with outer surface of leather,valued over $20	20,792	54,162	18,436
35030040—Gelatin	0	0	15,750
58071020—Woven badges and similar articles of textile material	0	0	13,538
21032040—Tomato sauces	21,368	0	13,377
69079000—Unglazed ceramic flags and paving, hearth or wall tile	26,230	9,932	12,594
20057083—Prepared or preserved olives	2,750	9,625	9,900
11042100—Grains of barley, hulled, pearled, clipped, or sliced	0	0	9,799
96121090—Typewriter or similar ribbons	4,372	0	9,130
29224210—Monosodium glutamate	162,600	0	8,503
16041470—Prepared or preserved Atlantic bonito	30,000	9,100	8,000
07122040—Dried onions whole, cut, sliced, or broken	0	0	7,875
42021100—Attache cases, etc. with outer surface of leather	15,585	19,052	7,754
32149050—Nonrefractory surfacing preparations for facades	0	0	7,714
58050040—Hand-woven tapestries and needle-worked tapestries	690	0	7,212
42029230—Travel or sports bags of at least 85% silk	3,150	8,629	7,120
71141145—Sets of silver, which include two or more utensils	9,752	0	6,125
Total of items shown	2,887,149	3,132,528	4,268,587
Total other	635,290	815,731	77,867

Source: Compiled from official statistics of the U.S. Department of Commerce.
Top 35 commodities sorted by Imports for consumption, Customs value in 1991.

APPENDIX B

Products Ineligible for ATPA Duty-Free Access or with Duty Limitations

Items Ineligible for ATPA Duty-Free Entry

The following items listed below by Harmonized Tariff Schedule (HTS) number *are not eligible* for duty-free entry under the ATPA. A separate list of numbers include categories with certain subcategories that are duty-free, but others that are not.

PART I

Canned Tuna

1604.14.10
1604.14.20
1604.14.30

Sugar

1701.11.03
1701.12.02
1701.99.02
1702.90.32
1806.10.42
2106.90.12

Rum and Tafia

2208.40.00

Petroleum and Derivatives

2709.00.10
2709.00.20
2710.00.05
2710.00.10
2710.00.15
2710.00.18
2710.00.20
2710.00.25
2710.00.30
2710.00.35
2710.00.40
2710.00.45

Floor Coverings

3921.90.15

Textiles and Apparel

5101.21.60
5101.29.60
5101.30.60
5102.10.90
5105.10.00
5105.21.00
5105.29.00
5105.30.00
5106.10.00
5106.20.00
5107.10.00
5107.20.00
5108.10.30
5108.10.60
5108.20.30
5108.20.60
5109.10.40
5109.10.60
5109.90.40
5109.90.60
5111.11.20
5111.11.30
5111.11.70
5111.19.10
5111.19.20
5111.19.60
5111.20.05
5111.20.10
5111.20.90
5111.30.05
5111.30.10
5111.30.90
5111.90.30
5111.90.40
5111.90.50
5111.90.90
5112.11.10
5112.11.20
5112.19.20
5112.19.90
5112.20.10
5112.20.20
5112.20.30
5112.30.10
5112.30.20
5112.30.30
5112.90.30
5112.90.40
5112.90.50
5112.90.90
5204.11.00
5204.19.00
5204.20.00
5205.11.10
5205.11.20
5205.12.10
5205.12.20
5205.13.10
5205.13.20
5205.14.10
5205.14.20
5205.15.10
5205.15.20
5205.21.00
5205.22.00
5205.23.00
5205.24.00
5205.25.00
5205.31.00
5205.32.00
5205.33.00
5205.34.00
5205.35.00
5205.41.00
5205.42.00
5205.43.00
5205.44.00
5205.45.00
5206.11.00
5206.12.00
5206.13.00
5206.14.00
5206.15.00
5206.21.00
5206.22.00
5206.23.00
5206.24.00
5206.25.00
5206.31.00
5206.32.00
5206.33.00
5206.34.00
5206.35.00
5206.41.00
5206.42.00
5206.43.00
5206.44.00
5206.45.00
5207.10.00
5207.90.00
5208.11.20
5208.11.40
5208.11.60
5208.11.80
5208.12.40
5208.12.60
5208.12.80
5208.13.00
5208.19.20
5208.19.40
5208.19.60
5208.19.80
5208.21.20
5208.21.40
5208.21.60
5208.22.40
5208.22.60
5208.22.80
5208.23.00
5208.29.20
5208.29.40
5208.29.60
5208.29.80
5208.31.40
5208.31.60
5208.31.80
5208.32.30
5208.32.40
5208.32.50
5208.33.00
5208.39.20
5208.39.40
5208.39.60
5208.39.80
5208.41.40
5208.41.60
5208.41.80
5208.42.30
5208.42.40
5208.42.50
5208.43.00
5208.49.20
5208.49.40
5208.49.60
5208.49.80
5208.51.40
5208.51.60
5208.51.80
5208.52.30
5208.52.40
5208.52.50
5208.53.00
5208.59.20
5208.59.40
5208.59.60
5208.59.80
5209.11.00
5209.12.00
5209.19.00
5209.21.00
5209.22.00
5209.29.00
5209.31.60
5209.32.00
5209.39.00
5209.41.60
5209.42.60
5209.43.00
5209.49.00
5209.51.60
5209.52.00
5209.59.00
5210.11.40
5210.11.60
5210.11.80
5210.12.00
5210.19.20
5210.19.40
5210.19.60
5210.19.80
5210.21.40
5210.21.60
5210.21.80
5210.22.00
5210.29.20
5210.29.40
5210.29.60
5210.29.80
5210.31.40
5210.31.60
5210.31.80
5210.32.00
5210.39.20
5210.39.40
5210.39.60
5210.39.80
5210.41.40
5210.41.60
5210.41.80
5210.42.00
5210.49.20
5210.49.40
5210.49.60
5210.49.80
5210.51.40
5210.51.60
5210.51.80
5210.52.00
5210.59.20
5210.59.40
5210.59.60
5210.59.80
5211.11.00
5211.12.00
5211.19.00
5211.21.00
5211.22.00
5211.29.00
5211.31.00
5211.32.00
5211.39.00
5211.41.00

5211.42.00	5403.31.00	5408.31.05	5509.99.20	5515.22.05	5609.00.10
5211.43.00	5403.32.00	5408.31.10	5509.99.40	5515.22.10	5609.00.30
5211.49.00	5403.33.00	5408.31.20	5509.99.60	5515.29.00	5701.10.16
5211.51.00	5403.39.00	5408.32.05	5510.11.00	5515.91.00	5701.10.20
5211.52.00	5403.41.00	5408.32.10	5510.12.00	5515.92.05	5702.31.10
5211.59.00	5403.42.00	5408.32.30	5510.20.00	5515.92.10	5702.31.20
5212.11.10	5403.49.00	5408.32.90	5510.30.00	5515.99.00	5702.32.10
5212.11.60	5404.10.80	5408.33.05	5510.90.20	5516.11.00	5702.32.20
5212.12.10	5405.00.30	5408.33.10	5510.90.40	5516.12.00	5702.41.10
5212.12.60	5406.10.00	5408.33.15	5510.90.60	5516.13.00	5702.41.20
5212.13.10	5406.20.00	5408.33.30	5511.10.00	5516.14.00	5702.42.10
5212.13.60	5407.10.00	5408.33.90	5511.20.00	5516.21.00	5702.42.20
5212.14.10	5407.20.00	5408.34.05	5511.30.00	5516.22.00	5702.49.10
5212.14.60	5407.30.10	5408.34.10	5512.11.00	5516.23.00	5702.51.20
5212.15.10	5407.30.90	5408.34.30	5512.19.00	5516.24.00	5702.51.40
5212.15.60	5407.41.00	5408.34.90	5512.21.00	5516.31.05	5702.52.00
5212.21.10	5407.42.00	5501.10.00	5512.29.00	5516.31.10	5702.59.10
5212.21.60	5407.43.10	5501.20.00	5512.91.00	5516.32.05	5702.91.30
5212.22.10	5407.43.20	5501.30.00	5512.99.00	5516.32.10	5702.91.40
5212.22.60	5407.44.00	5501.90.00	5513.11.00	5516.33.05	5702.92.00
5212.23.10	5407.51.00	5502.00.00	5513.12.00	5516.33.10	5702.99.10
5212.23.60	5407.52.05	5503.10.00	5513.13.00	5516.34.05	5703.10.00
5212.24.10	5407.52.20	5503.20.00	5513.19.00	5516.34.10	5703.20.10
5212.24.60	5407.53.10	5503.30.00	5513.21.00	5516.41.00	5703.20.20
5212.25.10	5407.53.20	5503.40.00	5513.22.00	5516.42.00	5703.30.00
5212.25.60	5407.54.00	5503.90.00	5513.23.00	5516.43.00	5704.10.00
5309.21.20	5407.60.05	5504.10.00	5513.29.00	5516.44.00	5704.90.00
5309.29.20	5407.60.10	5504.90.00	5513.31.00	5516.91.00	5801.10.00
5311.00.20	5407.60.20	5505.10.00	5513.32.00	5516.92.00	5801.21.00
5401.10.00	5407.71.00	5505.20.00	5513.33.00	5516.93.00	5801.22.00
5401.20.00	5407.72.00	5506.10.00	5513.39.00	5516.94.00	5801.23.00
5402.10.30	5407.73.10	5506.20.00	5513.41.00	5601.10.10	5801.24.00
5402.10.60	5407.73.20	5506.30.00	5513.42.00	5601.21.00	5801.25.00
5402.20.30	5407.74.00	5506.90.00	5513.43.00	5601.22.00	5801.26.00
5402.20.60	5407.81.00	5507.00.00	5513.49.00	5601.30.00	5801.31.00
5402.31.30	5407.82.00	5508.10.00	5514.11.00	5602.10.10	5801.32.00
5402.31.60	5407.83.00	5508.20.00	5514.12.00	5602.10.90	5801.33.00
5402.32.30	5407.84.00	5509.11.00	5514.13.00	5602.21.00	5801.34.00
5402.32.60	5407.91.05	5509.12.00	5514.19.00	5602.29.00	5801.35.00
5402.33.30	5407.91.10	5509.21.00	5514.21.00	5602.90.30	5801.36.00
5402.33.60	5407.91.20	5509.22.00	5514.22.00	5602.90.60	5802.11.00
5402.39.30	5407.92.05	5509.31.00	5514.23.00	5602.90.90	5802.19.00
5402.39.60	5407.92.10	5509.32.00	5514.29.00	5603.00.10	5803.10.00
5402.41.00	5407.92.20	5509.41.00	5514.31.00	5603.00.30	5803.90.11
5402.42.00	5407.93.05	5509.42.00	5514.32.00	5603.00.90	5803.90.12
5402.43.00	5407.93.10	5509.51.30	5514.33.00	5604.10.00	5803.90.30
5402.49.00	5407.93.15	5509.51.60	5514.39.00	5604.20.00	5804.21.00
5402.51.00	5407.93.20	5509.52.00	5514.41.00	5607.41.30	5805.00.25
5402.52.00	5407.94.05	5509.53.00	5514.42.00	5607.49.15	5805.00.30
5402.59.00	5407.94.10	5509.59.00	5514.43.00	5607.49.25	5806.10.10
5402.61.00	5407.94.20	5509.61.00	5514.49.00	5607.49.30	5806.10.20
5402.62.00	5408.10.00	5509.62.00	5515.11.00	5607.50.20	5806.31.00
5402.69.00	5408.21.00	5509.69.20	5515.12.00	5607.50.40	5806.32.10
5403.10.30	5408.22.00	5509.69.40	5515.13.05	5608.11.00	5806.32.20
5403.10.60	5408.23.10	5509.69.60	5515.13.10	5608.19.10	5806.39.10
5403.20.30	5408.23.20	5509.91.00	5515.19.00	5608.19.20	5810.91.00
5403.20.60	5408.24.00	5509.92.00	5515.21.00	5608.90.27	5810.92.00

5811.00.10	6103.33.20	6107.29.20	6115.93.10	6203.32.10	6204.61.00
5811.00.20	6103.39.10	6107.91.00	6115.93.20	6203.32.20	6204.62.10
5811.00.30	6103.41.10	6107.92.00	6115.99.14	6203.33.10	6204.62.20
5901.10.10	6103.41.20	6107.99.20	6115.99.18	6203.33.20	6204.62.40
5901.90.20	6103.42.10	6108.11.00	6116.91.00	6203.39.10	6204.63.10
5902.10.00	6103.42.20	6108.21.00	6116.92.60	6203.39.20	6204.63.12
5902.20.00	6103.43.10	6108.22.00	6116.92.90	6203.41.10	6204.63.15
5902.90.00	6103.43.15	6108.31.00	6116.93.60	6203.41.20	6204.63.25
5903.10.18	6103.43.20	6108.32.00	6116.93.90	6203.42.10	6204.63.30
5903.10.25	6103.49.10	6108.39.10	6116.99.50	6203.42.20	6204.63.35
5903.20.18	6103.49.20	6108.91.00	6117.10.10	6203.42.40	6204.69.10
5903.20.25	6104.11.00	6108.92.00	6117.10.20	6203.43.10	6204.69.20
5903.90.18	6104.12.00	6108.99.20	6201.11.00	6203.43.15	6204.69.25
5903.90.25	6104.13.10	6109.10.00	6201.12.10	6203.43.20	6205.10.20
5906.91.10	6104.13.20	6109.90.10	6201.12.20	6203.43.25	6205.20.20
5906.91.25	6104.19.10	6109.90.15	6201.13.10	6203.43.30	6205.30.15
5906.99.10	6104.19.15	6110.10.10	6201.13.30	6203.43.35	6205.30.20
5906.99.25	6104.21.00	6110.10.20	6201.13.40	6203.43.40	6206.20.20
5907.00.10	6104.22.00	6110.20.10	6201.91.10	6203.49.10	6206.20.30
6001.10.20	6104.23.00	6110.20.20	6201.91.20	6203.49.15	6206.30.20
6001.21.00	6104.29.10	6110.30.10	6201.92.10	6203.49.20	6206.30.30
6001.22.00	6104.31.00	6110.30.15	6201.92.15	6204.11.00	6206.40.20
6001.91.00	6104.32.00	6110.30.20	6201.92.20	6204.12.00	6206.40.25
6001.92.00	6104.33.10	6110.30.30	6201.93.10	6204.13.10	6206.40.30
6002.10.40	6104.33.20	6111.10.00	6201.93.20	6204.13.20	6207.11.00
6002.20.10	6104.39.10	6111.20.10	6201.93.25	6204.19.10	6207.21.00
6002.20.30	6104.41.00	6111.20.20	6201.93.30	6204.19.20	6207.22.00
6002.20.60	6104.42.00	6111.20.30	6201.93.35	6204.21.00	6207.91.10
6002.41.00	6104.43.10	6111.20.40	6202.11.00	6204.22.10	6207.91.30
6002.42.00	6104.43.20	6111.20.50	6202.12.10	6204.22.30	6207.92.20
6002.43.00	6104.44.10	6111.20.60	6202.12.20	6204.23.00	6207.92.40
6002.91.00	6104.44.20	6111.30.10	6202.13.10	6204.29.20	6207.99.20
6002.92.00	6104.51.00	6111.30.20	6202.13.30	6204.31.10	6207.99.40
6002.93.00	6104.52.00	6111.30.30	6202.13.40	6204.31.20	6208.11.00
6101.10.00	6104.53.10	6111.30.40	6202.91.10	6204.32.10	6208.19.20
6101.20.00	6104.53.20	6111.30.50	6202.91.20	6204.32.20	6208.21.00
6101.30.10	6104.59.10	6111.90.10	6202.92.10	6204.33.10	6208.22.00
6101.30.15	6104.61.00	6111.90.20	6202.92.15	6204.33.20	6208.91.10
6101.30.20	6104.62.10	6111.90.30	6202.92.20	6204.33.40	6208.91.30
6102.10.00	6104.62.20	6111.90.40	6202.93.10	6204.33.50	6208.92.00
6102.20.00	6104.63.10	6111.90.50	6202.93.20	6204.39.20	6208.99.20
6102.30.05	6104.63.15	6112.11.00	6202.93.40	6204.39.30	6209.10.00
6102.30.10	6104.63.20	6112.12.00	6202.93.45	6204.41.10	6209.20.10
6102.30.20	6104.69.10	6112.19.10	6202.93.50	6204.41.20	6209.20.20
6103.11.00	6104.69.20	6112.20.10	6203.11.10	6204.42.20	6209.20.30
6103.12.10	6105.10.00	6112.31.00	6203.11.20	6204.42.30	6209.20.50
6103.12.20	6105.20.10	6112.41.00	6203.12.10	6204.43.20	6209.30.10
6103.19.10	6105.20.20	6114.10.00	6203.12.20	6204.43.30	6209.30.20
6103.19.15	6105.90.10	6114.20.00	6203.19.10	6204.43.40	6209.30.30
6103.19.20	6106.10.00	6114.30.10	6203.19.20	6204.44.30	6209.90.10
6103.21.00	6106.20.10	6114.30.20	6203.19.30	6204.44.40	6209.90.20
6103.22.00	6106.20.20	6114.30.30	6203.21.00	6204.51.00	6209.90.30
6103.23.00	6106.90.10	6115.11.00	6203.22.10	6204.52.20	6210.20.10
6103.29.10	6107.11.00	6115.12.00	6203.22.30	6204.53.20	6210.30.10
6103.31.00	6107.12.00	6115.91.00	6203.23.00	6204.53.30	6210.40.10
6103.32.00	6107.21.00	6115.92.10	6203.29.20	6204.59.20	6210.50.10
6103.33.10	6107.22.00	6115.92.20	6203.31.00	6204.59.30	6211.11.10

6211.12.10
6211.31.00
6211.32.00
6211.33.00
6211.41.00
6211.42.00
6211.43.00
6213.20.10
6213.20.20
6213.90.10
6214.20.00
6214.30.00
6214.40.00
6215.20.00
6216.00.39
6216.00.52
6216.00.80
6301.20.00
6301.30.00
6301.40.00
6302.21.10
6302.21.20
6302.22.10
6302.22.20
6302.31.10
6302.31.20
6302.32.10
6302.32.20
6302.51.10
6302.51.20
6302.51.30
6302.51.40
6302.53.00
6302.60.00
6302.91.00
6302.93.10
6302.93.20
6303.11.00
6303.12.00
6303.91.00
6303.92.00
6304.11.10
6304.11.20
6304.19.05
6304.19.10
6304.19.15
6304.19.20
6304.92.00
6304.93.00
6304.99.15
6305.20.00
6305.31.00
6305.39.00
6306.11.00
6306.12.00
6306.21.00
6306.22.90
6306.41.00
6306.91.00
6307.10.10
6310.10.10
6310.90.10

Footwear

6401.10.00
6401.91.00
6401.92.30
6401.92.60
6401.92.90
6401.99.30
6401.99.60
6401.99.80
6401.99.90
6402.11.00
6402.19.10
6402.19.30
6402.19.50
6402.19.70
6402.19.90
6402.30.30
6402.30.50
6402.30.60
6402.30.70
6402.30.80
6402.30.90
6402.91.40
6402.91.50
6402.91.60
6402.91.70
6402.91.80
6402.91.90
6402.99.05
6402.99.10
6402.99.15
6402.99.20
6402.99.30
6402.99.60
6402.99.70
6402.99.80
6402.99.90
6403.11.60
6403.19.15
6403.19.45
6403.19.60
6403.20.00
6403.30.00
6403.40.30
6403.40.60
6403.51.30
6403.51.60
6403.51.90
6403.59.15
6403.59.30
6403.59.60
6403.59.90
6403.91.30
6403.91.60
6403.91.90
6403.99.20
6403.99.40
6403.99.60
6403.99.75
6403.99.90
6404.11.20
6404.11.40
6404.11.50
6404.11.60
6404.11.70
6404.11.80
6404.11.90
6404.19.15
6404.19.20
6404.19.25
6404.19.30
6404.19.35
6404.19.40
6404.19.50
6404.19.60
6404.19.70
6404.19.80
6404.19.90
6404.20.20
6404.20.40
6404.20.60
6405.10.00
6405.20.30
6405.20.60
6405.20.90
6405.90.90
6406.10.05
6406.10.10
6406.10.20
6406.10.25
6406.10.30
6406.10.35
6406.10.40
6406.10.45
6406.10.50
6406.10.77
6501.00.90
6503.00.90
6505.90.30
6505.90.40
6505.90.50
6505.90.60
6505.90.70
6505.90.80

Glass Fibers

7019.10.10
7019.10.20
7019.20.10
7019.20.20
7019.20.50

Bedding

9404.90.10

Leather Items

4202.11.00
4202.12.20
4202.12.40
4202.12.60
4202.12.80
4202.19.00
4202.21.30
4202.21.60
4202.21.90
4202.22.15
4202.22.40
4202.22.45
4202.22.60
4202.22.80
4202.29.00
4202.31.60
4202.32.40
4202.32.95
4202.91.00
4202.92.15
4202.92.20
4202.92.30
4202.92.45
4202.92.60
4202.92.90
4202.99.00
4203.10.40
4203.29.08
4203.29.18

Straw and Wickerware

4602.10.21
4602.10.22
4602.10.25
4602.10.29

Gloves and Mittens

6116.10.17
6116.10.45
6116.10.70
6116.92.64
6116.92.88
6116.93.64
6116.93.88
6116.99.48
6216.00.17
6216.00.18
6216.00.28
6216.00.38
6216.00.54

PART II

Product Categories with Certain Subcategories Eligible for Duty-Free Entry

The following are generally products containing textile blends. For example, those blends containing at least 85 percent silk are eligible, while other combinations, such as cotton and wool, are not. They are signified by the symbol "J*" in the Harmonized Tariff Schedule.

Floor Coverings

3921.13.19
3921.90.19
3921.90.21
3921.90.25
3921.90.29

Textiles and Apparel

5005.00.00
5006.00.90
5007.10.60
5007.90.60
5306.10.00
5306.20.00
5308.20.00
5308.90.00
5309.21.30
5309.21.40
5309.29.30
5309.29.40
5311.00.30
5311.00.40
5601.10.20
5601.29.00
5604.90.00
5605.00.00
5606.00.00
5607.90.20
5608.90.10
5609.00.40
5701.90.10
5701.90.20
5702.10.90
5702.39.20
5702.49.20
5702.59.20
5705.00.20
5801.90.10
5801.90.20
5802.20.00
5802.30.00
5803.90.20
5803.90.40
5804.10.00
5804.29.00
5804.30.00
5805.00.40
5806.10.30
5806.20.00
5806.39.20
5806.39.30
5806.40.00
5807.10.10
5807.10.20
5807.90.10
5807.90.20
5808.10.20
5808.10.30
5808.90.00
5809.00.00
5810.10.00
5810.99.00
5811.00.40
5901.10.20
5901.90.40
5903.10.30
5903.20.10
5903.20.30
5903.90.30
5905.00.90
5906.91.30
5906.99.30
5907.00.90
5908.00.00
5909.00.10
5909.00.20
5910.00.90
5911.10.10
5911.10.20
5911.20.10
5911.20.30
5911.31.00
5911.32.00
5911.90.00
6001.10.60
6001.29.00
6001.99.00
6002.10.80
6002.20.90
6002.30.20
6002.30.90
6002.49.00
6002.99.00
6101.90.00
6102.90.00
6103.19.40
6103.29.20
6103.39.20
6103.49.30
6104.19.20
6104.29.20
6104.39.20
6104.49.00
6104.59.20
6104.69.30
6105.90.30
6106.90.20
6106.90.30
6107.19.00
6107.29.40
6107.99.40
6108.19.00
6108.29.00
6108.39.20
6108.99.40
6109.90.20
6110.90.00
6111.90.60
6112.19.20
6112.20.20
6112.39.00
6112.49.00
6113.00.00
6114.90.00
6115.19.00
6115.20.00
6115.99.20
6116.10.90
6116.99.80
6117.10.60
6117.20.00
6117.80.00
6117.90.00
6201.19.00
6201.99.00
6202.19.00
6202.99.00
6203.19.40
6203.29.30
6203.39.40
6203.49.30
6204.19.30
6204.29.40
6204.39.80
6204.49.50
6204.59.40
6204.69.30
6204.69.90
6205.90.20
6205.90.40
6206.10.00
6206.90.00
6207.19.00
6207.29.00
6207.99.60
6208.19.40
6208.29.00
6208.99.60
6208.99.80
6209.90.40
6210.10.40
6210.20.20
6210.30.20
6210.40.20
6210.50.20
6211.11.20
6211.12.30
6211.20.10
6211.20.15
6211.20.20
6211.20.30
6211.20.40
6211.20.50
6211.20.60
6211.20.70
6211.39.00
6211.49.00
6212.10.10
6212.10.20
6212.20.00
6212.30.00
6212.90.00
6213.10.20
6213.90.20
6214.10.20
6214.90.00
6215.10.00
6215.90 00
6216.00.32
6216.00.90
6217.10.00
6217.90.00
6301.10.00
6301.90.00
6302.10.00
6302.29.00
6302.39.00
6302.40.10
6302.40.20
6302.52.10
6302.52.20
6302.59.00
6302.92.00
6302.99.20
6303.19.00
6303.99.00
6304.11.30
6304.19.30
6304.91.00
6304.99.35
6304.99.60
6305.90.00
6306.19.00
6306.29.00
6306.99.00
6307.10.20
6307.20.00
6307.90.30
6307.90.40
6307.90.50
6307.90.70
6307.90.75
6307.90.86
6308.00.00
6309.00.00

Footwear

6406.10.90
6406.99.15
6502.00.90
6504.00.90
6505.90.15
6505.90.20
6505.90.25
6505.90.90

Glass Fibers

7019.10.60

Bedding

9404.90.80
9404.90.90

Typewriter Ribbon (other)

9612.10.90

PART III

Products Subject to Duty Reduction

Leather Items

4202.11.00
4202.12.20
4202.12.40
4202.12.60
4202.12.80
4202.19.00
4202.21.30
4202.21.60
4202.21.90
4202.22.15
4202.22.40
4202.22.45
4202.22.60
4202.22.80
4202.29.00
4202.31.60
4202.32.40
4202.32.95
4202.91.00
4202.92.15
4202.92.20
4202.92.30
4202.92.45
4202.92.60
4202.92.90
4202.99.00
4203.10.40
4203.29.08
4203.29.18

Straw and Wickerware

4602.10.21
4602.10.22
4602.10.25
4602.10.29

Gloves and Mittens

6116.10.17
6116.10.45
6116.10.70
6116.92.64
6116.92.88
6116.93.64
6116.93.88
6116.99.48
6216.00.17
6216.00.18
6216.00.28
6216.00.38
6216.00.54

APPENDIX C

Useful ATPA-Related Publications

U.S. GOVERNMENT PUBLICATIONS

LA/C Business Bulletin
Features specific ATPA- and CBI- related business opportunities and upcoming events, in addition to relevant news from the region. Free monthly subscriptions should be requested by writing to:

U.S. Department of Commerce
LA/C Business Bulletin
Room HCHB 3202
Washington, DC 20230

Foreign Economic Trend Reports (FETs), Overseas Business Reports (OBRs) and *Investment Climate Statements*
Describe foreign country economic and commercial trends, trade and investment climates, and market prospects as reported by the local U.S. Embassy. Country packages are available at a discounted rate from the National Technical Information Service. When ordering refer to the package number:

Bolivia: PB92-168012 ($19)
Colombia: PB92-168053 ($26)
Ecuador: PB92-168046 ($26)
Peru: PB92-168020 ($19)

National Technical Information Service
5285 Port Royal Road
Springfield, VA 22161
Tel: (703) 487-4650

Importing into the United States
Provides details on regulations and procedures for documentation, packaging, and valuation, in addition to special import requirements for products, such as textiles, alcoholic beverages, food, and drugs. Available in both English and Spanish. The cost is $4.75 stock no. (048-002-00112-5).

U.S. Government Printing Office
Superintendent of Documents
Washington DC 20402
Attn: Order Desk
Tel: (202) 783-3238

A Basic Guide to Exporting
A primer in the terminology and general procedures of international trade available for $9.50 ($11.88 overseas) from the nearest U.S. GPO. Request stock no. 003-009-00604-0.

U.S. Industrial Outlook '92
Features business forecasts and industry reviews for 350 industries, including forecasts and international competitiveness. The cost is $32. Mail requests to the following address or contact the nearest GPO and request stock #003-009-00579-3.

New Orders
Superintendent of Documents
P.O. Box 37195
Pittsburgh, PA 15250-7954
Fax: (202) 512-2250

Agricultural Marketing Handbook for Caribbean Basin Products
Considered an essential reference guide for imports of Caribbean Basin, the sections on agricultural trade policy, regulations and services are also applicable to ATPA countries. For a free copy, contact:

U.S. Department of Agriculture
Office of International Cooperation
and Development
Trade & Investment Program
Room 3250
14th St. & Independence Avenue, SW
Washington, DC 20250-4300
Tel: (202) 690-2981

Tropical Products Handbook
Offers guidance for maintaining the quality of fruits, vegetables, plants, and cut flowers during shipping. The free publication is available in both English and Spanish from the address listed above.

U.S. Market for Caribbean Basin Fruits and Vegetables: Selected Characteristics of Seventeen Fresh and Frozen Imports
Focuses on the U.S. market for off-season fruits and vegetables (such as, cantaloupes, broccoli, and lemons) and the possibilities for production in the CBI region, which is also applicable to ATPA. Write To:

U.S. Department of Agriculture
Economic Research Service/NASS
P.O. Box 1608
Rockville, MD 20849-1608

Situation and Outlook Reports
Describe the supply and demand situation for commodities throughout the world. Ask for catalogs of reports of publications.

Economic Research Service
National Agricultural Statistics Service
Information Division Room 228
1301 New York Ave., NW
Washington, DC 20005
Tel: (800) 999-6779

Requirements of Laws and Regulations Enforced by the U.S. Food and Drug Administration
An important synopsis of major Food and Drug Administration (FDA) regulations, including labeling and sanitation rules. Available for $2.75 from the GPO. Indicate stock no. 017-012-00343-5.

Foreign Assembly of U.S. Components
Offers guidance on qualifying imported articles for the partial duty exemption under HTSUS subheading 9802.00.80 (formerly 807). For a free copy, reference publication no. 536 and contact:

Department of the Treasury
U.S. Customs Service
Office of Trade Operations
1301 Constitution Avenue, NW
Washington, DC 20229

Harmonized Tariff Schedule of the United States
The official schedule of U.S. tariff rates listed by product. Available for $64 ($80 international rate) from the GPO by requesting stock no. 949-00700000-6.

SELECTED PRIVATE SECTOR PUBLICATIONS

Almanac of Canning, Freezing, and Preserving Industries (1990-91 Ed.)
An annual publication featuring U.S. labeling and packaging laws and regulations, U.S. food and drug law, current "Good Manufacturing Practice" regulations, and other relevant information for agricultural producers. The cost is $43 in the United States and $63 overseas.

Edward E. Judge & Sons, Inc.
P.O. Box 866
Westminster, MD 21157
Tel: (301) 876-2052

Directory of Canning, Freezing, and Preserving Industries
Available in standard and deluxe editions, both feature listings of over 2,300 companies operating food processing plants in North America, including contact, production, brand, and volume information. The deluxe edition adds company profiles and breakdowns. The standard edition costs $125 and the deluxe edition $355 and are available from the company listed above.

Industria Alimenticia
A U.S.-based Spanish language magazine on the food industry targeting Latin American and Caribbean food processors and packagers. Published monthly, this publication is offered free to CEOs, general managers and division directors of Latin American/Caribbean food companies. The cost is otherwise $30 per year or $100 per year overseas.

Stagnito Publishing Company
605 Landwehr Road
Northbrook, IL 60062
Tel: (708) 205-5660
Fax: (708) 205-5680

Encyclopedia of Associations
Volume I, the most relevant section, contains listings of organizations in the trade, business, environment, agricultural, legal, government, engineering, and technical areas. Volume I is available for $320 (plus 15% overseas) from:

Gale Research Inc.
835 Penobscot Building
Detroit, MI 48226
Tel: (313) 961-2242

1992 Directory of U.S. Importers
Profiles over 14,000 firms involved in the direct importation of products from all over the world. Companies are indexed by state, product, country(ies) of operation, and port of entry. The cost is $300 plus shipping and handling. Contact:

Journal of Commerce
445 Marshall Street
Phillipsburg, NJ 00856
Tel: (800) 222-0356
Fax: (908) 454-6541

The Trade Show Week Databook (U.S. and Canada and The Trade Show Week Databook International Edition
Annual guides to marketing and statistical data on the 4,070 U.S. and Canadian and 3,700 overseas trade and consumer shows, respectively. The U.S. and Canada Databook is available for $279.95 and the International Databook for $190 Add a 7 percent shipping charge for either. Send your order to:

R.R. Bowker/Trade Show Week
Datatbook
121 Chanlon Road
New Providence, NJ 07974-9904
Tel: (800) 521-8110 ext. 6744

APPENDIX D

Selected Sources of Financing for ATPA Projects

(by Country, Sector, and Type of Financing*)

FINANCING SOURCE	SECTOR						TYPE OF FINANCING					
	Industry	Agriculture/ Agribusiness	Tourism	Infrastructure	Mining	Other	Loan	Loan Guarantee	Equity	Feasibility Study	Technical Assistance	Insurance
Bilateral Financing Sources												
Export-Import Bank of the United States 811 Vermont Ave., NW Washington, DC 20571 Tel: (202) 566-8943 Fax: (202) 343-0153	X	X	X	X	X	X	X	X				X
Overseas Private Investment Corporation 1100 New York Avenue, NW Washington, DC 20527 Tel: (202) 336-8799 1-800-424-6742 Fax: (202) 408-9859	X	X	X	X	X	X	X	X	X			
Trade Development Program U.S. Department of State Washington, DC 20523 Tel: (703) 875-4357 Fax: (703) 875-4009	X	X	X	X	X	X				X	X	
International and Regional Financing Sources												
InterAmerican Investment Corporation 1300 New York Ave., NW Washington, DC 20577 Tel: (202) 623-3915 Fax: (202) 523-2360	X	X	X	X	X	X	X		X			

**Further detail on sources of financing in the Caribbean Basin and Andean region will be available in an upcoming Latin American finance guide to be published by the Commerce Department. Call (202) 377-0703 for additional information.*

FINANCING SOURCE	SECTOR						TYPE OF FINANCING					
	Industry	Agriculture/ Agribusiness	Tourism	Infrastructure	Mining	Other	Loan	Loan Guarantee	Equity	Feasibility Study	Technical Assistance	Insurance
International Finance Corporation 1818 H Street, NW Washington, DC 20433 Tel: (202) 473-0701 Fax: (202) 334-0354	X	X	X	X	X	X	X		X			
Multilateral Investment Guarantee Agency 1818 H Street, NW Washington, DC 20433 Tel: (202) 473-6168 Fax: (202) 334-0265	X	X	X	X	X	X						X
Latin American Agricultural Development Bank 306 Alcazar Avenue, Suite 3A Coral Gables, FL 33134 Tel: (305) 445-1341 Fax: (305) 446-8447		X					X		X	X		
Bolivia *(The following are all available through Bolivian commercial banks)*												
Export Financing Line	X	X					X					
Eastern Lowlands Loan Project		X					X					
Private Enterprise Development	X		X				X				X	
Mining Project Loan					X		X					
Multisectoral Credit Line	X	X	X				X					
Market Town Capital Formation Project	X	X	X			X	X					

FINANCING SOURCE	SECTOR						TYPE OF FINANCING					
	Industry	Agriculture/ Agribusiness	Tourism	Infrastructure	Mining	Other	Loan	Loan Guarantee	Equity	Feasibility Study	Technical Assistance	Insurance
Colombia *(The following lines are administered by the Colombian Ministry of Econmic Development through the Institute of Industrial Development)*												
Institute of Industrial Development Calle 16, No. 6-66, Pisos 7 al 15 Edificio Avianca Apartado 4222 Santafe de Bogota, Colombia Tel: (011) 571-282-2055 Fax: (011) 571-286-8116												
Industrial Reconversion Fund	X						X		X			
Tourism Credit			X				X		X			
Auto Industry Suppliers Fund	X						X		X	X	X	X
Business Capitalization Fund	X	X					X		X		X	
Private Investment Fund	X		X		X		X		X		X	
National Export Bank (Bancoldex) Calle 28, No. 13A-15 Piso 42 Santafe de Bogota, Colombia Tel: (011) 341-0677 Fax: (011) 284-5087	X	X			?		X			X		X
Popular Finance Corporation Calle 28, No. 13A-15 Pisos 14 y 15 Apartado 5179 Santafe de Bogota, Colombia Tel: (011) 334-0277 Fax (011) 286-5931	X	?	X				X	X				

FINANCING SOURCE	SECTOR						TYPE OF FINANCING					
	Industry	**Agriculture/ Agribusiness**	**Tourism**	**Infrastructure**	**Mining**	**Other**	**Loan**	**Loan Guarantee**	**Equity**	**Feasibility Study**	**Technical Assistance**	**Insurance**
Agriculture Fund *(Contact local financial intermediary institutions)*		X		X			X			X	X	
Ecuador												
National Development Bank Ante 107 y Ave 10 de Agosto Quito, Ecuador Tel: (011) 593-2-549-828 Fax: (011) 593-2-580-586	X	X	X				X					
National Financing Corporation Robles 731 Quito, Ecuador Tel: (011) 593-2-541-600 Fax: (011) 593-2-562-519	X	X	X				X				X	
National Preinvestment Fund Jorge Washington 624 y Amazones Quito, Ecuador Tel: (011) 593-2-562-068 Fax: (011) 593-2-561-449	(Priority Development Projects)									X	X	
Regional Andean Development Corporation	X	X	X	X	X	X	X		X	X	X	
Headquarters: Av. Luis Roche-Altamira Edificio Torre Central Pisos 4 al 10 Caracas, Venezuela Tel: (011) 582-285-5555 Fax: (011) 582-284-5754	X	X	X	X	X	X	X		X	X	X	

FINANCING SOURCE	SECTOR						TYPE OF FINANCING					
	Industry	Agriculture/ Agribusiness	Tourism	Infrastructure	Mining	Other	Loan	Loan Guarantee	Equity	Feasibility Study	Technical Assistance	Insurance
Country Representatives												
Bolivia Av. Arce Pasaje Esmeralda No. 4 Casilla de Correo No. 550 La Paz, Bolivia Tel: (011) 591-2-363934 Fax: (011) 591-2-391032	X	X	X	X	X	X	X		X	X	X	
Colombia Carrera 7a. No. 26-20 Edificio Seguros Tequendama, Piso 15 Apartado Areo 17862-Cables CAF Santafe de Bogota, Colombia Tel: (011) 571-287-9584 Fax: (011) 571-288-2517	X	X	X	X	X	X	X		X	X	X	
Ecuador Av. 18 de Septiembre, No. 332 y Juan Leon Mera (esquina) Edificio Mutualista Pichincha, Piso 4 Casilla Postal 259 Quito, Ecuador	X	X	X	X	X	X	X		X	X	X	
Peru Las Camelias 725, Piso 7 San Isidro, Lima 27 Casilla Postal 5140, Lima 18 Peru Tel: (011) 51-14-402790 Fax: (011) 51-14-400491	X	X	X	X	X	X	X		X	X	X	

APPENDIX E

ATPA Designation Criteria

Under the Andean Trade Preference Act of 1991, the President of the United States may not designate a country for ATPA trade benefits if the country:

- Is a communist country
- Fails to meet certain criteria regarding nationalization or expropriation of U.S. property
- Fails to recognize arbitral awards to U.S. citizens
- Provides preferential treatment to the products of another developed country which adversely affects trade with the United States
- Permits government-owned entities to engage in the broadcast of U.S. copyrighted material without the consent of the owner
- Has not entered into an extradition treaty with the United States
- Has not or is not taking steps to afford internationally recognized workers rights to workers in that country

The President is also required to take into account the following discretionary criteria in designating a country:

- An expressed desire by the country to be designated
- Economic conditions in that country
- The extent to which the country is prepared to provide equitable and reasonable access to its markets and basic commodity resources
- The degree to which the country follows the accepted rules of international trade
- The degree to which the trade policies of the country as related to other ATPA beneficiaries are contributing to revitalization of the region
- The degree to which a country is undertaking self-help measures to promote its own economic development
- Workers rights in that country
- The extent to which such country protects the intellectual property rights, including patents and trademarks, of foreign nationals
- The extent to which such country prohibits its nationals from engaging in the broadcast of copyrighted materials belonging to U.S. copyright owners without their express consent
- Whether such country has met certain narcotics cooperation requirements set forth in U.S. law
- The extent to which such country is prepared to cooperate with the United States in administering the provisions of the ATPA legislation

APPENDIX F

U.S. Customs District and Regional Offices

Mission

The major responsibility of the U.S. Customs Service is to administer the Tariff act of 1930, as amended. Primary duties include the assessment and collection of all duties, taxes, and fees on imported merchandise, the enforcement of customs and related laws, and the administration of certain navigation laws and treaties. As a major enforcement organization, the Customs Service combats smuggling and frauds on the revenue and enforces the regulations of numerous other Federal agencies at ports of entry and along the land and sea orders of the United States.

Organization

The customs territory of the United State consists of the 50 states, the District of Columbia, and Puerto Rico. The Customs Service, an agency under the Department of the Treasury, has its headquarters in Washington, D.C., and is headed by a Commissioner of Customs The field organization consists of seven geographical regions further divided into districts with ports of entry within each district. These organizational elements are headed respectively by regional commissioners, district directors (or area directors in the case of the New York region), and port directors. The Customs Service is also responsible for administering the customs laws of the Virgin Islands of the United States.

Both an alphabetical list of all ports by State and a list of district by region (including postal ZIP code) are provided. Whenever it is suggested that to the district or port director for information, the director referred to is the one at the district or port where your goods will be entered.

Ports of Entry by State (including Puerto Rico and the U.S. Virgin Islands)

Alabama
Birmingham
Huntsville
Mobile

Alaska
Alcan
Anchorage
Dalton Cache
Fairbanks
Juneau
Ketchikan
Sitka
Skagway
Valdez
Wrangell

Arizona
Douglas
Lukeville
Naco
Nogales
Phoenix
San Luis
Sasabe

Arkansas
Little Rock-N. Little Rock

California
Andrade
Calexico
Eureka
Fresno
•Los Angeles-Long Beach
Port San Luis
San Diego
San Francisco-Oakland
Tecate
San Ysidro

Colorado
Denver

Connecticut
Bridgeport
Hartford
New Haven
New London

Delaware
Wilmington
(See Philadelphia)

District of Columbia
Washington

Florida
Apalachicola
Boca Grande
Carrabelle
Fernandina Beach
Jacksonville
Key West
•Miami
Orlando
Panama City
Pensacola
Port Canaveral
Port Everglades
Port St. Joe
St. Petersburg
Tampa
West Palm Beach
Port Manatee

Georgia
Atlanta
Brunswick
Savannah

Hawaii
Honolulu
Hilo
Kahului
Nawiliwili-Port Allen

Idaho
Eastport
Porthill
Boise

Illinois
•Chicago
Peoria
Rock Island-Moline*
(See Davenport)

Indiana
Evansville/Owensboro, Ky.
Indianapolis
Lawrenceburg/Cincinnati, Ohio

Iowa
Davenport-Rock Island-Moline*
Des Moines

Kansas
Wichita

Kentucky
Louisville
Owensboro/Evansville, Ind.

Louisiana
Baton Rouge
Gramercy
Lake Charles
Morgan City
•New Orleans
Shreveport/Bossier City*

Maine
Bangor
Bar Harbor
Bath

Key:

Districts shown in boldface
•Regional Headquarters
*Consolidated ports

Belfast
Bridgewater
Calais
Eastport
Fort Fairfield
Fort Kent
Houlton
Jackman
Jonesport
Limestone
Madawaska
Portland
Rockland
Van Buren
Vanceboro

Maryland
Annapolis
Baltimore
Cambridge

Massachusetts
• Boston
Fall River
Gloucester
Lawrence
New Bedford
Plymouth
Salem
Springfield
Worcester

Michigan
Battle Creek
Detroit
Grand Rapids
Muskegon
Port Huron
Saginaw-Bay City/Flint
Sault Ste. Marie

MINNESOTA
Baudette
Duluth and Superior, Wis.
Grand Portage
International Falls-Ranier
Minneapolis-St. Paul
Noyes
Pinecreek
Roseau
Warroad

Mississippi
Greenville
Gulfport
Pascagoula
Vicksburg

Missouri
Kansas City
St. Joseph
St. Louis
Spingfield
(Temporary)

Montana
Butte
Del Bonita
Great Falls
Morgan
Opheim
Piegan
Raymond
Roosville
Scobey
Sweetgrass
Turner
Whitetail
Whitlash

Nebraska
Omaha

Nevada
Las Vegas
Reno

New Hampshire
Portsmouth

New Jersey
Perth Amboy (See New York/Newark)

New Mexico
Albuquerque
Columbus

New York
Albany
Alexandria Bay
Buffalo-Niagara Falls
Cape Vincent
Champlain-Rouses Point
Chateaugay
Clayton
Fort Covington
Massena
• New York
Kennedy Airport Area
Newark Area
New York Seaport Area
Ogdensburg
Oswego
Rochester
Sodus Point
Syracuse
Trout River
Utica

North Carolina
Beaufort-Morehead City
Charlotte
Durham
Reidsville
Wilmington
Winston-Salem

North Dakota
• Ambrose
Antler
Carbury
Dunseith
Fortuna
Hannaah
Hansboro
Maida
Neche
Noonan
Northgate
Pembina
Portal
Sarles
Sherwood
St. John
Walhalla
Westhope

Ohio
Akron
Ashtabula/Conneaut
Cincinnati/Lawrenceburg, Ind.
Cleveland
Columbus
Dayton
Toledo/Sandusky

Oklahoma
Oklahoma City
Tulsa

Oregon
Coos Bay
Newport
Porland*

Pennsylvania
Chester (See Phila.)
Erie
Harrisburg
Philadilphia/Chester/
Wilmington
Pittsburgh
Wilkes-Barre/Scranton

Puerto Rico
Aguadilla
Fajardo
Guanica
Humacao
Jobos
Mayaguez
Ponce
San Juan

Rhode Island
Newport
Providence

South Carolina
Charleston
Georgetown
Greenville-Spartanburg

Tennessee
Chattanooga
Knoxville
Memphis
Nashville

Texas
Amarillo
Austin
Beaumont*
Brownville
Corpus Christi
Dallas/Ft. Worth
Del Rio
Eagle Pass
El Paso
Fabens
Freeport
Hidalgo
• Houston/Galveston
Laredo
Lubbock
Orange*
Port Arthur*
Port Lavaca-Point Comfort
Presidio
Progreso
Rio Grande City
Roma
Sabine*
San Antonio

Utah
Salt Lake City

Vermont
Beecher Falls
Burlington
Derby Line
Highgate Springs/Alburg
Norton
Richford
St. Albans

Virgin Islands
Charlotte Amalie,
St. Thomas
Christiansted
Coral Bay
Cruz Bay
Frederiksted

Virginia
Alexandria
Cape Charles City
Norfolk-Newport News
Reedville
Richmond-Petersburg

Washington

Aberdeen
Anacortes*
Bellingham*
Blaine
Boundary
Danville
Everett*
Ferry
Friday Harbor*
Frontier
Laurier
Longview*
Lynden
Metaline Falls
Neah Bay*
Nighthawk
Olympia*
Oroville
Point Roberts
Port Angeles*
Port Townsend*
Seattle*
Spokane
Sumas
Tacoma*

West Virginia

Charleston

Wisconsin

Ashland
Green Bay
Manitowoc
Marinette
Milwaukee
Racine
Sheboygan

CUSTOMS REGIONS AND DISTRICTS

Headquarters

U.S. Customs Service
1301 Constitution Ave., N.W.
Washington, D.C. 20229

Northeast Region–Boston, Mass. 02222-1059

Districts:
Portland, Maine 04112
St. Albans, Vt. 05478
Boston, Mass. 02222-1059
Providence, R.I. 02903
Buffalo, N.Y. 14202
Ogdensburg, N.Y. 13669
Philadelphia, Pa. 19106
Baltimore, Md. 21202
Norfolk, Va. 23510
Washington, D.C. 20041

New York Region–New York, N.Y. 10048

New York Seaport Area
New York, N.Y. 10048
Kennedy Airport Area
Jamaica, N.Y. 11430
Newark Area
Newark, N.J. 07114

Southeast Region–Miami, Fla. 33131

Districts:
Wilmington, N.C. 28401
San Juan, P.R. 00903
Charleston, S.C. 229402
Savannah, Ga. 31401
Tampa, Fla. 33131
St. Thomas, V.I. 00801

South Central Region–New Orleans, La. 70130

Districts:
Mobile, Ala. 36652
New Orleans, La. 70130

Southwest Region–Houston, Tex. 77057

Districts:
Port Arthur, Tex. 77642
Houston/Galveston, Tex. 77052
Laredo, Tex. 78041-3130
El Paso, Tex. 79985
Dallas/Fort Worth, Tex. 75261

Pacific Region–Los Angeles, Calif. 90012

Districts:
Nogales, Ariz. 85621
San Diego, Calif. 92188
Los Anageles/Long Beach, Calif. 90731
Honolulu, Hawaii 96806
Portland, Ore. 97209
Seattle, Wash. 98174
Anchorage, Alaska 99501
Great Falls, Mont. 59401

North Central Region–Chicage, Ill. 60605-5790

Districts:
Chicago, Ill. 60607
Pembina, N.D. 58271
Minneapolis-St. Paul, Minn. 55401
Duluth, Minn. 55802-1390
Milwaukee, Wis. 53202
Cleveland, Ohio 44114
St. Louis, Mo. 63105
Detroit, Mich. 48226-2568

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* Consolidated Ports:
  Columbia River port of enry inclues Longview, Washington, and Portland, OR.
  Beaumont, Orange, Port Arthur, Sabine port of enry includes ports of the same name.
  Port of Puget Sound includes Tacoma, Seattle, Port Anglieles, Port Townsend, Neah Bay, Friday Harbor, Everette, Bellingham, Anacortes, and Olympia in the State of Washington.
  Port of Philadelphia includes Wilmington and Chester.
  Port of Rock Island includes Moline and Davenport, IA.
  Port of Shreveport includes Bossier City, LA.

Designated User-fee Airports: Allentown-Bethlehem-Easton, PA; Fargo, ND; Lebanon, NH; Santa Teresa, NM; Wilmington, OH; Rickenbacker Airport, Columbus, OH; and Southwest Florida Regional Airport, Fort Myers, FL.

APPENDIX G

U.S. & Foreign Commercial Service District Offices

The U.S. Department of Commerce's Foreign Commercial Service (US&FCS) has a mandate to assist U.S. exporters and investors and identify export and foreign investment opportunities worldwide. U.S. district offices offer a number of services and publications, including the National Trade Data Bank and Agent Distributor Service. US&FCS does not identify sources or opportunities for U.S. importers, however. Importers should contact other sources listed in this guidebook for such information. For U.S. exporters, the district office closest to them should be their first point of contact, especially those who are new to international commerce. The Department of Commerce also offers the Trade Information Center, whose operators can provide additional contacts and information from various trade-related government agencies. Call toll-free at 1-800-USA-TRADE (1-800-872-8723).

ALABAMA
Birmingham - Rm. 302, Berry Bldg, 2015 2nd Ave. N., 35203, 205/731-1331

ALASKA
Anchorage - Suite 319, World Trade Center Alaska, 4201 Tudor center Dr., 99508, 907/271-6237

ARIZONA
Phoenix - Rm. 3412, Federal bldg., 230 N. 1st Ave., 85025, 602/379-3285

ARKANSAS
Little Rock - Suite 811, Savers Federal Bldg., 320 W. Capitol Ave., 72201 501/324-5794

CALIFORNIA
Los Angeles - Rm. 9200, 11000 Wilshire Blvd., 90024, 213/575-7104

Santa Ana - Suite 1, 116-A West 4th St., 94104, 714/836-2461

San Diego - Suite 145, 6363 Greenwich Dr., 92122, 619/557-5395

San Francisco - 14th Fl., 250 Montgomery st., 94104, 415/705-2300

COLORADO
Denver - Suite 680, 1625 Broadway, 80202, 303/844-3246

CONNECTICUT
Hartford - Rm. 610B, Federal Bldg., 450 Main st., 06103, 2203/240-3530

DELAWARE
Served by the Philadelphia District Office

FLORIDA
Miami - Suite 224, Federal Bldg., 51 S.W. First ave., 33130, 305/536-5267

Cleareater - 128 N. Osceola Ave., 34615, 813/461-0011

Orlando - C/O Central Florida Univ., College of Business Administration, Rm. 346, CEBA II, 32816 407/648-6235

Tallahassee - Room 40:, Collins Bldge., 107 W. Gaines St., 32304, 904/488-6469

GEORGIA
Atlanta - Plaza Swuare North, 4360 Chamblee-Dunwoody Rd., 30341, 405/9101

Savannah - Rm. A107, 120 Barnard St., 31401 912/944-4204

HAWAII
Honolulu - P.O. Box 50026, 400 Ala Moana Blvd., 96850, 808/541-1782

IDAHO
Boise - 2nd Fl., Joe R. Williams Bldg., 700 W. State St., 83720 208/334-3857

ILLINOIS
Chicago - Rm. 1406, 55 E. Monroe St., 60603, 312/353-4450

Wheaton - Illinois Institute of Technology, 201 East Loop Rd., 60187, 312/353-4450

Rockford - P.O. Box 1747, 515 North Court St., 61110-0247, 815/987-8123

INDIANA
Indianapolis - Suite 520, One North Capitol, 46204, 317/226-6214

IOWA
Des Moines - Rm. 817 Federal Bldg., 210 Walnut St., 50309, 515/284-4222

Cedar Rapids - 424 First Ave., NE 52401 319/362-8418

KANSAS
Wichita - 151 North Volutssia, 67214-4695, 316/269-6160

KENTUCKY
Louisville - Rm. 636B, Gene Snyder Courthouse & Customhouse Bldg., 601 W Broadway, 402202, 502/582-5066

LOUISIANA
New Orleans - 432 World trade center, 2 Canal St., 70130, 504/589-6546

MAINE
Augusta - 77 Sewall St., 04304, 207/622-8249

MARYLAND
Baltimore - 413 U.S. Customhouse, 40 South Gay St., 21202, 301/962-3560

Gaithersburg - C/O Nat'l Institute of Standards & Technology, Bldg. 411, 20899 301/962-3560

MASSACHUSETTS
Boston - Suite 307 World trade center, Commonwealth Pier area, 02210, 617/565-8563

MICHIGAN
Detroit - 1140 McNarmara Bldg., 477 Michigan Ave., 48226, 313/226-3650

MINNESOTA
Minneapolis - 108 Federal Bldg,. 110 S. 4th St., 55401, 612/348-1638

MISSISSIPPI
Jackson - 328 Jackson Mall Office center, 300 Woodrow Wilson Blvd., 39213, 601/965-4388

MISSOURI
St. Louis - Sutie 610, 7911 Forsyth Blvd., 63105, 314/425-3302

Kansas City - Rm. 635, 601 E. 12th., 64106, 816/426-3141

MONTANA
Served by the Portland District Office

NEBRASKA
Omaha - 11133 "O" Street, 68137, 402/221-3664

NEVADA
Reno - 1755 E. Plumb Lane, #152, 89502, 702/784-5203

NEW HAMPSHIRE
Served by the Boston District Office

NEW JERSEY
Trenton - Suite 100, 3131 Princeton Pike Blvd., #6, 08648, 609/989-2100

NEW MEXICO
Albuquerque - 3 Fl., 625 Silver S.W., 87102 505/766-2070

NEW YORK
Buffalo - 1312 Federal Bldg., 111 W., Huron St., 14202, 716/846-4191
Rochester - Suite 200, East Ave., 14604. 716/263-6480

New York - Rm. 3718, 26 Federal Plaza, 11027B, 10278, 212/264-0600

NORTH CAROLINA
Greensboro - Rm. 203, 324 West Market St., P.O.Box 1950, 27402, 919/333-5345

NORTH DAKOTA
Served by the Omaha District Office

OHIO
Cincinnati - 9504 Federal Bldg., 550 Main St., 45202, 513/284-2944

Cleveland - Rm. 600, 668 Euclid Ave., 44114, 216/522-4750

OKLAHOMA
Oklahoma City - 6601 Broadway Ext., 73116, 405/231-5302

Tulsa - 440 South Houston St., 74127, 405/231-5302

OREGON
Portland - Suite 242, One World Trade Center, 121 SW Salmon, 97204, 503/326-3001

PENNSYLVANIA
Philadelphia - Suite 202, 475 Allendale Rd., King of Prussia, 19406, 215/962-4980

Pittsburgh - 2002 Federal Bldg., 1000 Liberty Ave., 15222, 412/644-2850

PUERTO RICO
San Juan - Rm. G-55, Federal Bldg. Chardon Ave., 00918, 809/766-5555

RHODE ISLAND
Providence - 7 Jackson Walkway, 02903, 401/528-5104

SOUTH CAROLINA
Columbia - Suite 172, Strom Thurmond Federal Bldg., 1935 Assembly St., 29201, 803/765-5345

Charleston - JC Long Bldg., 9 Liberty St., 29424, 803/724-4361

SOUTH DAKOTA
Served by the Omaha District Office

TENNESSEE
Nashville - Suite 1114, Parkway Towers, 404 James Robertson Pkwy., 37219-1505, 615/736-5161

Memphis - Suite 200 Falls Bldg.,
22 N. Front St., 38103, 901/544-4137

Knoxville - 301 E. Church St., 37915, 615/549-9268

TEXAS
Dallas - Rm. 7A5, 1110 Commerce St., 75242-0787, 214/767-0542

Austin - Suite 1200, 816 Congress Ave.,
P.O. Box 12728, 78711, 512/482-5939

Houston - Rm. 2625, Federal Courthouse Bldg.,
515 Rusk St., 77002, 713/229-2578

UTAH
Salt Lake City - Suite 105, 324 S. State St., 84111
801/524-5116

VERMONT
Served by the Boston District Office

VIRGINIA
Richmond - 8010 Federal Bldg., 400 N. 8th St.,
23240
804/771-2246

WASHINGTON
Seattle - Suite 290, 3131 Ellicott Ave., 98121,
206/553-5615

Spokane - Rm. 625,
W. 808 Spokane Falls Blvd., 99201, 509/353-2922

WEST VIRGINIA
Charleston - Suite 809, 405 Capitol St, 25301,
304/347-5123

WISCONSIN
Milwaukee - Rm. 596, 517 E. Wisconsin ave., 53202,
414/297-3473

WYOMING
Served by the Denver District Office

APPENDIX H

The Andean Pact

On May 26, 1969, representatives from Bolivia, Colombia, Chile, Ecuador and Peru, meeting in Cartagena, Colombia, signed the Cartagena Agreement, the instrument for the Andean Pact. Venezuela, which participated in the negotiations leading to the signing of the agreement, joined the Pact in 1973. Chile withdrew in 1976, leaving the present five member group. (Venezuela, though a member of the Andean Pact, is not a beneficiary of the United States' Andean Trade Preference Act.)

The Cartagena Agreement's objectives are to promote a balanced, harmonious and equitable development of the member countries through integration and economic and social cooperation; to accelerate their growth and the generation of employment; and to facilitate their participation in the regional integration process, with a view to the gradual development of a Latin American common market. The Agreement's objectives also include trying to reduce the member countries' external vulnerability and improving their position within the international economic context; strengthening subregional solidarity, and reducing the existing differences in the member countries' development.

The group later established its own financial institution to strengthen the integration initiative. The Andean Development Corporation (Corporacion Andina de Fomento or CAF) was established in 1968 with headquarters in Caracas, Venezuela. The CAF functions primarily to provide technical assistance and financing for prefeasibility studies, and various types of financing either directly or as an intermediary for trade financing and investment projects in the following priority areas: agriculture, manufacturing, mining, infrastructure, related services, commercial services, and tourism. (see also Appendis D).

The Andean countries reached agreements in the initial years on trade liberalization, taxation, and foreign investment, but until recently the Pact experienced little to no success in guiding its members' commercial policies, which remained protectionist throughout the 1970s and most of the 1980s. This failure, coupled with its restrictive investment and intellectual property rights rules, earned the Andean Pact a reputation of ineffectiveness and irrelevance. By 1990, however, the new wave of economic liberalization taking place throughout Latin America began to influence efforts to revitalize the pact and eliminate some of the out-of-date rules.

At a presidential summit in May 1991, Pact members announced Decision 291, which reforms previously restrictive foreign investment rules. Decision 291 provides national treatment of foreign investors, including:

- Equal application of tax and fiscal incentives including benefits under the Common External Tariff (CET);
- Elimination on restrictions on capital gains and net profit remittances, the latter of which was previously limited to 25 percent of the previous year's capital base;
- Elimination of the requirement that foreign companies establish joint ventures in order to operate or sell their products within the region; and
- Granting of access by foreign firms to development financing.

In addition, the five member nations have proposed a new common external tariff (CET). Five CET levels ranging from zero, 5, 10, 15 and 20 percent would be in effect for 1992-93, although Bolivia would maintain its lower tariffs of 5 and 10 percent. As of January 1994, tariffs would drop to a maximum of 15 percent, still with Bolivia's tariffs remaining in effect. Some general exceptions to the CET apply. Most importantly, agricultural products, which are governed by a separate Common Agricultural Policy pact, would remain outside the new CET levels. To establish the customs union, member nations advanced an initial plan to unify customs regimes by 1995. These tariffs *are not in effect*, however, as they remain subject to ratification by each government. Exporters should refer to the tariff rates indicated in the Chapter IV Country Profiles until the CET is implemented.

In a series of meetings during 1991, Pact members formalized a plan to create an Andean Common Market by 1996. As a first step, Bolivia, Colombia, and Venezuela agreed to establish a regional free trade zone beginning January 1, 1992, each with a list of excepted products. Peru and Ecuador would accede 6 months later. Pact members propose the elimination of the exceptions list (Venezuela, Colombia, and Peru have 50; Bolivia and Ecuador have 100 items) by January 1993, however Ecuador will extend an additional year to January 1994. Exceptions include petrochemicals, iron and steel, leather, and textile products.

In November 1991, the Pact passed Decision 311 on the protection of intellectual property rights (IPR), replacing Decision 85. The Pact then passed Decision 313 in February 1992 to reflect revisions made to Decision 311 by the five Andean presidents at their Summit in December 1991. Decision 313, if implemented and enforced, will provide patent protection for most products, including pharmaceuticals (with some exceptions), and will raise the protection of trademarks. In addition, Decision 313 will allow individual members to negotiate stronger regimes with other nations. However, Decision 313 maintains some serious deficiencies, including limited patent and trademark terms, compulsory licensing provisions, working requirements, and lack of transitional ("pipeline") protection. Under Decision 313, each country has the freedom to expand upon these new provisions and adopt tougher IPR laws.

The net effect of this trade and investment integration is to afford equal and consistent access to all five countries to any U.S. company trading in the region. In addition, U.S. companies with investments in the region can easily integrate their manufacturing process between the members and capitalize on comparative advantages within the Andean Pact.

The proposed Group of Three (G-3) free trade agreement between Colombia, Venezuela and Mexico would also create access to the Mexican market for U.S. companies with operations in Colombia or Venezuela. Chile, which is negotiating or has negotiated bilateral agreements with all three countries, including a free trade agreement with Mexico, has also expressed interest in participating in the G-3.

Finally, the additional advantage of duty free access to the United States for the eligible ATPA countries (Bolivia, Colombia, Ecuador, and Peru) allows U.S. firms already benefitting from labor, material, and tax advantages within the Andean region to cut tariff costs to the United States.

For further information on Andean Pact integration, contact:

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For information on the Pact's financing bank contact:

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APPENDIX I

The European Economic Community Special Andean Trade Program

In response to Colombia's request for support from the international community in its campaign against drug abuse and following the European Council's expression of political will, the European Economic Community (EC) adopted a proposal to assist not only Colombia but also Peru, Bolivia, and Ecuador.

The EC proposal is designed to step up Community cooperation with the Andean countries and grant them trade concessions on an exceptional and temporary basis to support their efforts to combat drug production and trafficking. These measures include:

1. Financial aid to Colombia totaling ECU 60 million over a period of 4 years to bolster the countries economic development;
2. Under the EC's Generalized System of Preferences (GSP) there will be 100 percent cuts in duties on a range of goods exported by these four countries for four years (expiring October 29, 1994), thereby opening up the Community market. This measure involves an ECU 1.1 billion annual volume of trade, covering all industrial and textile products and the major agricultural products (see exceptions below);
3. Community aid and member states' bilateral aid will be coordinated in order to make the Community's action more effective.

The difference between the EC's normal GSP program (GSP 1, which affects 133 beneficiary developing countries) and the Special Andean Program (GSP 2, equivalent to the EC's GSP for "least developed countries," 42 beneficiaries) is that the first program in many cases provides partial (not total) duty reductions. In addition, GSP 1 is generally extended up to a quantitative limit.

The EC program differs somewhat from the ATPA in both excluded products and duration of the program. The EC program excludes bananas, strawberries, lemons, live horses, donkeys, or mules, processed meat, dairy products, vanilla, cloves, and rice seed. ATPA exclusions include textiles, canned tuna, certain leather items, and petroleum (see Chapter II). Both programs have similar 35 percent rules of origin. Finally, while the ATPA has a life-span of 10 years (expiring December 4, 2001), the already implemented EC program will last 4 years, expiring October 29, 1994.

For further information, contact the EC Delegation in Washington at (202) 862-9595.

* U.S. G.P.O.:1992-311-890;60676