

# Embassy of Canada to Colombia

## Home

> Annual Report Pursuant to the Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia

## Annual Report Pursuant to the Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia

For the period January 1, 2013 to December 31, 2013

### Table of Contents

1. Introduction
2. Canada's Reporting Requirement under the *Canada-Colombia Free Trade Agreement Implementation Act*
3. Economic Baseline Information and Trade Gains from the *Canada-Colombia Free Trade Agreement (CCOFTA)*
4. Review of Changes during the Period January 1, 2013–December 31, 2013
  - Summary of Actions Taken by Canada under the CCOFTA
  - Preliminary Screening of Trade Gains from the CCOFTA and Affected Industries
  - Consultations with Stakeholders
  - Summary of Other CCOFTA Mechanisms
  - Labour Cooperation Agreement
  - Environment Agreement
5. Summary of Findings
6. Annexes

### Introduction

Canada and Colombia signed the *Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia* ("the Agreement") on May 27, 2010. This unique agreement requires that Canada and Colombia each produce a report every year on the effect of measures taken under the *Free Trade Agreement between Canada and the Republic of Colombia* (Canada-Colombia Free Trade Agreement, "CCOFTA") on human rights in both countries.

The Agreement entered into force on August 15, 2011, with the entry into force of the CCOFTA, as well as two related agreements, the *Agreement on Labour Cooperation between Canada and the Republic of Colombia* ("Labour Cooperation Agreement") and the *Agreement on the Environment between Canada and the Republic of Colombia* ("Environment Agreement"). Canada tabled its first report pursuant to the *Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia* on May 15, 2012. Canada's second report was tabled on June 14, 2013.

This current report, Canada's third report pursuant to the Agreement, is comprised of the following elements:

- an outline of the Government of Canada's obligations with regard to this report;
- economic baseline information and background on the CCOFTA;
- a review of changes that took place during the period under review (January 1, 2013 to December 31, 2013), including a summary of all actions taken by Canada under the CCOFTA and a review of trade gains from the CCOFTA;
- a summary of input received through a public call for submissions, consultations with Canadian provinces and territories, and outreach to affected industries in Colombia on any perceived impact on human rights due to actions taken by Canada CCOFTA;
- a summary of other CCOFTA mechanisms used during the period under review;
- an outline of actions taken under the Labour Cooperation Agreement and Environment Agreement; and
- a summary of all findings.

### Canada's Reporting Requirement under the Canada-Colombia Free Trade Agreement Implementation Act

Canada's obligations under the *Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia* are incorporated into Canadian domestic law under section 15.1 of the Canada-Colombia Free Trade Implementation Act ("Implementation Act"):

**15.1** Pursuant to the Agreement Concerning Annual Reports on Human Rights and Free Trade Between Canada and the Republic of Colombia, the Minister shall cause to be laid before each House of Parliament by May 15 of each year or, if that House is not then sitting, on any of the 30 days next thereafter that it is sitting, a report on the operation of this Act during the previous calendar year, containing a general summary of all actions taken under the authority of this Act, and an analysis of the impact of these actions on human rights in Canada and the Republic of Colombia.

In line with these legal requirements, this Annual Report contains a general summary of actions taken by Canada during the review period under the CCOFTA, as well as the related Labour Cooperation Agreement and the Environment Agreement; and a review of any perceived human rights changes in Canada or Colombia due to these actions.

#### *Actions under Consideration*

The Implementation Act specifies that the Government of Canada is required to table a report on the impact of human rights in Canada and Colombia of actions taken under the authority of the Implementation Act. As the Implementation Act includes the CCOFTA, the Environment Agreement and the Labour Agreement, actions taken under all three agreements are to be considered by the report.

#### *Scope and Limitations*

Canada is an advocate for the promotion and protection of human rights around the world. The Government of Canada works in close collaboration with government counterparts, as well as non-governmental organizations and multilateral organizations, to advance respect for human rights worldwide, including in Colombia.

Consistent with the parameters provided by the Implementation Act, the mandate of this report is to outline the actions taken by Canada under the CCOFTA and the related Agreements on Labour Cooperation and the Environment, and any effect these actions may have had on human rights.

As the Implementation Act governs Canadian domestic implementation of these three agreements, only the impact of actions taken by Canada under these agreements will be considered in this report (see Section 4.a for a review of actions taken by Canada in the period under consideration). Issues such as foreign investment and Canada-Colombia trade in sectors where tariffs were not affected by the CCOFTA fall outside the scope of this report as no actions were taken by Canada in these areas.

#### *Time Period under Consideration*

The Implementation Act commits Canada to report "on the operation of this Act during the previous calendar year" (Section 15.1 of the Implementation Act). Given that last year's Annual Report covered the full period from August 15, 2011 to December 31, 2012, this year's Annual Report will cover the full period from January 1, 2013 to December 31, 2013.

#### *Human Rights under Consideration*

The promotion and protection of human rights is an integral part of Canadian foreign policy. Canada stands up for human rights and takes principled positions on important issues to ensure that freedom, democracy, human rights and the rule of law are enjoyed around the world.

#### *Tabling Date*

The Implementation Act requires that the annual report be tabled in Parliament by May 15 each year or, if Parliament is not sitting, within 30 sitting days thereafter. This Annual Report was tabled on May 13, 2014, within the guidelines of the Implementation Act.

## **Economic Baseline Information and Trade Gains from the *Canada-Colombia Free Trade Agreement***

This section presents a macroeconomic overview of both the Canadian and Colombian economies, the sector composition, and drivers underpinning their economic performance.

#### *Canadian Economy*

Canada ranked tenth in the world in terms of gross domestic product (GDP), which was US\$ 1.8 trillion in 2013 and about five times that of the Colombian economy. Canada's population in 2013 was 35.2 million with a per capita GDP of US\$ 51,871. The Canadian economy has been stably expanding in the past decade at an annual average rate of 1.8 percent, though it experienced unfavourable economic downturns during the financial crisis in 2008-2009. Profiting from its solid financial structures and skilled labour forces, Canada's economy has fully returned to the pre-crisis level. Unemployment continued to lower and was 7.1 percent in 2013.

Canada is one of the most open economies in the world with very low trade barriers, its international trade accounting for around 62 percent of its total GDP in 2013. It is also determined to expand free trade to open new markets and create opportunities for Canadian businesses and workers. Between 2000 and 2013, Canada's merchandise trade with the rest of the world averaged an annual growth rate of 4.2 percent, increasing from US\$518.3 billion in 2000 to US\$920.5 billion in 2013. The United States is Canada's largest trading partner with 75.8 percent of all Canadian merchandise exports destined to that market in 2013. Natural resources and high-tech equipment are consistently the major Canadian exports. Based on the 2010-2013 three-years average data, about 60% of Canadian merchandise exports to Colombia were resources-based (including agriculture, forestry, metals & ores, metal products, and energy products), another 25% were machinery & equipment, electronic equipment, aircraft and parts.

Similar to other developed nations, the services industry is the leading sector in the Canadian economy, making up 70 percent of Canada's GDP in 2013 and employing about three quarters of the Canadian labour force. In the past decade, the share of services in Canada's GDP increased steadily as the Canadian economy becomes more services-oriented. As a consequence, the importance of other sectors declined, in particular, the share of manufacturing sector in GDP dropped from 15.8 percent in 2000 to 10.5 percent in 2013. Canada's sizable primary sector with agriculture, mining, energy and other resources-related activities also saw a marginal decline in its share of GDP from 13.2 percent in 2000 to 12.4 percent in 2013.

#### *Colombian Economy*

With a population of 47.2 million, Colombia is the third most populous country in Latin America after Brazil and Mexico. Colombia's GDP was US\$369.2 billion in 2013, making it the fifth largest economy among Latin American countries.

Over the past decade, Colombia has experienced impressive economic growth as a result of pro-market economic policies, reforms in the oil and gas sectors, tightening of domestic security and strong export growth. Despite the challenges posed by internal armed conflicts, limitations in infrastructure developments and a high unemployment rate (10.3 percent in 2013, one of the highest in Latin America), Colombia has experienced impressive macroeconomic performance: real GDP averaged an annual growth rate of 3.9 percent in 2000-2013 and its per capita GDP increased from US\$2,480 in 2000 to US\$7,830 in 2013.

The Colombian economy depends heavily on exports of energy and agricultural commodities. It is the world's second largest coffee producer after Brazil, and a major supplier of cut flowers and bananas. Colombia's aggressive promotion of FTAs over the past decade has strengthened its international trade. Between 2000 and 2013, Colombia's merchandise trade with the rest of the world more than tripled to reach US\$118.2 billion in 2013, from US\$24.6 billion in 2000. The United States is its principal trading partner as the destination for 31.4 percent of Colombian merchandise exports in 2013.

The industrial sector of Colombia has become stronger over the past decade due to expansions in production of oil, coal, gold and precious stones. As a share of GDP in 2013, the industrial sector made up approximately 37.8 percent of the total, while the agricultural sector made up 6.6 percent and the services sector made up 55.6 percent.

#### *Canada-Colombia Trade Relations*

Canada and Colombia have one of Canada's fastest growing bilateral trade relationships in the Latin American region. Its impressive economic growth and advantages in resources as well as agriculture, coupled with pro-market policies, has made Colombia attractive to Canadian businesses and consumers. Bilateral merchandise trade between Canada and Colombia reached US\$1.4 billion in 2013 from US\$431.3 million in 2000. The trading relationship between Canada and Colombia has been relatively stable, with Canada being the 21<sup>st</sup> largest trading partner accounting for 1.2 percent of Colombia's total trade, and Colombia being the 45<sup>th</sup> largest trader partner accounting for 0.15 percent of Canada's total trade.

#### *Canada-Colombia Free Trade Agreement*

The Canada-Colombia Free Trade Agreement (FTA), along with the related Agreements on Labour Cooperation and the Environment, entered into force on August 15, 2011. The Agreement is consistent with Canada's Global Markets Action Plan, which aims to enhance Canada's economic interests in key

markets, including Colombia. The FTA also supports Canada's Strategy for Engagement in the Americas, which focuses on increasing engagement with Latin American countries. This FTA provides greater stability and predictability for Canadian exporters, service providers, and investors, including expanded opportunities in a broad range of sectors, particularly oil and gas, mining, agriculture and agri-food, and manufacturing. The Agreement also reduces trade barriers to improve Canada and Colombia's bilateral economic relationship by allowing both countries to increase their export potential and access new markets. Finally, the services and services-related provisions of the FTA support exporters by encouraging stronger economic ties through the implementation of principles and conditions of regulatory transparency and stability.

An inaugural meeting of the Canada-Colombia Free Trade Agreement Joint Commission took place on February 27, 2014. The meeting provided Canadian and Colombian representatives with an opportunity to review FTA implementation.

## Review of Changes during the Period January 1, 2013–December 31, 2013

This section will review changes from the period January 1, 2013 to December 31, 2013 in terms of actions taken by Canada under the CCOFTA, and possible human rights impacts in Canada and Colombia. In order to undertake this analysis, this section contains the following areas:

- 1. Summary of Actions Taken by Canada under the CCOFTA:** A review of actions taken by Canada under the CCOFTA during the period January 1, 2013 to December 31, 2013.
- 2. Preliminary Screening of Trade Gains from the CCOFTA and Affected Industries:** A review and analysis, using official data, of changes in trade in goods and services between Canada and Colombia in order to identify economic sectors which demonstrate the greatest change since the implementation of the CCOFTA.
- 3. Consultations with Stakeholders:** A review of input received from consultations with stakeholders.
- 4. Summary of Other CCOFTA Mechanisms:** A review and summary of any activities undertaken under the CCOFTA Mechanisms (e.g., consultation, public communications, and dispute resolution mechanisms) that pertain to human rights.
- 5. Labour Cooperation Agreement:** A review and summary of activities undertaken in the previous year as called for by the Labour Cooperation Agreement.
- 6. Environment Agreement:** A review and summary of activities undertaken in the previous year as called for by the Environment Agreement.

## Summary of Actions Taken by Canada under the CCOFTA

The Implementation Act requires the Government of Canada to report on actions taken under the authority of the Implementation Act during the period under consideration. This section contains a summary of actions taken under the CCOFTA. Actions taken under the Labour Cooperation Agreement and the Environment Agreement can be found in Sections 4.e and 4.f of this report.

Table 1 below contains a summary of actions taken by Canada under the CCOFTA.

**Table 1: Actions taken by Canada under the Canada-Colombia Free Trade Implementation Act**

Clause Number	Short Description of Clause	Actions Required by Canada for Free Trade Agreement (FTA) Implementation
1	Short Title	None
2-5	Interpretation	None
6	Crown bound by the legislation	None
7	Purpose	None
8	No cause of action except for investor-state	None: no disputes to date
9-15	Implementation of the FTA, Labour Cooperation Agreement and Environment Agreement	None
16-22	Monetary assessments arising from disputes as accorded under the Canadian International Trade Tribunal Act	None: no disputes to date
23	Arbitration related to violations of the Investment chapter under the Commercial Arbitration Act	None: no disputes to date
24	Compliance enforcement of the Labour Cooperation Agreement under the Crown Liability and Proceedings Act	None: no disputes to date
25-29	Application of the Customs Act	None
30-42	Changes to the Customs Tariff	Impact from the elimination of customs duties on goods according to staging categories
43	Monetary assessment relating to Labour Cooperation Agreement disputes under the Department of Employment and Social Development Act	None: no disputes to date
44-46	Emergency action safeguard under the Export and Imports Permits Act	None: no disputes to date
47	Governance of crown corp. under the Financial Administration Act	None
48	Entry into force date	None for purposes of the Annual Report exercise

During the period January 1, 2013 to December 31, 2013 the actions taken under the Implementation Act have been tariff reductions related to the CCOFTA, and actions taken under the Labour Cooperation Agreement and the Environment Agreement (see sections 4.e and 4.f of this report).

### Summary of Tariff Reductions

The tariff reductions implemented by Canada are undertaken in accordance with the *Tariff Elimination Schedule of Canada* of the CCOFTA.

Tariffs were eliminated immediately upon the entry into force of the CCOFTA ("Staging Category A") on the majority of Canadian tariff lines. A few other tariff lines became duty free on January 2013 after 3 years of linear tariff reductions. However, there are still some tariff lines that are being phased-out over a number of years. Since the Agreement entered into force, tariff lines subject to phase-outs are undergoing partial tariff reductions on a

yearly basis until they become duty-free. There were also a minimal amount of lines which were excluded from tariff elimination by Canada, hence are not being phased out (See Annex 2: Summary of the Tariff Elimination Schedule of Canada of the CCOFTA).

Tariff reductions implemented by Canada during January 1, 2013-December 31, 2013 fall under three staging categories:

- **Staging Category B** (3-year linear phase-out, i.e., 1/3 tariff reduction on entry into force, second 1/3 tariff reduction on January 1, 2012, and remaining tariff fully removed on January 1, 2013);
- **Staging Category C** (7-year linear phase-out, with yearly tariff reductions, all tariffs to be removed by January 1, 2017);
- **Staging Category D17** (17-year linear phase-out, with yearly tariff reductions, all tariffs to be removed by January 1, 2027)

Staging Category A (immediate implementation) comprises 96.6% of Canada's tariff lines. Of the tariff lines in Staging Category A, 3,810 Canadian dutiable tariff lines were dropped immediately to zero upon entry-into-force of the CCOFTA on August 15, 2011, with the other 4,328 tariff lines already subject to most favoured nation (MFN) duty-free treatment. Of the remaining tariff lines, 176 are subject to incremental phase-outs, while 110 tariff lines are excluded.

Examples of notable tariffs which were subject to immediate elimination by Canada include the following:

- Poultry fat (11%)
- Fresh cut flowers (6-12.5%)
- Grains (wheat and barley) (over-quota 21-94.5%)
- Natural gas (12.5%)
- Apparel (6-18%)
- Footwear (7.5-20%)
- Textiles (duty-free-18%)
- Automobiles (6.1%)

#### Overall Summary of Canadian Actions Taken under the CCOFTA

Overall, the actions taken by Canada under the CCOFTA have been tariff reductions. Of tariff reductions, 96.2% of tariff lines (representing 99.8% of pre-CCOFTA implementation import levels by Canada of Colombian goods and services) were eliminated upon the entry into force of the CCOFTA, while an additional 0.2% of tariff lines became duty free in 2013. Canada also implemented an agricultural transversal clause in 2013, retroactive to 2012, which accelerates tariff elimination on one tariff line.

### Preliminary Screening of Canadian and Colombian Trade Gains from the CCOFTA and Affected Industries

This section will examine the trade enhancement effects of the CCOFTA. The monthly trade data is first divided into the pre-CCOFTA period (April 2009 to July 2011) and post-CCOFTA period (August 2011 to December 2013) and then divided into five product categories. The categories represent, respectively, products that were duty-free prior to the implementation of the CCOFTA, products not liberalized, products that had 0.1 to 5 percentage points tariff reductions, products that had 5.1 to 10 percentage points tariff reductions and products that had more than 10.0 percentage points tariff reductions. The absolute and relative changes between the monthly average trade levels of the pre-CCOFTA and the post-CCOFTA periods of these categories are then calculated to determine if trade has been enhanced. This simple demonstration does not control for any macroeconomic or other sector- and season-specific factors that were influential to bilateral trade flows.

#### Canadian Exports to Colombia

In the first 28 months since the CCOFTA entered into force, Canada experienced a significant increase in its merchandise exports to Colombia. Monthly average exports from Canada to Colombia increased from a pre-CCOFTA level of US\$50.3 million to the post-CCOFTA level of US\$65.6 million, representing an increase of 30.5 percent. Figure 1 shows the bilateral trade between Canada and Colombia 2010-2013. Note that Canadian exports to Colombia increased significantly in 2010-2012 but slightly declined in 2013.

One thing noticeable in Table 3 is that Canada's exports to Colombia in the sectors with the most significant tariff reductions grew considerably faster than exports in the sectors least affected by the trade agreement. Most trade growth came from the products with more than 10.0 percentage point tariff reductions and the products with up to 5.0 percentage point tariff reductions, which grew by US\$2.8 million and US\$10.5 million, respectively. On the other hand, products that were exempted before the agreement or not liberalized and products with 5.1 – 10.0 percentage point tariff reductions only experienced mild trade growth.

**Table 2:** Bilateral Trade between Canada and Colombia 2010-2013, C\$ million

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Year	Exports	Imports	Trade Balance
2010	642.3	717.3	-75.0
2011	760.9	799.4	-38.5
2012	828.2	664.7	163.5
2013	716.9	691.3	25.6

Source: *Global Trade Atlas*.

**Table 3: Monthly Averaged Canadian Exports to Colombia by the Extent of Tariff Reductions, US\$**

Tariff Reductions	Pre-CCOFTA	Post-CCOFTA	Growth
Duty-Free Goods	2,851,935	3,994,794	1,142,859
Exempted Goods	11,942	112,116	100,175
0.1 – 5% Reductions	22,265,189	32,763,146	10,497,957
5.1 – 10% Reductions	11,918,917	12,730,658	811,742

Over 10% Reductions	11,860,718	14,658,892	2,798,174
<b>Total</b>	<b>50,262,121</b>	<b>65,616,132</b>	<b>15,354,011</b>

Source: *Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations.* Note: Sector figures do not add to the total due to the fact that some trade figures cannot match to tariff lines.

Annexes 3 to 7 report the sectors that benefit most from the CCOFTA from the perspective of Canada's exports to Colombia. Overall, Canada's export gains were broad-based. For the products that were previously duty-free, Canada's export gains were dominated by exports of paper and paperboard. Other sectors that also experienced significant export gains were animal or vegetable fats and oils, nuclear reactors, boilers and machinery, edible preparations of meat and fish, and printed books, newspapers and manuscripts (see Annex 3).

For the products that received tariff reductions of 0.1 to 5.0 percentage points, most export gains took place in the following sectors: cereals, fertilizers, nuclear reactors and machinery, optical or medical instruments, and beverage and vinegar (see Annex 4). Sectors that received tariff reductions of 5.1 to 10.0 percentage points and experienced large increases in exports include paper and paperboard, nuclear reactors and machinery, explosives and matches as well as miscellaneous edible preparations (see Annex 5).

Products that received tariff reductions of more than 10.0 percentage points had the largest monthly average export gains (see Annex 6). Auto products dominated the gains in exports to Colombia in this category. The monthly average Canadian exports to Colombia increased from US\$1.5 million in the pre-CCOFTA period to US\$2.6 million in the post-CCOFTA period. Products in the sectors of meat, toys and sports equipment, paper and paperboard as well as essential oils and cosmetics also experienced enormous export gains.

#### Canadian Imports from Colombia

On the imports side, Canada's imports from Colombia increased less dramatically. Monthly average imports from Colombia increased from US\$58.7 million in the pre-CCOFTA period to US\$59.2 million in the post-CCOFTA period, a mere 0.9 percent. From Figure 1, it can be seen that Canadian imports from Colombia increased in 2010-2011 but stabilized since. Due to the increase in exports and lower imports, the trade balance had increased in 2012 but lowered in 2013.

On the other hand, the utilization rates<sup>[1]</sup> of the agreement did progress with larger tariff reductions and this indicates that importers are well aware of the large tariff concessions offered by CCOFTA and were taking advantage of what the agreement offers. The total utilization rates for these categories were 1.4 percent (duty-free), 47.8 percent (0.1 to 5.0 percentage point reduction), 51.4 percent (5.1 to 10.0 percentage point reduction) and 74.8 percent (more than 10.0 percentage point reduction). However, the higher utilization rates only translated into higher import volumes for some of the sectors. Lastly, for the products that were exempted, as in the case of exports to Colombia, the import changes had been negligible.

Products with tariff reductions of 0.1 to 5.0 percentage points and products with tariff reductions of over 10.0 percentage points experienced the most gains in import. In contrast, products that were duty free prior to the CCOFTA and the products that were exempted both experienced declines in imports. Lastly, products with tariff reductions of 5.1 to 10.0 percentage points had only very modest gains in import.

**Table 4: Monthly Average Canadian Imports from Colombia by the Extent of Tariff Reductions, US\$**

Tariff Reductions	Pre-CCOFTA	Post-CCOFTA	Growth	Utilization Rate (%)
Duty-Free Goods	48,097,374	47,386,341	-711,033	1.4
Exempted Goods	1,019,688	967,199	-52,489	0.0
0.1 – 5% Reductions	388,748	920,181	531,433	47.8
5.1 – 10% Reductions	6,431,664	6,488,921	57,257	51.4
Over 10% Reductions	2,639,621	3,351,228	711,607	74.8
<b>Total</b>	<b>58,670,599</b>	<b>59,171,273</b>	<b>500,674</b>	<b>14.5</b>

Source: *Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations.* Note: Sector figures do not add to the total due to the fact that some trade figures cannot match to tariff lines.

Annexes 8 to 12 show the sectors that benefit most from CCOFTA from the perspective of Canadian imports from Colombia. At the sector level, more than 80 percent of all Canadian imports from Colombia were duty-free before CCOFTA. The sector that dominated the gains in this category was mineral fuel (see Annex 8). For the products that received tariff reductions of 0.1 to 5.0 percentage points, the sectors that clearly benefit from CCOFTA includes sugar products, stone articles, leather and impregnated textiles (see Annex 9). However, except for sugar products and prepared cereals, the utilization rates were consistently low for other sectors that gained from imports in this category, this indicates increases in these other sectors were likely not influenced by tariff reductions.

The products that received tariff reductions of 5.1 to 10.0 percentage points and had the largest import gains were live trees, tanning and dye, and stone articles (see Annex 10). Unlike in the previous category, stone articles in this category had a high utilization rate of CCOFTA. In the category of products that received tariff reductions of more than 10.0 percentage points, live trees and textiles had the largest increases in imports (see Annex 11).

#### Overall Impact of the CCOFTA

In general, Canada has a solid trading and investment relationship with Colombia. Compared to Canada's trade with the Latin American region as a whole, merchandise trade between Canada and Colombia increased more rapidly in the past decade. With the CCOFTA in force, Canada can potentially further intensify its bilateral trading relationship with Colombia.

The above simple comparison of trade flows in pre-CCOFTA and post-CCOFTA periods shows that Canadian exports to Colombia grew more quickly in the sectors that were significantly liberalized. While the imports from Colombia also saw increases, the magnitudes were comparatively smaller. Furthermore, the utilization rate of CCOFTA by Canadian importers also increased with the tariff concessions provided on Colombian products. Both show that Canadian businesses adjusted well to the changing trading environment and were profiting from the agreement. Without controlling for other non-free-trade-influenced factors, the above simple data comparison of trade flows between pre-CCOFTA and post-CCOFTA periods is supportive of the view that both trade flows and Canadian exporters were sensitive to tariff cuts under the CCOFTA.

#### Consultations with Stakeholders

## *Public Call for Submissions*

On March 19, 2014, the Government of Canada issued a public call for submissions to inform the analysis of the impact of the actions taken under the Implementation Act for the Government of Canada's 2014 Annual Report. The public call for submissions was posted on the website of Foreign Affairs, Trade and Development Canada. (See Annex 13 for a copy of the public call for submissions.)

Two submissions were received this year, compared with none in 2013. These submissions raise concerns about assassinations of trade union activists and repression of those who are viewed as obstacles to the development of Colombian oil, mining and agriculture resources. These submissions also claim that there has long been, and continues to be, a great deal of civil resistance to the CCOFTA, as well as other FTAs. Civil resistance, in their submission, includes the activities of labour unions, indigenous and Afro-Colombian groups, "campesino" farmers, and traditional artisanal miners. They also allege that these groups are the primary victims of human rights violations because they resist handing their local resources and access to their local markets over to foreign corporations.

None of the submissions this year provide an analysis of changes in the human rights situation during the past year, or were able to demonstrate any link between the enjoyment and respect of human rights and Canadian tariff reduction measures arising from the implementation of the CCOFTA.

These submissions state that human rights violations are witnessed regularly in Colombia, namely unpunished crimes, and the re-victimization of internally displaced people. These submissions also argue that there are discrepancies in the application of victims' laws in Colombia.

The submissions claimed that human rights violations against these groups have weakened them and that successive Colombian governments, under the obligations of international trade agreements and tribunals, use security forces to protect the economic interests of corporate investors.

## *Outcalls by the Embassy of Canada to Colombia in Bogotá in the Textiles and Cosmetics and Personal Hygiene (Hair Products) Industries*

In order to gain a better understanding of the possible impacts of the CCOFTA on human rights conditions in Colombia, representatives of the Embassy of Canada to Colombia in Bogotá undertook outcalls in March and April 2014 to consult with business, local authorities, labour unions, civil society and local and departmental governments. These were focused on the textiles and the cosmetics and personal hygiene (hair products) industries. Outcalls were conducted in the capital, Bogotá, and in Medellín, to examine whether there was a noticeable impact on the enjoyment and respect of human rights as a result of tariff reduction measures arising from the implementation of the CCOFTA.

For 2013, textiles, as well as cosmetics and personal hygiene products, were among the sectors demonstrating the largest percentage change in trade volumes since the entry into force of the CCOFTA. Both sectors had seen reductions in tariffs on imports to Canada under the CCOFTA in the prescribed time period and had demonstrated change from 2012 to 2013. Colombian textile products faced tariffs of 16-18% prior to the entry into force of the FTA and tariffs in the cosmetics and personal hygiene sector were 6.5%. In the textile industry, men's and boy's clothing (HS Group 6203) and women's and girl's clothing (HS Group 6204) showed a respective increase in sales of 37.44% and 43.5% over 2012, while the cosmetics and personal hygiene products, namely hair care products (mostly dyes), showed an increase of 209.9% in sales during the same period.

Meetings revealed that although industry has a different perspective than labour unions regarding labour conditions and human rights, neither could demonstrate that any of the factors impacting upon human rights and worker satisfaction are directly related to the implementation of the CCOFTA. Complaints over labour conditions either pre-date the entry into force of the CCOFTA or were related to the implementation of FTAs with other economies.

Representatives from these industries noted that, while tariff reductions are a positive factor for the long-term profitability of the sector, many business deals to export their products had been developed before the CCOFTA came into force. In both sectors, the need to diversify trading destinations in response to changing regional dynamics, as well as macro-economic factors, were identified to explain the increase in trade flows over the past year. Nonetheless, industry representatives are aware of the comparative advantages that the CCOFTA may offer and some appear to be making human resources and capital investment decisions based, in part, on this knowledge. The link remains too tenuous to conclude that these decisions were brought about solely by the CCOFTA.

Regarding labour conditions, industry representatives interviewed mentioned that they observed high labour standards. Representatives of larger companies said that because of the size and reputation of their clients, their entire supply chain was periodically audited and that they had acquired international certifications for Corporate Social Responsibility (CSR) and labour conditions. Some commented that the impact of these audits and certifications could be overstated, but that they had nevertheless a positive incremental impact on working conditions and labour practices. Furthermore, industry representatives from both sectors explained that even in the absence of immediate export deals, staff enjoyed relative job security due to the level of training required and provided.

Union representatives mentioned that the various free trade agreements signed over the years by Colombia had not contributed to any significant change or improvement in terms of some of their major concerns. Issues raised included the persistence of informal work, outsourcing, low salaries, and the difficulty to unionize, but these concerns predate the implementation of the CCOFTA.

As noted in last year's report, with regard to trade agreements, business noted that increased market access through lower tariffs on exports to Canada would provide opportunities for longer-term business expansion. However, the entry into force of FTAs with the United States and the European Union would have a larger impact on trade, given relative market size and their comparative share of Colombian trade, and the fact that the United States and the European Union comprise a significantly larger portion of Colombian trade than Canada.

## *Consultation with Provinces and Territories*

The CCOFTA provides for improved market access into Colombia and Canada for Canadian and Colombian goods, services and investment, respectively, as well as provisions that ground the Canada-Colombia trading relationship in a rules-based system, making it more predictable and secure.

The Government of Canada consulted with provincial and territorial governments with regard to whether any of their respective human rights commissions (or equivalent bodies) raised concerns, or received any comments, questions or expressions of concern, regarding effects on human rights in Canada attributed to Canada's tariff reductions under the Canada-Colombia Free Trade Agreement during the period January 1, 2013–December 31, 2013. None of the provincial or territorial human rights commissions (or equivalent bodies) consulted, raised or received any such comment or expression of concern.

## **Summary of Other CCOFTA Mechanisms**

As described in Section 4.a, no actions have been taken by Canada under the CCOFTA other than tariff reductions according to the *Tariff Elimination Schedule of Canada* of the CCOFTA. No disputes have arisen to date and no dispute resolution or consultation mechanisms have been utilized.

## **Labour Cooperation Agreement**

### *Background*

The Labour Cooperation Agreement (LCA) commits Canada and Colombia to ensuring that their laws not only respect the International Labour Organization's (ILO) *Declaration on Fundamental Principles and Rights at Work* (1998), but also provide acceptable protections for occupational health and safety, hours of work, wages and migrant workers. The CCOFTA itself also includes a labour chapter and labour provisions.

Specifically, the LCA commits both countries to:

- Comply with and effectively enforce their domestic labour laws and policies through appropriate government actions. These laws must embody the following internationally recognized labour principles and rights:
  - freedom of association and the right to collective bargaining
  - the elimination of all forms of forced or compulsory labour
  - the effective abolition of child labour
  - the elimination of discrimination in respect of employment and occupation
  - acceptable conditions of work with respect to minimum wages, hours of work and occupational health and safety; and
  - providing migrant workers with the same legal protections as citizens in regards to working conditions.
- Ensure that they do not waive or otherwise derogate from their labour laws in a manner that weakens or reduces adherence to the internationally recognized labour principles as an encouragement for trade or investment.
- Ensure that requests for labour inspections are given due consideration and that a person with a legally-recognized interest has appropriate access to proceedings before a tribunal which can enforce national labour law.
- Make information publicly available in relation to their labour laws and enforcement and compliance procedures.
- Encourage the use of voluntary best practices of corporate social responsibility by enterprises

The LCA contains provisions concerning institutional mechanisms to ensure its effective implementation. This includes a dispute resolution process to ensure compliance with the possibility of up to \$15 million in fines in any one year. All monetary assessments will be paid into a cooperation fund to be expended in the territory of the party complained-against to address labour issues. The LCA also provides for a Ministerial Council, comprised of Labour Ministers from both Canada and Colombia, that shall meet within the first year after the entry into force of the Agreement and thereafter, as necessary, in order to oversee its implementation.

A key element of Canada's labour approach is cooperation. The provisions of the LCA are complemented by concrete actions to address the labour situation in Colombia, notably through labour-related information sharing and technical assistance.

#### *Actions Taken under the Labour Cooperation Agreement*

The second Ministerial Council meeting under the Canada-Colombia Agreement on Labour Cooperation (CCOALC) took place in Medellin, Colombia, on November 11, 2013, on the margins of the 18<sup>th</sup> Inter-American Conference of Ministers of Labour (IACML). The IACML Ministers had the opportunity to meet with representatives of the Trade Union Technical Advisory Council as well as with representatives of the Business Technical Advisory Committee on Labour Matters. The Minister of Labour and Minister of Status of Women also met in Medellin representatives of the Canadian Business Community.

The Ministers of Labour of Canada and Colombia approved the 2013-2015 Plan of Action for Cooperative Labour Activities under the CCOALC. The approved Plan of Action includes the finalization of model rules of procedure for review panels and guidelines for public communications. In addition, both parties agreed to share information in the areas of labour inspection, occupational health and safety, trade and labour, employment opportunities, labour statistics and migrant workers.

Since 2009, Colombia has benefited from labour-related technical assistance programming totalling over \$1.4 million.

The Labour Program is currently funding one project in Colombia. The overall objective of the "Social Dialogue and Occupational Health and Safety in the Mining Sector" project is to improve the social and economic conditions of coal mining sector stakeholders in the Department (Region) of La Guajira through enhanced occupational health and safety practices and through strengthened respect for fundamental rights at work. This \$300,000 project is implemented by the ILO and was launched in March 2013. It will end in March 2015.

## **Environment Agreement**

### *Background*

The Environment Agreement commits both countries to encourage high levels of domestic environmental protection, to foster good environmental governance and to promote transparency and public participation. It also creates a framework for undertaking environmental cooperative activities. The Environment Agreement, signed in parallel to the CCOFTA, reinforces the concept that free trade should not take place at the expense of the environment. The CCOFTA itself also includes an environment chapter and environment provisions.

The Environment Agreement commits both countries to pursue high levels of environmental protection and to continue to develop and improve their environmental laws and policies. It requires each country to:

- comply with and effectively enforce its domestic environmental laws and policies through appropriate government actions;
- neither weaken nor reduce levels of protection afforded in its domestic environment laws to encourage trade or investment;
- ensure that proceedings are available to sanction or remedy violations of its environmental laws (e.g. residents of a country may request investigations of alleged violations of environmental laws of that country);
- increase public awareness and transparency by ensuring that information regarding environmental laws and policies is available to the public;
- ensure that environmental impact assessment processes are in place;
- encourage the use of voluntary best practices of corporate social responsibility (CSR) by enterprises;
- strengthen the protection of biological diversity; and
- respect, preserve and maintain traditional knowledge, innovations and practices of indigenous and local communities.

The Environment Agreement commits the countries to make every attempt, through consultations and the exchange of information, with an emphasis on cooperation, to address any matter which may arise between them relating to the Environment Agreement. If the countries fail to resolve the matter, one of them may seek consultation at the ministerial level.

With the goal of strengthening environmental governance, the Environment Agreement includes a framework to undertake environmental cooperation activities aimed at supporting the objectives and obligations of this Agreement and addressing key environmental issues of mutual interest to Canada and Colombia. These activities are an opportunity to promote high levels of environmental protection through technical exchanges and information sharing.

#### *Actions Taken under the Environment Agreement*

The First Committee meeting under the Canada-Colombia Environment Agreement, comprised of officials, took place in Bogotá, Colombia, on March 21 and 22, 2012. At this initial meeting, Canada and Colombia reviewed the key commitments and institutional arrangements required by the Environment Agreement. In addition, both Canada and Colombia jointly began work on selecting collaborative projects for the cooperative work program under the Agreement.

Canada was able to provide approximately \$3.125 million in fast start financing support for climate change mitigation and adaptation projects in Colombia which continued into the first quarter of 2013. These included:

- the provision of environmental education to municipal and regional government officials, citizen groups and journalists in order to build their capacity to mitigate the effects of natural disasters that arise due to changing weather conditions, such as increased flooding;
- support for the development of strategic mitigation strategies and country-specific capacity building in the oil and gas sector to support a shift towards clean renewable energy, energy efficiency and energy security;
- funding for clean cookstoves and fuels which supported detailed strategic and national assessments and implementation strategies leading to the enhanced ability to affect existing stove transformation and meet national goals; and
- support for the development of an integrated approach for waste management in Colombia, which included a series of actions for the whole waste stream, such as diversion of organics from landfills, increased separation of waste through sorting, composting, recycling, increased methane capture and biogas utilization from landfills and wastewater treatment facilities.

A project focused on conservation of biological diversity on working landscapes (e.g., rangelands, silviculture, coffee farms) was initiated under the Canada-Americas Trade-Related Technical Assistance program and will continue into 2014.

In addition, \$150,000 in Environment Canada funding for 2013-14 was approved to support a project under the Canada-Colombia and Canada-Peru Environment Agreements, focusing on the role of private sector contributions in protected areas financing. Another \$75,000 was approved to support a project on coastal blue carbon in Colombia and Panama.

Additional projects are currently in various stages of development. The next Committee meeting is currently being planned for later in 2014, at which point Canada and Colombia will again take stock of the objectives and obligations of the Environment Agreement, the results achieved to date, and potential future cooperative activities in support of the implementation of the Environment Agreement.

## Summary of Findings

The mandate of this Annual Report is to summarize the actions taken by Canada under the CCOFTA, the Labour Cooperation Agreement and the Environment Agreement, and any impact of these actions on human rights in Canada and Colombia.

The actions taken by the Government of Canada under the CCOFTA have been tariff reductions. Of tariff reductions, 96.2% of tariff lines (representing 99.8% of pre-CCOFTA implementation import levels by Canada of Colombian goods and services) were eliminated upon the entry into force of the CCOFTA, while an additional 0.2% of tariff lines became duty free in 2013. Canada also implemented an agricultural transversal clause in 2013, retroactive to 2012, which accelerates tariff elimination on one tariff line.

Staging Category A (immediate implementation) comprises 96.6% of Canada's tariff lines. Of the tariff lines in Staging Category A, 3,810 Canadian dutiable tariff lines were dropped immediately to zero upon entry-into-force of the CCOFTA on August 15, 2011, with the other 4,328 tariff lines already subject to most favoured nation (MFN) duty-free treatment. Of the remaining tariff lines, 176 are subject to incremental phase-outs, while 110 tariff lines are excluded.

With regard to the impact on human rights in Colombia, outcalls with business, local authorities, labour unions, civil society and local and departmental governments in the textiles and cosmetics and personal hygiene sectors in Colombia indicated that none could demonstrate that any of the factors impacting upon human rights and worker satisfaction are directly related to the implementation of the CCOFTA. Additionally, complaints over labour conditions either pre-dated the entry into force of the CCOFTA or were related to the implementation of FTA with other economies. In addition, the entry into force of FTAs with the United States and the European Union would have, according to those interviewed, potentially much larger impact on trade, given those trade partners larger markets, and the fact that the United States and the European Union comprise a significantly larger portion of Colombian trade than Canada.

At this time, it is not possible to establish a direct link between the CCOFTA and the human rights situation in Colombia. There is no evidence of a causal link between reductions in tariffs by Canada in accordance with the CCOFTA, and changes in human rights in Colombia.

With regard to impact on human rights in Canada, none of the Canadian provincial or territorial human rights commissions (or equivalent bodies) consulted have received comments or concerns regarding the effect of Canadian tariff reductions.

The impact of future actions taken by Canada under the CCOFTA is expected to be minimal. The tariff cuts that have taken place since the implementation of the Agreement allow for duty-free imports from Colombia on 96.8% of Canadian tariff lines (representing 99.8% of pre-CCOFTA implementation import levels by Canada of Colombian goods). Of the remaining tariff lines, approximately 1.9% of tariff lines are subject to phase-out periods of 7 to 17 years, while 1.3% of tariff lines, representing 0.01% of pre-CCOFTA implementation levels of Colombian goods imported by Canada, will not be subject to tariff elimination under the CCOFTA.

The Implementation legislation obligates the parties to provide an analysis of actions taken under the CCOFTA on human rights in Canada and the Republic of Colombia. Based on an examination of the actions taken under the CCOFTA, it is not possible to reach any conclusion on whether any changes in human rights in either country have occurred.

## Annexes

- **Annex 1:** Canada's Merchandise Trade with Colombia, 2001-2013, C\$ million
- **Annex 2:** Summary of the Tariff Elimination Schedule of Canada of the CCOFTA
- **Annex 3:** Top 10 Monthly Average Export Gains from the Duty Free Category, US\$
- **Annex 4:** Top 10 Monthly Average Export Gains from the Sectors with 0.1 - 5.0 Percentage Points Tariff Reductions, US\$
- **Annex 5:** Top 10 Monthly Average Export Gains from the Sectors with 5.1-10.0 Percentage Points Tariff Reductions, US\$
- **Annex 6:** Top 10 Monthly Average Exports Gains from the Sectors More Than 10.0 Percentage Points Tariff Reductions, US\$
- **Annex 7:** Top 10 Monthly Average Export Gains from the Exempt Category, US\$
- **Annex 8:** Top 10 Monthly Average Import Gains from the Duty Free Category, US\$
- **Annex 9:** Top 10 Monthly Average Import Gains from the Sectors with 0.1 - 5.0 Percentage Points Tariff Reductions, US\$
- **Annex 10:** Top 10 Monthly Average Import Gains with the Sectors with 5.1-10.0 Percentage Point Tariff Reductions, US\$
- **Annex 11:** Top 10 Monthly Average Import Gains from the Sectors with More Than 10 Percentage Point Tariff Reductions, US\$
- **Annex 12:** Top 10 Monthly Average Import Gains from the Exempt Category, US\$
- **Annex 13:** Call for Submissions



**Annex 1: Canada's Merchandise Trade with Colombia, 2001-2013, C\$ million.**

Year	Exports	Imports	Total Trade	Trade Balance
2001	365.9	415.5	781.3	-49.6
2002	343.5	393.0	736.5	-49.5
2003	307.6	373.9	681.5	-66.3
2004	387.1	418.6	805.7	-31.5
2005	448.2	583.6	1,031.8	-135.4
2006	513.2	640.4	1,153.6	-127.2
2007	662.2	468.6	1,130.8	193.6
2008	708.8	638.8	1,347.6	70.0
2009	592.0	733.6	1,325.6	-141.6
2010	642.3	717.3	1,359.5	-75.0
2011	760.9	799.4	1,560.3	-38.5
2012	828.2	664.7	1,492.8	163.5
2013	716.9	691.3	1408.2	25.6

Source: Statistics Canada

**Annex 2: Summary of the Tariff Elimination Schedule of Canada of the CCOFTA**

Staging Category	# Lines	% Lines	2008 Canadian Imports from Colombia (\$USD, Mil)	% 2008 Canadian Imports from Colombia	Product Examples
<b>A (Immediate duty-free)</b>	8138	96.6%	605.043	99.8%	Fresh cut flowers, most textiles, apparel, furniture, industrial and electrical machinery
<b>B (3-year linear)</b>	19	0.2%	0.201	0.0%	Spent fowl, some footwear (e.g., waterproof, sport, work boots, footwear with metal toe cap)
<b>C (7-year linear)</b>	156	1.9%	0.179	0.0%	Within-access supply management tariff lines; rubber gloves, all other textiles (that are not in A), ships, furnishings made of textiles
<b>D17 (17-year linear)</b>	1	0.0%	0.655	0.1%	Refined sugar (tariff line 1701.99.00: refined, not containing added flavouring/colouring matter)
<b>E (Excluded)</b>	110	1.3%	0.061	0.0%	Over-access supply management tariff lines (dairy, poultry and eggs) from tariff reduction; other refined sugar tariff items
<b>Total</b>	<b>8424</b>	<b>100.0%</b>	<b>606.141</b>	<b>100.0%</b>	

Source: Canada-Colombia Free Trade Agreement, Tariff Elimination Schedule of Canada of the Canada-Colombia Free Trade Agreement, Global Trade Atlas, and Foreign Affairs and International Trade Canada calculations

**Annex 3: Top 10 Monthly Average Export Gains from the Duty Free Category, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth
48	Paper and Paperboard	2,291,344	3,484,857	1,193,513
15	Animal or Vegetable Fats and Oils	212,687	351,954	139,267
84	Nuclear Reactors, Boilers and Machinery	7,597	25,067	17,470
16	Edible Preparations of Meat and Fish	939	8,395	7,457
40	Rubber and Articles	-	756	756
29	Organic Chemicals	158	729	570
72	Iron and Steel	-	568	568
49	Printed Books, Newspapers and Manuscripts	23	119	96
91	Clocks and Watches and Parts	8	20	11
<b>Total</b>		<b>2,851,935</b>	<b>3,994,794</b>	<b>1,142,859</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 4: Top 10 Monthly Average Export Gains from the Sectors with 0.1 - 5.0 Percentage Points Tariff Reductions, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth
10	Cereals	11,747,839	20,394,691	8,646,852
31	Fertilizers	2,715,778	3,869,335	1,153,558
84	Nuclear Reactors, Boilers and Machinery	2,853,134	3,889,858	1,036,725
90	Optical, Medical or Surgical Instruments	1,092,448	1,662,333	569,885
22	Beverages, Spirits and Vinegar	125,451	362,921	237,470
28	Inorganic Chemicals	22,652	80,116	57,464
85	Electric Machinery	332,219	374,198	41,979
87	Vehicles and Parts	3,920	41,805	37,885
72	Iron and Steel	18,960	47,184	28,224
73	Articles of Iron or Steel	21,333	49,346	28,013
<b>Total</b>		<b>22,265,189</b>	<b>32,763,146</b>	<b>10,497,957</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 5: Top 10 Monthly Average Export Gains from the Sectors with 5.1-10.0 Percentage Points Tariff Reductions, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth
48	Paper and Paperboard	751,384	1,365,963	614,579
84	Nuclear Reactors, Boilers and Machinery	4,565,827	5,023,395	457,568
36	Explosives; Pyrotechnics and Matches	262,218	661,159	398,941
21	Miscellaneous Edible Preparations	357,787	551,779	193,992
49	Printed Books, Newspapers and Manuscripts	12,261	146,551	134,290
47	Wood Pulp and Waste	183,100	277,955	94,854
30	Pharmaceutical Products	250,723	323,567	72,845
02	Meat and Edible Meat Offal	30,111	80,294	50,182
76	Aluminum and Articles	113,102	159,877	46,775
87	Vehicles and Parts	236,902	280,748	43,845
<b>Total</b>		<b>11,918,917</b>	<b>12,730,658</b>	<b>811,742</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 6: Top 10 Monthly Average Exports Gains from the Sectors More Than 10.0 Percentage Points Tariff Reductions, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth
87	Vehicles and Parts	1,486,501	2,612,202	1,125,702
02	Meat and Edible Meat Offal	400,342	1,378,356	978,014
95	Toys, Games & Sport Equipment	91,132	560,342	469,210
48	Paper and Paperboard	9,922	300,545	290,623
33	Essential Oils, Perfumery and Cosmetic	233,486	423,017	189,531
82	Tools and Cutlery of Base Metal	569,192	699,154	129,962
62	Apparel Articles and Accessories, Not Knit	21,885	100,056	78,171
90	Optical, Medical or Surgical Instruments	207,254	268,899	61,644
10	Cereals	609,857	650,515	40,658
39	Plastics and Articles	412,656	450,745	38,088
<b>Total</b>		<b>11,860,718</b>	<b>14,658,892</b>	<b>2,798,174</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 7: Top 10 Monthly Average Export Gains from the Exempt Category, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth
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23	Food Industry Residues and Waste	-	101,628	101,628
11	Milling Products; Malt and Starch	774	9,959	9,185
38	Miscellaneous Chemical Products	-	1	1
<b>Total</b>		<b>11,942</b>	<b>112,116</b>	<b>100,175</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 8: Top 10 Monthly Average Import Gains from the Duty Free Category, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth	Utilization Rate (%)
27	Mineral Fuel and Oil	23,572,730	24,881,825	1,309,095	1.9
03	Fish and Crustaceans	111,738	290,454	178,715	0.0
99	Special Provisions	5,010	174,979	169,970	0.0
35	Albuminoidal Substitution and Modified Starch	205,336	314,665	109,330	13.8
90	Optical, Medical or Surgical Instruments	17,016	109,981	92,965	0.0
42	Leather Art and Handbags	122,612	180,496	57,883	32.8
84	Nuclear Reactors, Boilers and Machinery	242,585	285,356	42,771	0.9
48	Paper and Paperboard	41,040	80,472	39,432	13.4
85	Electric Machinery	149,285	182,008	32,723	9.7
30	Pharmaceutical Products	291,586	322,913	31,327	8.8
<b>Total</b>		<b>48,097,374</b>	<b>47,386,341</b>	<b>-711,033</b>	<b>1.4</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 9: Top 10 Monthly Average Import Gains from the Sectors with 0.1 - 5.0 Percentage Point Tariff Reductions, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth	Utilization Rate (%)
17	Sugars and Sugar Confectionary	61,863	418,208	356,345	67.8
68	Articles of Stone and Plaster	31,693	103,205	71,512	0.0
41	Raw Hides and Leather	40,237	77,536	37,300	2.3
59	Impregnated Textile Fabrics	22,083	44,817	22,733	0.0
85	Electric Machinery	30,613	50,488	19,874	0.0
28	Inorganic Chemicals	89,168	104,390	15,222	0.0
19	Prepared Cereal and Flour	18,718	28,265	9,547	55.6
32	Tanning and Dye	989	9,154	8,165	0.0
82	Tools and Cutlery of Base Metal	57	4,017	3,961	0.0
91	Clocks and Watches	533	3,579	3,047	85.8
<b>Total</b>		<b>388,748</b>	<b>920,181</b>	<b>531,433</b>	<b>47.8</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 10: Top 10 Monthly Average Import Gains with the Sectors with 5.1-10.0 Percentage Point Tariff Reductions, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth	Utilization Rate (%)
06	Live Trees and Plants	3,777,800	4,120,079	342,279	80.7
32	Tanning and Dye	25,566	98,887	73,321	3.6
68	Articles of Stone and Plaster	253,974	298,579	44,605	71.6
20	Prepared Vegetables and Fruit	27,488	47,468	19,980	14.2
40	Rubber and Articles	3,992	19,166	15,173	24.6
85	Electric Machinery	1,191	14,363	13,172	0.0
89	Ships and Boats	23,313	34,546	11,234	96.3
11	Milling Products; Malt and Starch	8,942	18,841	9,900	84.6

29	Organic Chemicals	9,753	18,034	8,281	72.6
82	Tools and Cutlery of Base Metal	43,532	50,553	7,021	0.1
<b>Total</b>		<b>6,431,664</b>	<b>6,488,921</b>	<b>57,257</b>	<b>51.4</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 11: Top 10 Monthly Average Import Gains from the Sectors with More Than 10 Percentage Point Tariff Reductions, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth	Utilization Rate (%)
06	Live Trees and Plants	1,888,788	2,279,876	391,089	87.0
61	Apparel Articles and Accessories, Knit	219,051	373,801	154,751	59.2
62	Apparel Articles And Accessories, Not Knit	355,478	458,687	103,209	39.3
15	Animal or Vegetable Fats and Oils	25,915	96,719	70,804	81.4
64	Footwear	2,923	19,041	16,118	88.8
63	Textile Articles	25,608	28,194	2,585	4.4
19	Prepared Cereal and Flour	1,639	3,780	2,141	70.1
22	Beverages, Spirits and Vinegar	5,304	7,398	2,093	14.6
56	Wadding, Felt and Yarn	6,556	8,032	1,476	6.2
82	Tools and Cutlery of Base Metal	3,254	4,388	1,133	0.0
<b>Total</b>		<b>2,639,621</b>	<b>3,351,228</b>	<b>711,607</b>	<b>74.8</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 12: Top 10 Monthly Average Import Gains from the Exempt Category, US\$**

HS02 Sector	Sector Name	Pre-CCOFTA	Post-CCOFTA	Growth	Utilization Rate (%)
15	Animal or Vegetable Fats and Oils	-	2	2	0.0
04	Dairy Products and Eggs	0	0	0	0.0
<b>Total</b>		<b>1,019,688</b>	<b>967,199</b>	<b>-52,489</b>	<b>0.0</b>

Source: Global Trade Atlas and Foreign Affairs, Trade and Development Canada calculations

**Annex 13: Call for Submissions**

The following public call for submissions was posted on the webpage for the Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia on the website of Foreign Affairs, Trade and Development Canada ([http://www.canadainternational.gc.ca/colombia-colombie/bilateral\\_relations\\_bilaterales/hrft-co\\_2012-dple.aspx?lang=eng](http://www.canadainternational.gc.ca/colombia-colombie/bilateral_relations_bilaterales/hrft-co_2012-dple.aspx?lang=eng)):

**Public Call for Submissions regarding Canada's Annual Report on Human Rights and Free Trade between Canada and the Republic of Colombia**

The Government of Canada is seeking the input of interested parties pursuant to the provisions of the *Canada-Colombia Free Trade Agreement Implementation Act* (Implementation Act), which entered into force on August 15, 2011.

The Implementation Act includes the Canada-Colombia Free Trade Agreement, the Canada-Colombia Agreement on Labour Cooperation and the Canada-Colombia Environment Agreement.

The Implementation Act requires the Minister for International Trade to "...cause to be laid before each House of Parliament by May 15 of each year or, if that House is not then sitting, on any of the 30 days next thereafter that it is sitting, a report on the operation of this Act during the previous calendar year, containing a general summary of all actions taken under the authority of this Act, and an analysis of the impact of these actions on human rights in Canada and the Republic of Colombia."

Interested parties are invited to provide written submissions to help inform the analysis of the impact of the actions taken under the Implementation Act being developed for the Government of Canada's 2014 annual report. The 2014 annual report will cover the period from January 1, 2013 to December 31, 2013.

For confidentiality and security purposes, the submissions and names of contributors to this consultation process will not be released to the public by the Government of Canada.

Submissions should be e-mailed or postmarked no later than March 25, 2014. Contributions can be sent by e-mail, facsimile or mail to:

Consultations - Agreement concerning Annual Reports on Human Rights and Free Trade between Canada and the Republic of Colombia

South America Division (GCA)  
Foreign Affairs, Trade and Development Canada  
125 Sussex Drive, Ottawa ON K1A 0G2

[1] The utilization rate is a measure that determines how widespread the use of CCOFTA is in bilateral trade between Canada and Colombia. It is calculated as the percentage of trade that takes advantage of the reduced tariffs of the CCOFTA.

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