

sun-sentinel.com/business/fl-colombia-trade-20120515,0,5570577.story

South Florida Sun-Sentinel.com

U.S.-Colombia free trade pact starts, spurring business

By [Doreen Hemlock](#), Sun Sentinel

May 15, 2012

The long-touted U.S.-Colombia free trade agreement takes effect Tuesday and South Florida companies are already gearing up to boost business with a country that is currently the state's No. 2 trade partner.

advertisement

Exporters are especially bullish because the pact eliminates duties on most U.S. goods sold to Colombia. Many U.S. products faced 10 percent to 15 percent import duty to enter Colombia, making them more expensive. In contrast, most Colombian goods had entered the U.S. duty-free, experts said.

Fort Lauderdale-based HornerXpress Worldwide, a maker and distributor of swimming pool equipment, expects the accord to increase its Colombia sales by at least 50 percent in the next year. That's because lower duties will make its products cheaper and more competitive with items from Brazil and elsewhere.

"No doubt about it, a free trade agreement makes a big difference for us," said Linda Carroll, vice president of the company that employs 325 people. Horner's sales soared to Mexico after the North American Free Trade Agreement took effect there in 1994. "By taking away duties, it also makes us put more attention on that market for sales," she said.

Opportunities abound in Colombia, a South American nation of 46 million people. Starting in 2002, two-term President Alvaro Uribe tamed crime and accelerated economic growth. Since 2010, President Juan Santos is deepening those reforms, helping Colombia grow by 5.7 percent last year. The country has averaged an annual 4 percent growth for a decade, expanding its middle class.

That growth helped boost Florida-Colombia trade in goods to \$7.6 billion last year, with only Florida-Brazil trade greater. The free trade pact could increase Florida sales to Colombia by another \$345 million in the next year, according to Enterprise Florida, the state's economic development group.

To handle extra freight, a new shipping service launched at Port Everglades this month. Panama-based SC Line will call at the Broward seaport every other week to carry trucks, heavy equipment and other freight to Colombia and to Dominican Republic and Panama, said port spokeswoman Ellen Kennedy.

Heavy equipment, machinery, building products and consumer goods are among Florida exports expected to benefit most from the pact, as they no longer will pay double-digit duties, according to Jerry Haar, associate dean of Florida International University's school of business.

U.S. consumers also should gain from lower duties on some goods imported from Colombia, especially cut

flowers. Colombian roses and other blooms long entered the U.S. market duty-free, but Congress let a trade law expires, reinstating duties up to 6.8 percent on those flowers. Colombia is the top supplier of cut-flowers to the United States, with most entering through South Florida, said Haar.

More Florida-Colombia trade should spur business travel too, benefiting airlines. That helps explain why low-fare carrier JetBlue started flights May 7 between Fort Lauderdale and Colombia's capital of Bogota.

dhemlock@tribune.com or 305-810-5009

Copyright © 2012, [South Florida Sun-Sentinel](#)