

**General Council**  
**10 October 2001**

Original: English

**UNITED STATES - ANDEAN TRADE PREFERENCE ACT**

Report of the Government of the United States  
under the Decision of 14 October 1996<sup>1</sup>

The following communication, dated 10 September 2001, has been received from the Permanent Mission of the United States.

**1. Introduction**

1. On 14 October 1996, the United States was granted a renewal of the waiver (WT/L/184) from its obligations under paragraph 1 of Article I of the GATT 1994 to the extent necessary to permit the United States Government to provide duty-free treatment to eligible products of beneficiary Andean countries as authorized by the provisions of Andean Trade Preference Act (ATPA), without being required to extend the same duty-free treatment to like products of any other Member. This waiver was extended until 4 December 2001.

2. Under the terms of this waiver, the United States is required to submit to the General Council an annual report on the implementation of the trade-related provisions of the ATPA with a view to facilitating the annual review provided for in paragraph 4 of Article IX of the WTO Agreement. This report covers calendar year 2001. Trade data has been provided for calendar year 2000, the most recent year for which full-year data is available.

**2. Duty-free Treatment under the ATPA**

3. The ATPA, which was signed into law on 4 December 1991, authorizes the President to eliminate duties on all products, with certain exceptions<sup>2</sup>, from four Andean nations – Bolivia, Colombia, Ecuador and Peru. The Act is intended to help the beneficiaries reduce the production and trafficking of illicit drugs by offering opportunities to expand trade in legitimate products. Congress authorized the ATPA for a period of ten years, ending on 4 December 2001.<sup>3</sup>

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<sup>1</sup> WT/L/184.

<sup>2</sup> The products excluded from duty-free treatment are: textile and apparel articles which are subject to textile agreements; certain footwear which was not eligible for duty-free entry under the US Generalized System of Preferences in 1991; prepared tuna in airtight containers; petroleum and petroleum products; watches and watch parts if such products contain any material from countries not accorded MFN treatment; certain leather products (handbags, luggage, flat goods, work gloves, and leather-wearing apparel); certain sugars, syrups, and molasses; and rum and tafia.

<sup>3</sup> The US Congress is considering legislation at this time to renew the ATPA.

### 3. ATPA Performance

4. The main goal of the ATPA is to promote broad-based economic growth and development in the Andean countries. Specifically, the programme aims to develop sustainable economic alternatives to coca cultivation and cocaine production by offering Andean products broader access to the US market. The ATPA continues to have indirect, but positive effects on beneficiary countries' drug control efforts. Ongoing eradication efforts have contributed to the continued overall decline in coca production in the Andean region. Also, alternative development efforts to introduce new products and expanded production into the region are beginning to show promising results.

5. US imports afforded duty-free entry under the ATPA continued to increase in 2000, amounting to US\$1.98 billion. Total US imports from ATPA beneficiary countries grew 13 per cent from 1999 to US\$11.1 billion largely because of higher petroleum prices. The United States continues to be the single largest trading partner for each ATPA beneficiary country.

6. The Andean copper industry, located predominantly in Peru, replaced the fresh cut flower sector as the principal beneficiary industry of the programme during 2000, with a 75 per cent growth rate from 1999. The copper industry's share of total ATPA entries has steadily increased, from 8.3 per cent in 1996 to 29.3 per cent in 2000, while the flower industry has gradually decreased from 34.3 per cent in 1996 to 22.2 per cent in 2000. The increase in importance of copper reflects the comparatively faster growth of some industries under the ATPA, as well as the diversification of exports, including pigments and dyeing extracts, zinc, cathodes of refined copper, and compounds of precious metals.

7. In 2000, Peru overtook Colombia as the lead ATPA beneficiary country, with exports under ATPA growing 34 per cent from 1999 to provide 43.3 per cent of all US imports under the ATPA. Colombia ranked as the second ATPA beneficiary, with 41.0 per cent of all US imports under the ATPA in 2000; Ecuador was third, with 12.6 per cent; and Bolivia was fourth, with 3.1 per cent of the total.

8. Statistical tables are provided to present a detailed description of the trade aspects of the ATPA programme for the most recent period. Detailed information for previous years has been provided in previous reports to the GATT Council or WTO General Council.

**Table 1** provides information on leading US imports, by product, under ATPA provisions during the period 1996-2000.

**Table 2** provides information on leading US imports, by product, from ATPA countries during 1999-2000.

**Table 3** provides information on US trade with ATPA countries during 1991-2000.

**Table 4** provides summary information on the duty treatment of US imports from ATPA countries during 1996-2000.

**TABLE 1**Leading US Imports for Consumption under ATPA Provisions, by Major Product Categories, 1996-2000

HTS Chapter	Description	1996	1997	1998	1999	2000
Value (1,000 dollars)						
74	Copper and articles thereof	105,608	187,826	214,196	331,138	580,044
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	435,871	444,922	451,926	436,434	439,614
32	Tanning or dyeing extracts; tannins and derivatives; dyes, pigments and other coloring matter; paints and varnishes; putty and other mastics; inks	2,627	4,516	40,314	163,004	200,862
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal clad metals, articles thereof; imitation jewelry; coin	245,316	219,040	360,970	186,826	159,548
16	Edible preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates	61,232	51,129	49,603	86,922	80,279
79	Zinc and articles thereof	37,634	22,777	43,233	83,420	67,588
07	Edible vegetables and certain roots and tubers	37,544	39,757	46,367	63,922	63,258
39	Plastics and articles thereof	44,673	42,676	43,578	51,756	53,631
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	2,261	72,259	49,998	60,017	51,791
44	Wood and articles of wood; wood charcoal	30,093	32,125	33,284	40,132	37,545
	Subtotal	1,002,860	1,117,027	1,333,469	1,503,572	1,734,161
	All other	267,194	235,828	311,727	246,707	247,471
	Total	1,270,054	1,352,855	1,645,196	1,750,279	1,981,632

**TABLE 1 – CONTINUED**

Leading US Imports for Consumption under ATPA Provisions, by Major Product Categories, 1996-2000

HTS Chapter	Description	1996	1997	1998	1999	2000
<i>Per cent of total</i>						
74	Copper and articles thereof	8.32	13.88	13.02	18.92	29.27
06	Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage	34.32	32.89	27.47	24.94	22.18
32	Tanning or dyeing extracts; tannins and derivatives; dyes, pigments and other coloring matter; paints and varnishes; putty and other mastics; inks	.21	.33	2.45	9.31	10.14
71	Natural or cultured pearls, precious or semiprecious stones, precious metals; precious metal clad metals, articles thereof; imitation jewelry; coin	19.32	16.19	21.94	10.67	8.05
16	Edible preparations of meat, fish, crustaceans, molluscs or other aquatic invertebrates	4.82	3.78	3.02	4.97	4.05
79	Zinc and articles thereof	2.96	1.68	2.63	4.77	3.41
07	Edible vegetables and certain roots and tubers	2.96	2.94	2.82	3.65	3.19
39	Plastics and articles thereof	3.52	3.15	2.65	2.96	2.71
28	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	.18	5.34	3.04	3.43	2.61
44	Wood and articles of wood; wood charcoal	2.37	2.37	2.02	2.29	1.89
	Subtotal	78.96	82.57	81.05	85.90	87.51
	All other	21.04	17.43	18.95	14.10	12.49
	Total	100.00	100.00	100.00	100.00	100.00

Note: The abbreviation "nesoi" stands for "not elsewhere specified or otherwise included".

Source: Compiled from official statistics of the US Department of Commerce.

TABLE 2

Leading US Imports for Consumption from ATPA Countries, 1999-2000

HTS Provisions	Description	1999	2000	Change, 2000 over 1999
		<i>1,000 dollars</i>		<i>Per cent</i>
2709.00.20	Petroleum oils and oils from bituminous minerals, crude, testing 25 degrees A.P.I. or more	1,039,092	1,142,458	9.95
2709.00.10	Petroleum oils and oils from bituminous minerals, crude, testing under 25 degrees A.P.I.	581,463	1,057,583	81.88
2710.00.05	Distillate and residual fuel oils (including blends) derived from bituminous minerals, testing under 25 degrees A.P.I.	477,059	678,109	42.14
7403.11.00	Refined copper cathodes and sections of cathodes	327,252	566,402	73.08
0901.11.00	Coffee, not roasted, not decaffeinated	558,133	478,781	-14.22
0803.00.20	Bananas, fresh or dried	482,761	413,633	-14.32
2713.11.00	Coke, petroleum, not calcined	278,307	317,019	13.91
2711.29.00	Petroleum gases and other gaseous hydrocarbons, except natural gas	214,310	302,419	41.11
2710.00.10	Distillate and residual fuel oils (including blends) derived from bituminous minerals, testing 25 degrees A.P.I. or more	296,604	298,867	.76
0306.13.00	Shrimps and prawns, cooked in shell or uncooked, dried, salted or in brine, frozen	447,397	223,270	-50.10
3212.90.00	Pigments dispersed in nonaqueous media, in liquid or paste form, used in making paints; dyes & coloring matter packaged for retail sale	160,939	200,722	24.72
2701.12.00	Coal, bituminous, whether or not pulverized, but not agglomerated	131,537	199,410	51.60
7108.12.10	Gold, nonmonetary, bullion and dore	351,466	198,376	-43.56
6110.20.20	Sweaters, pullovers and similar articles, knitted or crocheted, of cotton, nesoi	132,514	196,032	47.93
0603.10.60	Roses, fresh cut	182,986	192,436	5.16
2710.00.25	Naphthas (ex. motor fuel or mtr fuel blend. stock), fr. petro oils and bitumin. minrls, o/than crude, or preps. 70+ by wt. fr. petro. oils	110,448	164,646	49.07
2711.12.00	Propane, liquefied	113,679	131,159	15.38
2901.21.00	Ethylene	40,252	125,804	212.54
0603.10.70	Chrysanthemums, standard carnations, anthuriums and orchids, fresh cut	138,125	121,322	-12.17
2711.14.00	Ethylene, propylene, butylene and butadiene, liquefied	54,075	108,176	100.05
	Subtotal	6,118,399	7,116,623	16.32
	All other	3,711,817	4,000,602	7.78
	Total	9,830,217	11,117,225	13.09

Note: The abbreviation "nesoi" stands for "not elsewhere specified or otherwise included".

Source: Compiled from official statistics of the US Department of Commerce.

**TABLE 3**  
**US Trade with ATPA Countries, 1991-2000**

Year	US Exports <sup>1</sup>	Share of US exports to the world	US imports <sup>2</sup>	Share of US imports from the world	US trade balance
	<i>Million dollars</i>	<i>Per cent</i>	<i>Million dollars</i>	<i>Per cent</i>	<i>Million dollars</i>
1991	3,798.2	.9	4,969.5	1.0	-1,171.3
1992	5,319.7	1.3	5,058.7	1.0	261.0
1993	5,359.1	1.2	5,282.3	.9	76.8
1994	6,445.0	1.3	5,879.5	.9	565.5
1995	7,820.2	1.4	6,968.7	.9	8,514.8
1996	7,718.7	1.3	7,867.6	1.0	-148.9
1997	8,681.8	1.3	8,673.6	1.0	8.2
1998	8,670.1	1.4	8,361.0	.9	309.0
1999	6,263.2	1.0	9,830.2	1.0	-3,567.0
2000	6,295.1	.9	11,117.2	.9	-4,822.1

<sup>1</sup> Domestic exports, f.a.s. basis.

<sup>2</sup> Imports for consumption, customs value.

Source: Compiled from official statistics of the US Department of Commerce.

TABLE 4

US Imports for Consumption from Bolivia, Colombia, Ecuador, and Peru, by Duty Treatments, 1996-2000

Item	Bolivia	Colombia	Ecuador	Peru	ATPA total	Share of ATPA total
	<i>1,000 dollars</i>				<i>Per cent</i>	
<b>1996:</b>						
Total imports	268,338	4,421,492	1,975,027	1,202,788	7,867,645	100.0
Dutiable value <sup>1</sup>	30,656	2,108,721	783,551	456,115	3,379,043	42.9
ATPA reduced duty	1,468	23,489	226	22	25,205	.3
Duty-free value <sup>2</sup>	237,682	2,312,771	1,191,476	746,673	4,488,602	57.1
MFN	126,128	1,520,542	941,542	277,798	2,866,010	36.4
GSP <sup>4</sup>	2,446	45,538	17,837	64,788	130,609	1.7
ATPA <sup>5</sup>	104,323	537,057	218,193	385,276	1,244,849	15.8
Production Sharing <sup>6</sup>	2,102	126,148	1,676	1,018	130,944	1.7
Other duty free <sup>7</sup>	2,683	83,486	12,228	17,793	116,190	1.5
<b>1997:</b>						
Total imports	213,408	4,614,873	2,139,354	1,705,929	8,673,564	100.0
Dutiable value <sup>1</sup>	33,492	1,662,344	692,408	526,881	2,915,126	33.6
ATPA reduced duty	1,882	25,157	139	45	27,224	.3
Duty-free value <sup>2</sup>	179,916	2,952,528	1,446,946	1,179,048	5,758,438	66.4
MFN <sup>3</sup>		2,041,264	1,195,364	566,376	3,893,961	44.9
	90,957					
GSP <sup>4</sup>	18,885	78,162	17,312	140,910	255,271	2.9
ATPA <sup>5</sup>	65,730	579,205	215,247	424,057	1,284,238	14.8
Production sharing <sup>6</sup>	2,874	159,759	2,178	427	165,238	1.9
Other duty free <sup>7</sup>	1,469	94,148	16,845	47,279	159,740	1.8
<b>1998:</b>						
Total imports	220,140	4,425,163	1,773,917	1,925,286	8,344,507	100.0
Dutiable value <sup>1</sup>	34,989	1,736,822	441,474	447,961	2,661,246	31.9
ATPA reduced duty	1,070	24,800	308	8	26,187	1.0
Duty-free value <sup>2</sup>	185,151	2,688,341	1,332,443	1,477,325	5,683,261	68.1
MFN <sup>3</sup>	108,453	1,795,720	1,081,552	682,198	3,667,923	44.0
GSP <sup>4</sup>	7,773	42,645	14,579	125,054	190,051	2.3
ATPA <sup>5</sup>	68,559	685,088	232,694	632,668	1,619,010	19.4
Production sharing <sup>6</sup>	258	155,813	2,210	292	158,572	1.9
Other duty free <sup>7</sup>	108	9,075	1,408	37,113	47,705	.6
<b>1999:</b>						
Total Imports	224,167	5,813,997	1,852,631	1,870,815	9,761,610	100.0
Dutiable value <sup>1</sup>	40,473	2,176,911	612,883	456,712	3,286,978	33.7
ATPA reduced duty	886	22,250	839	26	24,002	.2
Duty-free value <sup>2</sup>	183,694	3,637,086	1,239,748	1,414,103	6,474,632	66.3
MFN <sup>3</sup>	114,969	2,532,774	950,556	727,927	4,326,225	44.3
GSP <sup>4</sup>	7,934	46,485	19,190	51,684	125,293	1.3
ATPA <sup>5</sup>	60,606	774,866	259,334	631,098	1,725,903	17.7
Production sharing <sup>6</sup>	93	141,287	5,062	253	146,695	1.5
Other duty free <sup>7</sup>	93	141,674	5,607	3,141	150,515	1.5

**TABLE 4 – CONTINUED**

US Imports for Consumption from Bolivia, Colombia, Ecuador, and Peru, by Duty Treatments, 1996-2000

Item	Bolivia	Colombia	Ecuador	Peru	ATPA total	Share of ATPA total
	<i>1,000 dollars</i>					<i>Per cent</i>
<b>2000:</b>						
Total Imports	184,250	6,601,802	2,266,975	1,979,099	11,032,126	100.0
Dutiable value <sup>1</sup>	30,523	2,505,479	1,250,278	571,965	4,358,245	39.5
ATPA reduced duty	675	25,393	370	100	26,538	.2
Duty-free value <sup>2</sup>	153,727	4,096,323	1,016,697	1,407,134	6,673,881	60.5
MFN <sup>3</sup>	86,240	2,968,505	729,924	515,885	4,300,554	39.0
GSP <sup>4</sup>	5,783	66,144	28,569	45,054	145,549	1.3
ATPA <sup>5</sup>	60,786	800,951	247,084	845,849	1,954,670	17.7
Production sharing <sup>6</sup>	420	130,189	5,475	29	136,112	1.2
Other duty free <sup>7</sup>	499	130,534	5,646	317	136,997	1.2

<sup>1</sup> Dutiable value excludes the US content entering under HTS subheading 9802.00.80 and misreported imports.

<sup>2</sup> Calculated as total imports less dutiable value.

<sup>3</sup> Value of imports that have a col. 1-general duty rate of free.

<sup>4</sup> Reduced by the value of MFN duty-free imports and ineligible items that were misreported as entering under the GSP programme.

<sup>5</sup> Reduced by the value of MFN duty-free imports and ineligible items that were misreported as entering under ATPA.

<sup>6</sup> HTS items 9802.00.60 and 9802.00.80. Refers to the value of non-dutiable exported and returned US-origin products or components.

<sup>7</sup> Calculated as a remainder, and represents imports entering free of duty under special rate provisions.

Note: This table provides adjusted data. The adjusted data differ from their counterparts in the other tables, which contain data based on unadjusted, reported entries. Virgin Islands data have been excluded from this table.

Source: Compiled from official statistics of the US Department of Commerce.