



GENERAL EFFECTS OF FTA WITH THE UNITED STATES IN THE COLOMBIAN TEXTILE SECTOR

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2015

To our parents, who with effort, dedication and above all this love that surpasses all understanding allowed us to get where we have come.

My wife, who has accompanied me with tolerance in this wonderful journey of life.

Summary

It is said that the May 15, 2012 was a historic day for the economy of Colombia, because that day after many advances and setbacks for other sectors, Colombia signed, finally, the Free Trade Agreement with the United States, an agreement which the government initiated this process (Alvaro Uribe Velez 2002-2010) and the current (Juan Manuel Santos - 2010- Present) are multiple benefits for the country.

This research aims to address the results until today has brought this agreement to the Colombian textile industry, an industry that has over 90 years experience, is an important generator of employment, and that marks the GDP Colombian, taking the industrial portion participation in this 7.5% in terms of manufacturing GDP, figures provided by DANE 2015.

Colombia had been included in the APTDEA for many years and can say that this somehow made race in preparation for what is an FTA, with all that this requires. During the investigation, we found that the sector has been falling at alarming rates, but it is not a factor that is a result of the signing of the agreement, Colombia has historically been an agricultural country, which has struggled to break into the high-tech sector, along only until recently year has grown the subject of research and development and value-added production, today the lack of efficiency in this sector, the delay in implementing the agreement textile accumulation, which would allow the industrial sector, buy raw materials in countries that have signed FTA with USA and thus access to tariff benefits, thus achieving competitiveness in the country's north, it remembers that this agreement had committed to put in place six months after the start of operations FTA. Also you can not ignore the serious problems the country faced the logistics, infrastructure arrears of more than 15 or 20 years.

Abstract

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Keywords: FTA, progress, rates, technology, development, logistics, raw materials, tariffs

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Introduction

For us it was very important to address this issue, Colombia is the country where we live and possibly at some time we will invest our resources from savings of much of our lives or maybe we will face some means of funding to make fly our entrepreneurial spirit, which undoubtedly will be linked to our knowledge of outer, trade logistics, and why not, about the reality of the textile sector, as many in our family or close relatives have had to do with the wonderful world of apparel and fashion design..

We approach our research based on primary sources, the internet became very important, and the truth there is very little information, especially if an investigation on figures that are not public is framed.

Touch doors, conducted interviews, appeal a little personal sense of who kindly helped us answering our questionnaires, we were mistreated by organizations that were established to help research, even more than this industrial sector, with this we were able to establish that the democratization of knowledge is not so present in our institutions as we thought when we decided to venture into this research.

Colombia, a purely agricultural country, necessarily, and for that we make a humble appeal to governments and their representatives, to invest in the improvement of human resources, investing more in research and development of new technologies that allow Colombia and its industries to be truly competitive in the globalized world.

The Colombian textile sector had a drop in sales to the United States for our concept scared because somehow FTAs are sold and distributed by governments as a powerful alternative to growth of its industrial sectors, formerly with APTDEA, Colombia had best

interests in the American markets, it is clear that this phenomenon must be added the high production and marketing of other economies, such as China, which now has a major stake in the American market, and we all know what that China can make to production levels.

Data found in this research entities such as the DANE, ProColombia, INEXMODA, who infinitely worth the opportunity to thank their support in this paper grade, the head Litaltex Company SA Mr. Cesar Olarte, the Dugotex SA Company Head Ms. Ligia Duke who eventually they gave us for the interview, we nurture this work, Mr. Andrés Lopera, Visual Manager of SAS Onda de Mar, who with their knowledge and gave us time lights so you feel a major export industry after the signing of the FTA with the United States, many thanks to all.

1.1 Project Formulation

1.2 Background

In 2003 the Colombian government claims the US government its deep interest in negotiating a trade agreement to establish permanent game rules for trade in goods and services between the two countries.

In the month of May 2004 was held the first round of negotiations in Cartagena with the support of representatives of the countries of Peru and Ecuador and Bolivia attendance as an observer, said negotiations between the two countries concluded the February 27, 2006. After making adjustments to the final texts, the FTA was finally signed by the representatives of the countries the United States and Colombia in November 2006, to be ratified and declared enforceable by the Constitutional Court of Colombia on July 24, 2008.

Since FTA negotiations the stable US market in this sector world-class access is guaranteed. In the case of clothing, the uncertainty generated by the short renewals that were held every 4 or 5 years of the ATPDEA (Andean Trade Promotion and Drug Eradication Act) negatively impacted exports in this sector without preferential access

must pay tariffs up to 30%, as these preferences were not permanent as if it is an FTA. Therefore, since the entry into force of the FTA Colombia-US, optimism in the textile sector was said, expecting a substantial growth in production and exports to the country's north. Finally it is worth noting the improved rules of origin against the ATPDEA and get access line household confections are not included in tariff preferences.

The textile and clothing industry is confident that the FTA was a structural advance to generate conditions of preferential access to the US market with long periods without maturities stipulated in laws such as the ATPDEA, they said Carlos Eduardo Botero, president of Inexmoda at Antioquia noted that entrepreneurs now have greater opportunities amid new trends in American business.

There is a world of opportunities that are in operation. We are seeing in the United States there is a concept of relocation. American companies are looking to bring production to Asia this hemisphere and there I think Colombia plays a very important role to have FTA with the United States ", (Botero C. E., 2014)

The original, attractive, competitive and quality offer are precisely the characteristics that dominate the 1,886 items that total came from Colombia to the United States from May 2012 to February 2013. (Proexport, 2013) Incluso antes de la entrada en vigor del FTA con los Estados Unidos, el sector textil, especialmente en lo referido a:

The swimsuits are a good example to talk about the recovery recorded textiles and clothing, which grew 20.2% and 2.6%, respectively. Only companies exporting garments to the beach sold US \$ 4.7 million, 110% more than between May 2011 and February 2012. (Portafolio, 2013)

Underwear for men and women has also increased its transit through the FTA highway bound for north country, where another of our companies, Antioquia in this case, sells underwear for men metrosexual, with tropical colors and designs, and the advantage of zero tariffs. To their surprise, their main customers are ladies, who found in its proposal a new product to give to their partners and friends.

Moreover the expectations created by the national government on the results of FTA, fade rapidly. The trade figures published by DANE, confirm this worrying trend. The FTA trade surplus

decreased considerably bringing Colombia in recent years. Also, forecasts for the next 5 years are alarming. (Recalca, 2014)

Colombia trade deficit reported in 2014, according to the Dane while the value of imports rose in Colombia in 2014, the external sales picked up. In that sense, the country accumulated a deficit of US \$ 6.293 million in its trade balance in 2014, in contrast to the surplus of US \$ 2,203.3 million recorded in 2013, the main cause of the above was due to the contraction of the oil exports

Therefore, this imbalance meant 2014 imports of US \$ 61,087.8 million and exports of US \$ 54,794.8 million. While the value of imports by Colombia rose 7.8% in 2014, supported by strong domestic consumption, external sales picked up 6.8% compared with 2013, mainly due to the reduction international oil prices, the main generator of foreign exchange.

Table 1: Colombia, Annual Trade Balance 1980-2015Millones de dólares
FOB

Años	Exportaciones	Importaciones	Balanza
1980	3.945	4.152	-207
1981	2.956	4.641	-1.684
1982	3.095	4.906	-1.811
1983	3.081	4.478	-1.397
1984	3.483	4.054	-571
1985	3.552	3.714	-162
1986	5.108	3.446	1.662
1987	5.024	3.810	1.214
1988	5.026	4.535	491
1989	5.739	4.579	1.160
1990	6.765	5.149	1.616
1991	7.244	4.569	2.676
1992	7.065	6.145	920
1993	7.123	9.089	-1.965
1994	8.538	11.094	-2.556
1995	10.201	12.952	-2.751
1996	10.648	12.792	-2.144
1997	11.549	14.369	-2.820
1998	10.866	13.768	-2.902
1999	11.617	9.991	1.626
2000	13.158	10.998	2.160
2001	12.330	11.997	333
2002	11.975	11.897	78
2003	13.129	13.026	103
2004	16.788	15.649	1.140
2005	21.190	19.799	1.392
2006	24.391	24.534	-143
2007	29.991	30.816	-824
2008	37.626	37.152	473
2009	32.846	31.181	1.665
2010	39.713	38.154	1.559
2011	56.915	51.556	5.358
2012	60.125	56.102	4.023
2013	58.824	56.620	2.203
2014	54.795	61.088	-6.292
2015*	22.261	30.737	-8.475

Fuente: DIAN, DANE. Cálculos: DANE

P provisional

* Corresponde hasta el mes de julio

Moreover according Inexmoda with respect to the textile sector, indicates that one of the main factors that prevents the industry is relatively competitive in the international market are the high costs of labor, because while labor costs in Colombia in the textile industry is of US \$ 2.5 per hour in Mexico is US \$ 2.2, and in Thailand and US \$ 1.8, technology and innovation are essential for the development of the industry since it reduces costs companies of other countries no longer contemplated.

1.2.1 State of the art

In the academic literature research and numerous studies abound regarding the FTA between Colombia and the United States at different times: before, during and after negociations this and subsequent enactment. However, the lower level of analysis and focus on the Colombian textile sector in the framework of the FTA, the literature is radically reduced. However, there are some jobs that allow you to build state of the art and identify different contributions to this investigation.

"Factors and strategies and clothing-textiles and fashion design to take advantage of Antioquia competitive commercial opportunities offered by the FTA with the United States industry." It is a thesis done by: Andres Albeiro Babativa Torres, Claudia Marcela Celis Noreña, Diana Marcela Duque Rico, University of Medellin, Antioquia, 2013.

Specifically, the work deepens the position of the textile sector in Antioquia meet the challenges that brings the FTA, new competitors and substitute products such as competitive advantage opportunities. Under the premise that Antioquia is one of the leading producers in the sector after Cundinamarca, the work aims to identify strategies to revitalize the textile, clothing, fashion and design.

One of the earliest references found, is titled: "Innovation as a determinant of competitiveness in the textile and clothing industry: the case of Korea and Colombia" which is a thesis done by: Juliana Conde Arcila, Pontificia Universidad Javeriana, Bogotá , 2009.

The paper describes the innovation as one of the most significant factors for the development and industrialization of the economy competitiveness, the productive sectors it should be in constant change and improvement to optimize this factor; the textile and clothing sector is one of the fastest growth in Colombia, as this will generate strategies, planning, to increase the competitive advantages of the industry in order to compete in national and international markets. Research helps identify weaknesses and some suggestions to help the Colombian textile industry to strengthen its processes,

adopting best practices of the Republic of Korea as an example in which such textile and clothing industry is a model of economic development based on growth and innovation, considering that the characteristics of countries are often different but improvable. From the concept of innovation, the relevance of the Colombian textile industry, where the industry outlook is studied by statistics and interviews with experts on the subject is evident, this allows a diagnosis of the textile and clothing sector.

The historical evolution of exports of the textile industry in the years 2000-2007, shows a statistical research, the most important textile garment export product are 73%, 14% tissue fibers 9% and 4 % of wires. In textile exports it is presented that 15% of exports are knitting, 8% of cotton and 7% of dyed knits and synthetic fibers; on the side of the garment, 11% is pants and bibs for men and boys, 9% is shirts, tank tops and similar cotton and 7% is pants and bibs for women and girls.

These products are mainly exported to America, where Venezuela represents 55%, America 17%, Mexico 7% and 6% Ecuador. It is interesting to note that while foreign sales of the products of the final links in the chain are used predominantly on US (and to a lesser extent, Venezuela), Colombian sales to Ecuador and Mexico are concentrated in the intermediate links chain fabrics. We concluded with respect to the Colombian textile sector, which is a representative industry to the economy, due to generating 10% of manufacturing output and represents 12% of exports (2007). From growth of 47% for the same year was evident, which describes the potential and acceptance that has had the products generated by the industry in the domestic and international markets.

A key factor to enhance competitiveness is the skilled labor compared to the Korean model highlights the state initiative to promote education and training of the population, all geared towards the development possibilities of the economy, which benefits industry specifically that skilled labor is more efficient, productive, creative and innovative; in contrast to our local scene the need to create such partnerships industry-education companies, by for strategies that are routed to the economic, social and scientific development of the country it is evident, that the focus of technical education

for example generate feedback on both parts and both national company and benefit the general population out, it is essential to build well-structured by the public and private sector projects.

Economic development must be in cohesion with all the competitive variables, the study places particular emphasis on the geographical position of our country, a strategic point but unfortunately from a logistical point of view ports, roads structure is insufficient. They highlight the international agreements as a means of cooperation and free trade, transfer of technology and know-how, in order to promote exports from private and government organizations as are eg INEXMOS, PROEXPORT ASCOLTEX, and BANCOLDEX.

The second work that contributes to the construction of state of the art, is entitled "Report on the 1st Service Delivery Infrastructure Quality in the Textile-Apparel Children's Clothing Sector in Colombia" CAN (Comunidad andina de naciones), PTB (Physikalisch-Technische Bundesanstalt) Gubernamental, MinCIT (Ministerio de Comercio, Industria y Comercio), PTP (Programa transformación productiva), IC (Infraestructura de calidad), INM (Instituto Nacional de Metrología), ONAC (Organismo Nacional de Acreditación de Colombia).

This report covers the first consultancy mission of the second phase of the project CAN-PTB "Coordinated quality infrastructure in the Andean Development" in Colombia 2013, The objective of this mission is to address an economic sector to design a strategy fortifications thereof, previously sectors such as chocolate and cocoa were chosen using the methodology CALIDENA, so in this textile and apparel sector the same methodology is also used.

The issues presented by the report is the lack of existence of laboratories accredited in textiles and clothing in the country, and its limited scope, PH and conductivity tests are the tests most sought by companies. Mass and accredited testing pressure. Testing Time, frequency, temperature and humidity accredited. That should choose a potential sector and, therefore, the textile-clothing sector children's clothing in

Bucaramanga was chosen because a stronger, exporter, and has interesting initiatives that can be pilot research cluster, also they have alternative deepen as subsector the military and security clothing, as this subsector requires rigorous quality and technical standards for garments require accreditation from the ministry of Labour and the Ministry of Defence

With visits to Bucaramanga, the initiatives which will work to strengthen the sector, such as infrastructure initiatives, strengthening the industry, productive development, human capital, regulatory framework, nationwide program, working with the exposed regions supported by local organizations to meet and work on the needs of employers; work generates synergy with the PTP, international organizations that serve as manager for Colombia in international relations issues, bills for tariff reduction among others.

The choice of children's clothing sector is the argument that is a market problem, especially on the issue of quality, and that is not a consolidated cluster; according to the discussion in the meeting of many entrepreneurs uncertainty arises from the FTA, in which state that has not been beneficial for the sector and put their expectations in the IC to help them to become certified and its processes since according to them the quality metrology institute has done nothing so far (2013).

According to the entrepreneurs to export after the signing of the FTA to exporters requires compliance with criteria of origin, ie from the fibers hereinafter the garment is 100% Colombian, however many inputs are imported such as fabrics; there is no regulation or restrictions for entry to the country for the preparation of materials, yet there is much informality in the labor force which proposed to certify; They suggest inspection and certification work because they believe that the DIAN not fulfill that role fully and has no technical authority to do so, for it suggests that the ONAC certify to the DIAN; encouraging the cultivation of organic cotton; ICONTEC can not certify products with organic inputs clothing, everything should be done by the Ministry of Environment.

From the above, the regulatory committee defined lines of work to be carried out: Show that we in the project, with Colombia to ensure current and future quality requirements, emphasizing the theme of laboratories that have representation ONAC with its laboratories, in 2014 to show their appreciation ONAC external productive workshops for micro and small enterprises. Introduce a management system and certified. NTC MSMEs. 6001, compared to restructure US FTA with current issues in the textile sector that significantly affect it.

The textile-clothing in Colombia, industry has been hit hard over the past 10 years, the "invasion" of products and other Asian countries, reaching very low cost and low quality, under the concept of fast fashion (man , woman, child), which allows access to fashion products to consumers of all strata. Similarly arrival in the country of large designer brands with good quality and high prices, which have been in our country an excellent market for the increased purchasing power of consumers in different strata. It is important to revitalize this industry that has been traditional in Colombia and that having a solid infrastructure of internal quality can be competitive against this flood of supply in the domestic and foreign markets.

Finally the work: "Ministry of Commerce, Industry and Tourism Decree number 4927 2011-Customs Tariff" Whereby the customs tariff was partially amended by Decree 0074 January 23, 2013, stands out in all the literature, and which it constitutes legal reference in this field; modification of the decree detailing exactly that: establishes an ad-valorem (value of goods) of 10% and a specific tariff of 5 USD per gross kilo for imports of products falling under Chapters 61,62 and 63 customs tariff, which refer to garments and clothing accessories, and things, but for the most part tariff subheadings of chapters 61,62 and 63 as it was at 15%, and the importer you must cancel USD further 5 per imported raw kilo also indicated that the value obtained by applying specific tariff that is created to import comes aforementioned, it should be part of the base of the Sales Tax (IVA) on importation, on the other hand provides that customs duties (ad valorem and specific) indicated in paragraph 1 and 2 of this document, shall not apply to imports from

countries with which Colombia has trade agreements in force, in which case, the agreed rate shall be applied in the respective Treaty

1.3 Problem

Since the year 1999, we have been hearing about the FTL with the United States, and the benefits this would bring to the country and domestic producers of different industries, the growth of exports and investment that would be generated to meet the needs, the north country have, in addition to a customs revolution in terms of agility and operational simplification and in terms of requirements. Doing a bit of hindsight, have not changed much in the proposed topics, we are still a very competitive country, our customs system is highly suspicious slow and also exports of non-traditional Colombian products do not react at speeds that were projected.

The Colombian textile industry has been an important item in the country's economic growth, large, medium and small companies have made exporting its productions a pretty effective way to grow your wealth and create jobs. After the signing of the FTA with the United States, it is prudent to ask, What was the behavior of Colombian textile exports after the FTA with the North Country? In the same jobs and national government statements, it projected that this would be one of the sectors with the greatest growth and expansion in the framework of a free trade agreement with the country dimensioned.

Moreover, Colombia is a country that historically has not been industrialized, its gross domestic product is not made by industrial sectors, on the contrary, even with the reduction in the productive capacity of agriculture and its lack of competitiveness and efficiency, thisIt remains the main economic sector of the country, as shown in the following publication

"Analyzing the GDP disaggregated by sectors of the economy, it is important to highlight four key sectors in this, since they are the ones who contribute most to their conformation. These sectors are: agriculture, which, despite the historical decline in recent years, remains a high

share of the aggregate output of the country with products such as cotton, coffee, sugar cane, corn, rice, cocoa, bananas, potatoes, oilseeds and flowers, among others.

Manufacturing, a sector in which strong presence make drinks, food, textiles and chemicals. Commerce, restaurants and hotels. The financial sector, comprising the savings and housing corporations, commercial banks, financial corporations, general warehouses, commercial finance companies, leasing companies and financial services companies such as trust, commission of stock market, insurance companies, among others. These sectors can be considered as the most representative of the current national economy, because if we add the total contribution of these sectors to the GDP, we see that are responsible for providing a percentage close to 60% of GDP, while the remainder comes from other sectors such as mining and quarrying; electricity, gas and water; the construction; the transport and storage sector; personal services; government services, etc. " (Banco de la Republica-Biblioteca Virtual Angel Arango, 2015)

As you can see from the above, the textile industry is well weighted in the economic aspect and why we convened in this study the need to know the reality of this sector, trying to make a comparison between the historical and present in reality, after the signing of the economic agreement.

1.4 Justification

Theoretical justification

It is vital to know what was the balance after signing the FTA with the United States since 2012, especially in our economic development.

Specifically at the Antioquia's industry as an example, after patiently waiting over 15 years for economic openness, finally achieved was given, there was uncertainty about the economic performance of our department after signing the FTA, as well as before the treaty was speculation and called into question the ability of our industry given the magnitude of such an agreement compared to the position against the advantages and mitigate the disadvantages, this research study will undoubtedly demystify assumptions or speculations outlined above or otherwise ratified according to the analysis.

Theoretically the economic situation of the Antiochian industry in the United States has been linked to the dynamism of some productive sectors such as textiles, food. Characteristically we have been a highly exporting to the US department, which is an attractive export deal compared to other departments; perhaps the import sector for the same contrast as the

Antioquia imports from the EU until 2012 according to the DANE and DIAN were US \$ 7,288.9 million, and traceability between January and June 2013 US \$ 3,625.1 million and the main products are aircraft, motorcycles, corn, and soybean oil residues with a considerable share of 17.3% in the US (DANE, 2013)

From the above analysis it can be inferred that in the transition period of treaty negotiation and signing the growth in imports was already remarkably prominent, signing FTA within its structure the most important aspects undoubtedly have been tariff reduction and trade barriers although exposed as a direct effect of increased productivity necessarily not displayed well, which is why mainly investigate thoroughly the causes why the FTA may lose its directionality and cause tax effects our regional industry.

Personal Justification

Definitely research project broadly glimpse joint signing the free trade agreement between Colombia and the United States, it is fundamental to our career know specifically how they impact the trade agreements signed by our country's economic development same, in this case especially textiles, since we have historically been a country potential in this sector.

Colombia is a country that over the years has tried to find the formula to industrialize its economy, aware that we are an agricultural country, is quite important for us to know the details that may benefit or not to different industrial sectors in growth.

t summons for this case, it is the textile sector of Antioquia, we focused our research on the results of the industry after the signing of the FTA with the United States, try our to

know the minutiae of this agreement, it can help to the future in the event that any of us decide to work in the middle or do not undertaking a project within the textile industry.

Knowing the figures, the requirements, the results to date, could give us an excellent overview of the situation in some way to this study provide industry tools possible to work with the aggrandizement of this, proposing strategies to you face you challenges that treaty .

United States in one of the most attractive markets for our country in textile and garments, make mistakes or advantages that this agreement brought to our country is vital in achieving economically sustainable businesses.

1.4 Objectives

1.4.1 General Purpose

Identify the effects generated after the signing of the FTA with the United States in the Colombian textile sector, to serve as a guide to overcoming any obstacles that have prevented a minor use of this FTA by the Colombian textile sector.

1.4.2 Specific objectives

- Identify the tariff benefits granted to various textile products through Colombia-US FTA
- Conduct a comparative analysis of the evolution of foreign trade, textile, before and during the enforcement of the FTA
- Determine the possible causes concerning the actual behavior of the textile sector for the life of the FTA.

1.5 Methodological framework

The methods are exploratory, since due to the primary approach to this subject of study, and are trying to understand this phenomenon. Document review and interview technique: Moreover, using different research techniques such as done.

They will be interviews that allow the interviewee construct their answers under questioning not preset, the questions will be open, flexible and adapt to the needs of the specific research should be developed in all four, two to MSMEs (SMBs) the textiles and two multinational respectively in the same sector; which we surely will provide specific information according to its context, its present and its projections against the FTA, will allow such contrast the two views of these key players in the economic development sector

Methodology

Primary data collection

According to verification database of the Chamber of Commerce in eastern Antioquia, contacts (Phone, email, fax) two MSMEs in the textile and two multinationals were verified in the same sector; the availability of time directly in charge was managed to schedule interviews in person, a questionnaire composed of 10 non pre-set as 12 questions is made mentioned above, to give a chance to respond openly and specifically, will be published Annexes at the end of work, after that an analysis of the information collected light to diagnose the problem posed is effected.

Fieldwork:

With the list of questions already formulated, we proceed to apply directly in the companies contacted and the personnel, the estimated time is subject first to the availability of the respondent and second interviewer's ability to achieve a comfortable process the respondent, for it is important to note that the questions should be written clearly and specifically, to not create confusion in the interview, and the information obtained is useful for the study object; The methodology will be a personal interview in which electronic medium (recorder Reporter) was used leaving evidence of this.

1.5 Scope

This degree work aims only to establish, based on research of primary sources which has been the performance of the textile sector within the framework of the FTA with the United States, that is, our comparison period figures going since 2005, when the APTDEA country had established as the only mechanism that allowed to obtain tariff benefits for textile products, through the signing of the FTA (May 2012) until today, that is 1mer half of 2015.

2. Implementation of the Project

2.1 Changes in the tariff structure in the textile sector thanks to the Colombia-US FTA

To understand who has earned the signatures of the two agreements, we need to know a little what we had, what we make and what we are losing, from the ATPDEA and perspective respectively FTA

It is important before getting to the issue before us, that contextualicemos us a little of what were the tariff agreements which our country had before the signing of the FTA, which were followed by the ATPDEA ATPA respectively.

ATPA (Andean Trade Preference Act)

It is an exceptional regime granted unilaterally by the United States to Peru, Bolivia, Ecuador and Colombia in order to support the fight against illicit drug trafficking.

The ATPA was issued on December 4, 1991 by the President of the United States, with which the entry, free of duty, to about 5,600 products, including textiles and garments are not met including among others offered.

This law is intended to encourage exports through the establishment of a preferential market through which alternative sources of replacement work to support the cultivation of coca leaf and the reduction of drug trafficking generated. (ICESI, 2008)

ATPDEA, is the Law for the Promotion and Drug Eradication Andean Trade, which revised and expanded the ATPA benefits (which was in force until December 4, 2001). This law provides preferential treatment for the four designated countries (Colombia, Bolivia, Ecuador and Peru) by the possibility of entering the US market a lot of free products Tariff (are approximately 700 additional products to the 5,600 who already had ATPA). After several extensions the law is in effect until February 15, 2011. The main objective of the ATPDEA is to promote exports and development of beneficiary countries by offering an option that allows them to have different economic alternatives to illicit crops. Preferences after 2002 were extended to products such as apparel, petroleum and its derivatives, footwear and leather, and tuna, previously excluded. (Mincomercio of Industry and Tourism, 2011) (Mincomercio de industria y turismo, 2011)

Main products:

The ATPA allows duty-free entry to about 5,600 products, within which the flowers, plastic products, are steel pipes, brooms, jewelry, chemicals, among others. That is, all those products that are identified in the tariff of the United States with the letter J, J + J or *.

Additionally, the ATPDEA preferences granted to:

Clothing under certain conditions

- Shoes that are not sheltered by the GSP
- Oil and its derivatives
- Watches and parts
- Wallets and leather
- Tuna vacuum packed in aluminum paper or envelopes containing no more than 6.8 kg

However, Colombia has signed this agreement on tariff preferences with the United States, since 2002, Colombia and the United States exchanged goods supported the agreement ATPDEA, however, the agreement promoting the use of yarn and fabrics from the United States and the manufacture or assembly in the Andean countries

The following illustrates some of the limitations of this agreement and obtained more significant benefits:

- Restricted use of Andean regional yarn (through an annual limitation of incorporation of woven fabrics in the Andean countries made from yarns of this region).
- There are restrictions to the addition of woven and nonwoven fabrics.
- Prevents fabrics from the United States are taken in the Andean countries

- Accessories and interlinings are limited to 25% of the cost of the components of the preparation.

For products sheltered by the ATPA above, the process of certification of origin remains the same, ie the Ministry of Commerce, Industry and Tourism will continue to certify the origin therefore explain what the rule of general origin:

First, it is imported directly into the customs territory of the United States. Second, be wholly produced in a beneficiary country or the regional value content is at least 35% of ATPA countries.

This means that a product is eligible for preferential treatment only if the sum of the cost or value of materials produced in a country ATPA more direct costs of processing operations performed in a beneficiary country or ATPA countries is above 35% the calculated value of the finished article at the time of entry into the United States.

The law states that to comply with the 35% rule, speaking of ATPA beneficiaries also includes Puerto Rico, Virgin Islands and CBI beneficiary countries and that any cost or value of materials and direct costs of processing operations attributable to Virgin Islands or CBI beneficiary countries should be included in the product before making the final export to the United States from an ATPDEA beneficiary country. Additionally it states that n amount not exceeding 15% of the calculated value of the product at the time of entry, can be attributed to the cost or value of materials produced in the customs territory of the United States (other than the Associated State of Puerto Rico). (Mincomercio de inindustria y turismo, 2011)

In the case of raw materials such as lycra or elastomer, it is possible to incorporate up to 7% of the final weight of the garment. Additionally, it is possible to incorporate nylon Mexico, Canada or Israel without the garment lose the opportunity to benefit from preferential tariff treatment. All types of liners built into the garment must originate in US Finally, there is the possibility of asking the United States to identify inputs that are not produced in that country for incorporation in short supply list in order to be allowed to import from third countries without losing their garments exported originating status. To glimpse the profits made with the agreement of tariff preferences effectively will highlight the historical background, extensions extensions (see Table 2) the figures obtained and the exponential growth in exports to the US, including specifically the role textile respectively.

Table 2: Extention APTA-APTDEA

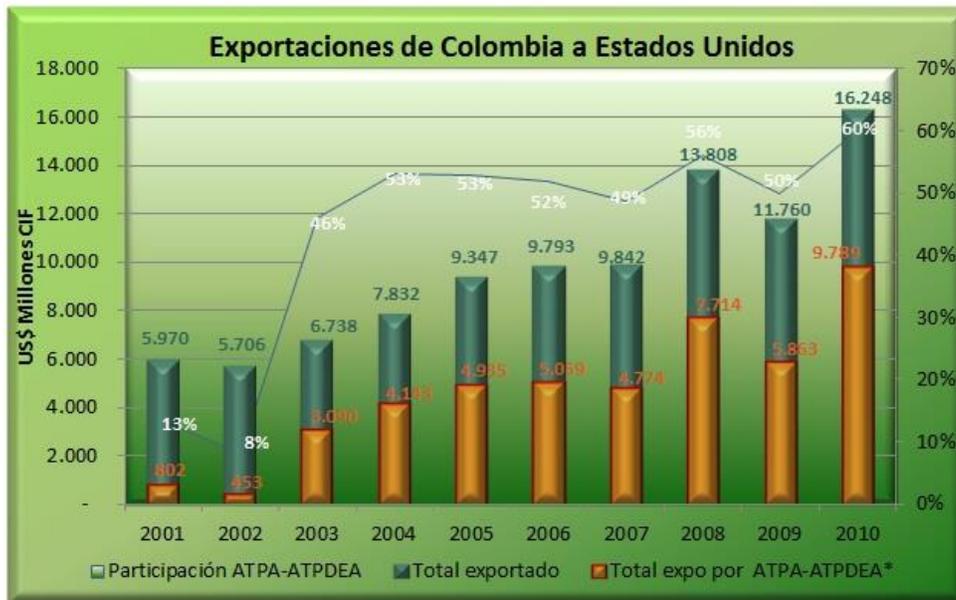
AGREEMENT	EXTENSION	STAR DATE	DUE DATE	DURATION
ATPA	Only	December 4, 1991	December 4, 2001	10 Years
AGREEMENT	EXTENSION	DESCRIPTION		DURACION
ATPDEA	First	After 4 years from the beginning of its term, the APTDEA expired on December 31, 2006, but was renewed by the US Congress for six months until June 30, 2007, through January 3rd Law 2006.		6 Months
ATPDEA	Second	A new extension was given on June 30, 2007, this time for 8 months, with effective date until 29 February 2008. This extension was the result of a surprising bipartisan and bicameral agreement. (Law 2007)		8 Months
ATPDEA	Third	On 29 February 2008 the Committee on Ways and Means of the United States Congress passed a unanimous majority to extend for 10 months, until December 31, 2008, the term of this program also benefited Peru, Bolivia and Ecuador. (Law 2008)		10 Months
ATPDEA	Fourth	In October 2008, President George W. Bush asked Congress to eliminate the agreement to Bolivia due to problems in the fight against drug trafficking. The preferences were extended to Colombia and Peru until 31 December 2009 (Law 2008)		1 Year
ATPDEA	Fifth	The December 14, 2009 the House of Representatives approved the extension until 31 December 2010 for Colombia, Ecuador and Peru and the December 22, 2010 was approved unanimously by the Senate. President Obama signed the bill extending preferences to the end of 2010 (2009 Act)		1 Year
ATPDEA	Sixth	On December 31, 2010, shortly before the end of this Congress gave final deadline extended until February 15, 2011. (Law 2010)		2 Months

Source: See Electronics. Extensions-ATPDEA: Ministry of Trade, Industry and Tourism. Republic of Colombia.
Report authors

According to the table above, one can show that after the renewal of the terms granted APTDEA were short; at the time clearly entrepreneurs and Colombian producers were more uncertain for the short timing of the extensions, their activities were surely doomed bear all costs in the negotiations, such as payment of duties that directly affect their profit margins. Despite this the balance after the agreement was positive and increased exponentially export directly to the US:

In 2010 our country exported nearly \$ 10 billion under ATPDEA, making it the country that uses tariff preferences for export to the US, after Nigeria exported USD \$ 26 billion under (Mincomercio de Industria y Turismo, 2011)

Figure 1: Colombia exports to the US under ATPDEA



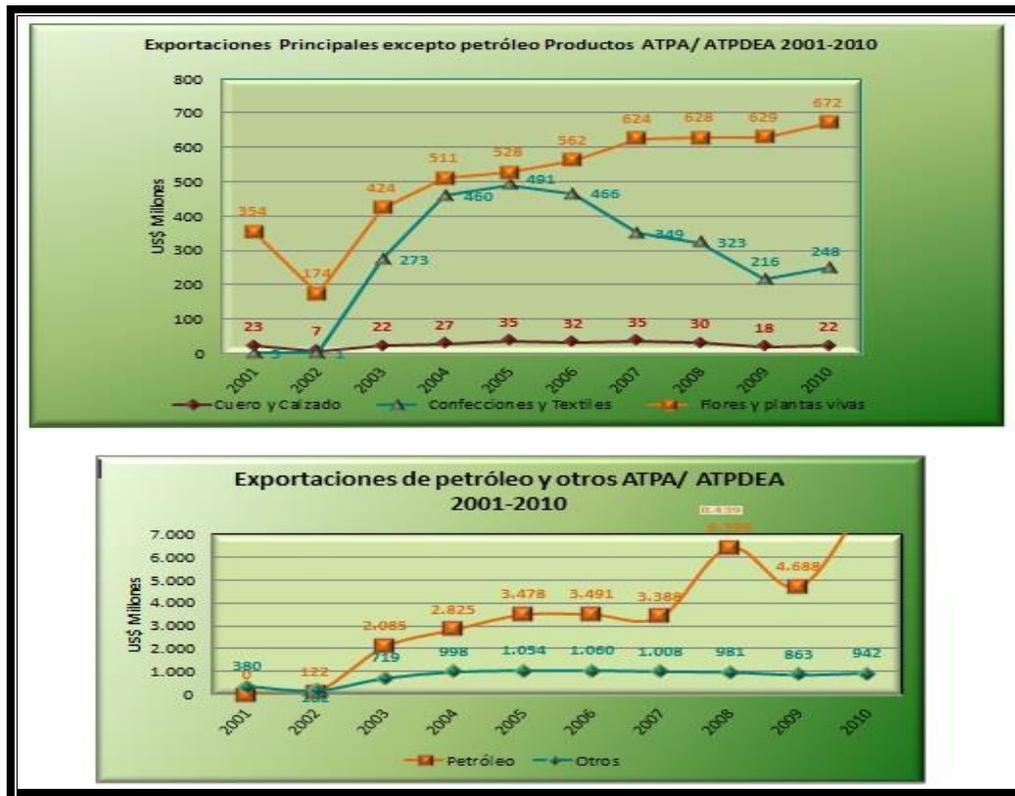
Source: See Electronics. ProColombia: Impact of ATPA-ATPDEA exports

Since the extension of the ATPA in 2002, notably exports grow exponentially every year, as the graph shows, the ATPDEA for Colombia mean growth and a specific analysis indicates that this program for our country in 2009 50% of exports to the United States they were made under this program for the next year between January

and October the trend increase in a percentage of 61%, according (Procolombia, 2012)

Besides demonstrated remarkable growth, including oil in the ATPDEA mean an even more important addition representative, and the inclusion of clothing and other goods export supply our non-oil exports quadrupled, as illustrated by the following chart:

Figure 2: Main exports except petroleum products ATPA / ATPDEA 2001-2012- oil exports and other sectors including apparel ATPA / ATPDEA 2001-2010



Source: See Electronics. ProColombia: Impact of ATPA-ATPDEA exports

Promising especially for the textile sector, despite the intermittent extensions, it was opened in North American market stretch ydefinitivamente I mean significant growth for economic development of the country remains one of the sectors most contributors in Panorama exports to that destination.

Uncertainty increases, tariff preferences will expire on February 12, 2011 and the wait was long since the renewal of the ATPDEA has bipartisan support and is directly linked to the extension of the subsidy program for US workers called "Trade Adjustment Assistance (TAA) "which generated controversy over the budget issue, renewal finally took until 2013 when the FTA was in effect and more consolidated. Yet it is important to note that with the signing of the FTA, industrial clothing uncertainty that generated the renewal of the previous agreement are avoided, the FTA on the other hand does not require periodic renewals but allows the review of policies, generating security market and business chances of closing that allow long-term investment in improving facilities and equipment for efficient production.

FTA (Free Trade Agreement) with the United States of America

Negotiation.

By proceedings No 69 and 70 of the Higher Council for Foreign Trade on 18 March and 29 May 2003, he instructed the MCIT (Ministry of Commerce, Industry and Tourism) begin negotiations with US and an evaluation was conducted the economic and social impact of the FTA with that country.

- In August 2003, US Trade Representative Robert Zoellick met with President Uribe Bogota where he announced the willingness of the US government to start trade negotiations with Colombia.
- Since 2001 our exports to the Andean Community showed a decreasing trend, from US \$ 2.771 million to \$ 1.908 million in 2003 forcing the national government to look for alternatives to offset this trend.
- In mid October 2003, a team of senior Ministry of Commerce, Industry and Tourism and other ministries paid a visit to the United States in order to clarify preliminary issues relating to the negotiation, with the foundation, the FTA signed with Chile that country.
- In November 2003, the United States Trade representative announced or officially the intention of his country to start negotiations for an FTA with Colombia, Ecuador and Peru, leaving the way open for the other countries of the Andean Community of Nations.

The process culminates with the publication of Decree 993 of May 15, 2012, whereby the "Trade Promotion Agreement between the Republic of Colombia and the United States of America," his "side letters" and "understandings" is promulgated The Proclamation is necessary for entry into force of the requirement.

The FTA is an agreement generating opportunities for all Colombians, without exception, help create jobs and improve the performance of the national economy. Initially export sectors

benefit because they can sell their products and services on highly concessional terms, in the US market. But not only exporters, also all the other domestic producers.

The issues that were negotiated were considered as general, ie market access, in its two (industrial and agricultural) aspects; intellectual property; investment regime; government procurement; settlement of disputes; competition; electronic commerce; services; environmental and labor.

The services sector is already the largest in the Colombian economy. The high value-added services are the great driving force of the world's economies, foreign investment is included because there is great interest in attracting it. Intellectual property, highly sensitive issue was also negotiated; and procurement, very important element to boost trade. (Mincomercio de industria y comercio, 2013)

As mentioned above, this time set out clearly the significant growth of the FTA in contrast to other agreements (ATPA / ATPDEA) and elucidating possible differences between treated, for interpreting notoriously which agreement has been more benevolent for the textile industry

FTA considerably over the Antioquia textileros producers gained market online such as: Activewear, Sportswear, underwear, jeanswear, swimwear among others, managed to extend its benefits to the country introductory northern US states including California, Missouri, Indiana, Pennsylvania, New York, Massachusetts, regarding the products of the textile industry.

One of the clearest examples of the penetration and growth of Colombian products in the United States is evident in the California region:

Region which houses an important Hispanic population and where high market niches, medium and low are. 85% of the opportunities are focused on companies that offer complete package, where the main popular products are: Jean, underwear, sportswear, swimwear, beachwear and leather accessories. The remaining 15% is directed to opportunities manufacturer of underwear, swimwear, sportswear and accessories in leather with Colombian brand. (Procolombia, 2012)

- It is important to remember that the FTA allows the origin certificates are filled out by the same exporters and not by the Ministry of Commerce, Industry and Tourism.

-
- The textile products covered in the FTA are included in Chapters 61 and 62 of the Customs Tariff, which are knitted garments and knitted or crocheted, benefits derived from the rules of origin implemented to that procedure.
 - It is valid to mention that the rules of origin should be based on the principle called Yard Forward, a principle which requires that products of the textile industry that intend to enter the United States tariff benefits, are produced with wires from the country with which the agreement or signatory countries, ie Colombia subscribes thereof.
 - We found that making home line resulted with total relief situation creates many opportunities for Colombian producers.
 - With the FTA Colombia wins legal peace, for in the agreement arbitration procedures in the event that disputes arise, the ATPDEA Colombia did not have these tools and was basically at the mercy of what the United States define and then to include conflicts.
 - Colombia acquires better conditions for the purchase of equipment and capital goods that help increase productivity in the sector, reducing tariffs from 20% to 5%.
 - Some of the products benefited most from the textile industry after signing the agreement were the bras, product received immediate presence to the introduction of these, of course this was due to meet the main requirement that these were counted and packed in their all in Colombia. In the case of ATPDEA this product did not have these advantages in relief, that was won fairly considering Antioquia has some of the largest companies in the industry and of course produced the product.

- The Colombian producers gained competitiveness in the sector, since the FTA with access to products from the Cotton, essential for the production of clothing and household linen raw material is achieved.
- The figure of the "accumulation" is created which allows products purchased in the region and incorporated in garment production do not affect the rules of origin for Colombian products, among which is the Demin, raw material Jeans with which occur American chains tailored to individual customers or used in the production of products for brands admissions by the figure of full package.

From the above analysis we can conclude that, access to markets that have taken the Colombian textile manufacturers, achieving new business with world-class companies, to contribute to our country, its products and its workforce change its image outside, in this case the largest market in our hemisphere, is undoubtedly one of the main benefits we obtained with the signing of this treaty.

We are aware that we need more competitiveness, our culture of reinvestment of profits in companies is still incipient, could be better, but we have taken a big step to make Colombia an attractive country not only to buy our products but also to invest at. Include the following statement in cohesion with our perspective:

The need for Colombia to sign FTA is more evident during the "VI Forum WTO Made in the World: Industrialization in the face of globalization and global value chains" held in Bogota in May 2013, is to

If Mr. Carlos Ronderos, president of the Asian Colombo Economic Council, said that in the new world trade are so essential imports and exports.

Then other relevant data supplied by the speakers at the forum:

- The Colombian products have, thanks to existing treaties, 850 million buyers.
- Colombia should sign more trade agreements to come out of economic backwardness.
- Colombia is ranked 69 in the Global Competitiveness Index.

- Of the 1.2 million of Colombian companies, fewer than 10,000 are export-oriented.
- In China, for example, exported only 283 companies and 50% sold less than \$ 50,000.
- Promoters Alliance Pacific countries, Colombia is exporting fewer dollars per capita.
- Colombia has no agreements with Asia, Chile has six; Peru, Mexico four to one.

Export container from Colombia will cost \$ 2,830, while in Chile it costs USD \$ 965; in Peru USD \$ 880 and in OECD countries USD \$ 1,080. (Colombia Digital , 2011)

Colombia is a country with great social differences, access to markets where they can sell our products makes it quite feasible to lower unemployment in the regions, and this was one of the pillars to sign this agreement.

2.2 Comparative analysis of the evolution of foreign trade, textile, before and during the entry into force of the FTA

Colombia signed a free trade agreement with the United States, primarily based on the principle of reciprocity, as should all agreements where both sides get benefits that allow them to grow economically and socially.

Recall that the theory of trade agreements, said that an agreement should be signed when you consider that could generate or create trade and avoided taking into account that more trade can deviate created

The textile industry has been an important item of national domestic product factories located in different regions of the country have contributed to job creation, fundamental for peace we long base.

According to information from Dane:

"The textile and clothing industry in Colombia has over 100 years of experience and a string of established and experienced production. The sector accounts for 7.5% of manufacturing GDP and 3% of the national GDP, is more than 5% of total exports" (DANE, 2014)

Also should take into account the following considerations, which once again the show the importance of this sector in the economy over the last decade, sales of apparel industry grew at a CAGR of 9.9% with a market value of US \$ 6832 - 2014. (DANE, 2014)

Colombia ranked as the third country in the region that grew in this sector. Euromonitor International 2015.

"Growing demand for textile imports in this category increased at a CAGR of 15% between 2010 and 2014 to meet the requirements of the local market and export supply finished goods to major trading partners like the United States, Mexico and Ecuador. " (DIAN, 2014)

"A business network with about 450 manufacturers of textile and garment production units 10,000. More than 100 years of experience and a consolidated production chain. " (INEXMODA, 2012)

In 2014 the sector generates approximately 94,506 jobs and contributes 14% of total employment in the industrial sector ((Invierta en Colombia, 2014)

Conocido todo lo anterior, es normal entender porque tanto el gobierno Anterior (Uribe Vélez 2002 – 2010) y el posterior (Santos 2010 – a la fecha) tuvieron como punta de lanza comercial la firma, ratificación y puesta en marcha de este acuerdo con el país del norte, estos gobiernos reconocen la importancia de este para la producción nacional de cara a las exportaciones, siendo el mercado americano uno de los más grandes si no el más grande para el sector textil Colombiano.

According to information provided by the Institute for export and fashion - INEXMODA, who is "the institute in Colombia generator research tools, marketing, innovation, training, internationalization and competitiveness for the textiles - clothing - and other distribution channels sensitive the design and fashion "

The figures for exports from Colombia to the United States in textile, even before the signing of the agreement are very important, presenting high levels of transaction that today allow the country to have the textile positive trade balance with the country's north and although no growth overwhelmed by the FTA are, we can deduce that the work done by the Colombian textile entrepreneurs is very well, it has managed to maintain the level in large proportions. (INEXMODA, 2014)

Table 3: Comparative exports and imports textiles to USA

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Enero - Abril 2015
Miles de dólares											
Exportaciones											
Fibra	486	-	18	232	3	0	0	-	-		
Hilados	10.510	6.714	6.757	7.312	2.049	1.944	4.619	5.834	5.417	4.430	1.151
Tejidos	10.926	9.265	11.484	13.760	9.014	10.337	11.972	15.092	14.759	23.107	7.906
Confecciones	484.592	432.693	318.802	285.079	202.146	238.451	222.135	212.113	236.631	215.311	74.629
Total general	506.515	448.672	337.061	306.383	213.213	250.733	238.726	233.039	256.807	242.848	83.686

Source: INEXMODA

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Enero - Abril 2015
Importaciones											
Fibra	51.262	68.205	61.523	72.185	79.118	105.828	138.593	61.081	70.368	54.599	7.947
Hilados	29.105	34.815	39.140	30.195	22.178	22.630	28.038	37.204	53.665	53.716	16.612
Tejidos	116.764	138.489	101.217	95.750	54.488	62.217	80.802	73.054	78.515	66.597	24.108
Confecciones	18.267	16.230	17.271	22.329	19.718	20.589	31.526	26.412	40.777	38.345	7.372
Total general	215.398	257.739	219.150	220.459	175.503	211.264	278.959	197.751	243.324	213.258	56.039

Source: INEXMODA

According to previous information, one can analyze that 2011 was a difficult year in export matters to the United States, for a deficit of USD 40,233 (In Thousands of Dollars) was introduced, and this period of the year with more imports on textile since 2005.

Comparatively speaking, Colombian exports to the United States in the last decade rates have declined more than 50%, with 2005 the best year, with export figures of USD 506 515 (Thousands of dollars) compared to export figures of USD 242 848 (Thousands of dollars) result at the end of 2014.

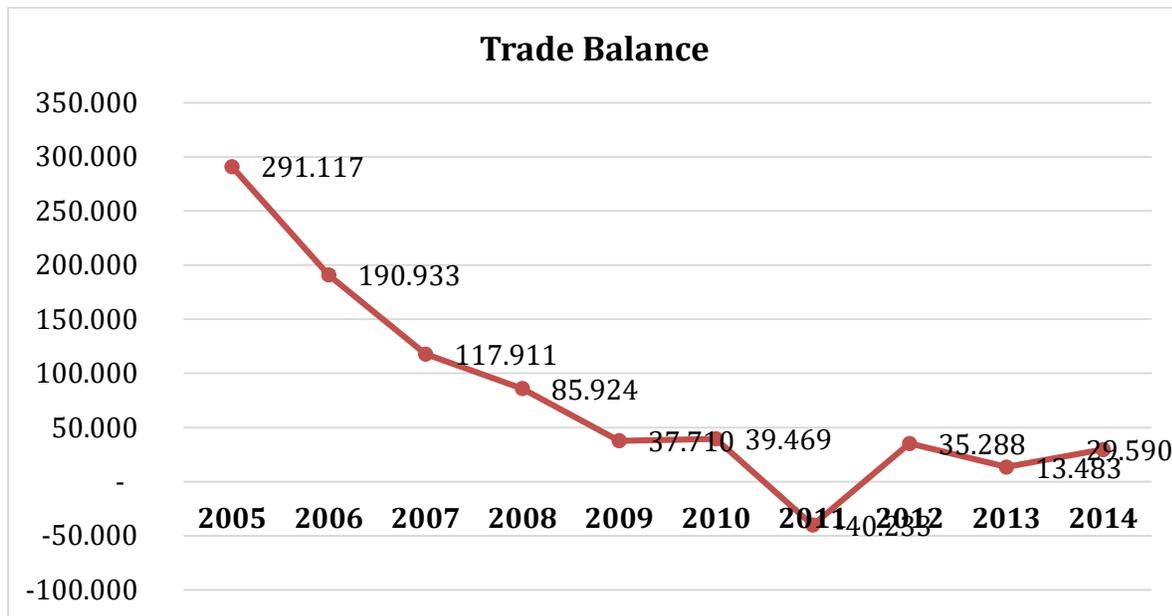
Decline rates are constant from 2005 to 2009, in 2010 the figures were up 17.60% in comparison with 2009, but undoubtedly figures were still very poor compared with previous periods.

The FTA takes effect from May 2012, the year in which textile exports to the US have a different lower than the year immediately preceding rather paradoxical situation, because now the industry had benefits for entry into the American market.

The years 2013 and 2014 showed fluctuating figures, increasing for the period 2013 to 10.20% from the previous year (2012).

The 2014 period closed with figures of USD 242 848 (Thousands of dollars), presenting a significant decrease in exports of almost 5.5% against the immediately preceding period (201

Graphic 3: Textile Trade Balance



Source: Dane

2.3 Possible causes of the actual behavior of the textile sector for the life of the FTA.

To summarize, for a better understanding of the possible causes of the behavior of the Colombian textile industry, they have been divided into two main variables: internal and external. The first is due to all those own and structural sector of the Colombian economy aspects. The second relates to factors unrelated and difficult to control by the national government, such as foreign competition.

Almost four years after the signing of the FTA, the Colombian government has failed to promote the implementation of origin accumulation extended, as explained by Mr. Carlos Eduardo Botero, CEO of Inexmoda in the opening ceremony of the 25th fair Colombiamoda where the president of the republic attended, among other top government officials.

With respect to the use of free trade agreements that you and your government have driven, and in particular the Free Trade Agreement with the United States, let me ask you to help us accelerate the implementation of origin accumulation extended; I should start structuring the first 6 months after entry into force of the agreement, "Botero told President Santos. Botero said that this mechanism of integration between Peru, Chile, Central America, Canada and Mexico with the United States, will allow the Colombian inputs are used as raw materials for making these countries and vice versa (LATARDE, 2014)

All this gives us evidence of deep problems of competitiveness that has the textile sector, which is tied in terms of growth of exports to the United States, it is important to clarify that the FTA has the main part, the Colombian textiles exported to the country from North, they must be composed largely of raw meterías originating in this country, or failing that of countries that have signed trade agreements with the United States, for which there must be the mechanism of accumulation extended Origin which would allow the Colombian producers go elsewhere to buy raw materials, which could certainly become more efficient in matters of costs and therefore be more competitive in the American market.

It is important to note that somehow small companies or even large textile industries were unprepared for the entry into force of the agreement, language barriers, cultural differences, political subjection to strict production quality and quantity Americans demanded by potential customers, and dependence on neighboring markets, are factors that have generated growth delayed in the category of exports. Not without addressing the issue of infrastructure and energy costs, items that stick directly on the basis of costs of production companies, as indicated by the president of the chamber textile and clothing Andi, Mr. Adolfo Botero

"The most important thing is to seek competitiveness through a reduction in energy costs for industry, as one compares the costs throughout South America and the highest are those that have ". (Botero A. , 2014)

In addition, Botero considers that the delay in infrastructure remains the 'Achilles heel' for this and other productive sectors, which insists that if Colombia wants to open up to other markets

"We have to look and see where we FTA costs to be competitive; Only when we see the symmetry we can go racing abroad, because if it is the product we have, but we need a little help in things that are external to the companies. "(Vanguardia, 2014)

Analyzing a little deeper the issue of competitiveness of Colombian companies as far as export concerned, it is prudent asides then bring up the results of the latest national logistics survey conducted this year by the National Planning Department, andI concluded as says its director, Dr. Simon Gaviria

"The results showed that 37 percent of logistics costs are for transport and distribution. Meanwhile, another 20 percent has to do with storage and 17 percent is associated with purchasing and supplier management (...) The planning and inventory replenishment means 9 percent of costs, customer order processing 10 percent and reverse logistics, 7 percent (...) according to the study, entrepreneurs believe that the main challenges to improve logistics are associated infrastructure, high cost of transport, roads, ports and airports insufficient and lack of logistics information systems" (DNP, 2015)

Now, going into issues of costs, then we bring a comparison of what it costs to keep a container of 20 in Medellin route - Cartagena, off the route Cartagena - Miami.

Transporting a 20-foot container to Cartagena, leaving Medellin has a cost to the exporter of COP \$ 2.7 million, compared to an international freight from Cartagena to Miami, which has a cost of USD \$ 1,017, if we turned to COP, based on an exchange rate of 2,900 COP / USD, as results would end up paying the exporter COP 2,949,300 pesos for this route, been quite worrying as cost parity between the two modes of transport note, which have very large differences in operational and commercial issues, not to mention traveling distances. (Private information)

The import logistics costs, plus the red tape which is exposed exporters see, in order to comply with the agreements made reciprocity mentioned above, make the same way as an export Colombian products start race at a disadvantage.

To determine the cause of a more specific way, in a real environment, we direct our fieldwork to conduct interviews with two key players in the textile sector SMMEs (small and medium enterprises) and multinational; all with the aim of meeting the two perspectives that help identify what the current problems of the sector with regard to the FTA; for it below illustrate the analysis after obtaining the information.

SMEs in our country have been major source of employment generation, and significantly reduce intervened in social problems such as poverty, underemployment and informal employment; They represent almost 50% of total employment in the country and are an influential actor in the economic system.

Historically SMEs despite the role they play in the economy have not been major exporters, so the FTA generated great expectations for microentrepreneurs and increased hope to have more opportunities to export to the United States.

But unfortunately the present of these companies remains daunting in export matters, paradoxically with the FTA already signed and in force; the companies visited reflect that reality manifesting great difficulty doing so diluted, for them the support of the state has not been fundamental, the rigorous standards of quality and quantity required in the United States treated them makes the process of internationalization, textiles from that perspective is still very informal and little automated production processes, attempts have been made with the government and ProColombia directly, working with strategic plans to export as it is for example Expopyme since 2001 with remarkable results short term but without great results in the long term; and that is one of the most critical problems evidenced, since government support to start is right but is not permanent and makes these companies are financially unsustainable in the long term; and to reverse this situation, the chances are minimal, in increasing production significantly increases the debt with suppliers and the financial system, we can say that the management with suppliers largely manageable by the long payment periods, but for the financial system of our country there is no confidence in MSMEs and debt deadlines are short and no benefit, this being counter to the strategic plan of the Ministry of Commerce Industry and Tourism with support policies especially MYPIMES The caption says: "Performing studies to identify potential areas for special grants of non-financial conditions, financial and aimed at the development of micro, small and medium enterprises."No solo lo anterior reduce la competitividad de las MIPYMES, en este sector también se adolece de personal capacitado, los esfuerzos del gobierno son tímidos e insuficientes y cada vez es más difícil encontrar personas lo suficientemente capacitadas para afrontar los desafíos de producción de estas empresas, el nivel de deserción es alto y la rotación de personal implica un deliberado aumento en los costos.

The signing of the FTA requires them for SMEs competitiveness and strict quality standards, many are not prepared for it, and in some very extreme case can no longer function, but struggling to stay internationalize rule out the possibility but noted great potential locally, the local competition accommodates the work done by these companies and for this reason many decided to potentiate

the domestic market with perhaps unexpected but immensely positive results, in addition to that with large projections.

The current situation of small and medium enterprises with regard to the signing of the FTA has not been as expected is still much work, government strategies have not been well structured and redesign plans and even restructure some parts of the FTA is often unavoidable in the current context of the textile sector of our country.

However, the prospect of the multinational sector is totally different and the contrast is much more favorable, they specifically state that on production and melting of industrial systems around the world have been instrumental in the process of growth and competitiveness; the FTA allowed the multinational textile industry had a larger presence in the American market. Expectations and undoubtedly all stakeholders are many and great, their hopes lay in opening new stores and strengthen international growth; That actually was giving after the entry into force of the treaty now has several outlets in the US and with a promising projection.

The difficulties for these companies with respect to the FTA, are based on changes in culture, learn about situations, breaking paradigms; the learning process has been the focus of development for the industry, learn how to do things for to compete with large established brands, both national and international American and positioned in the US market; this compared with small and medium enterprises generated an imbalance of great magnitude, clearly evidenced multinationals despite the difficulties are better able to cope and unfortunately loaded SMEs weighing less favorable for their projections.

Projections for multinationals are directly focused on marketing, positioning marked according to international standards, the product as an innovative factor, including quality and fence at the forefront of materials are opportunities to expose the treaty and effectively you to bet on them to further open international market.

In export terms we can say that growth has been remarkable, and is increasing, it is industries that brings growth in exports and after the entry of the treaty are much more crowded and growth has been sustained.

Accompanying the government has been benefactorio for this industry, specialized institutes have given them advice, participation in fairs in the world; ProColombia and Inexmoda these ambassadors have been textiles and function greatly facilitates the development of the FTA in the industry.

This undoubtedly industry has a great advantage over the other, the environment remains stable and with many projections, the treaty was essentially them useful and used the opportunities; but applies also mention that the context of each company is the same and the growth, development and adaptability of the treaty depends heavily on the capacity of the same, namely that in some cases regardless of the size of the enterprise some effectively they adapt to the conditions of the treaty so but others are not, yet the contrast is generally expressed as the above where you see that the multinational industry is much more favored than the industry SMEs reflecting a large inequality dimensions in the economic development of our country.

3. Findings

By investigating the current situation of FTA in our country, specifically in the textile sector, we found several situations that largely reflect the current outlook of the sector.

In developing the first objective we show the undersigned tariff changes with the signing of the FTA in consolidation with the tariff structure of the APTA-APTDEA; for the first agreement (APTA) several limitations were imposed specifically with the rules of origin tale as restricted use of regional yarn, restrictions on the inclusion of woven and nonwoven fabrics, restriction in the fabrics of the United States are taken in our region Andean, accessories and interlinings are limited to 25% of the cost of manufacture; although they are definite restrictions were imposed in order to prevent drug trafficking and largely not promote the economic development of the Colombian textile manufacturers; and with the unification of the agreement and the entry and APTDEA, directly it included in the Andean Trade Promotion and so the outlook was more promising for the textile industry of our country.

With the entry into force of the FTA opportunities for Colombian textile producer with the entry of more than 4000 items with zero tariffs they were increased; the strengthening of tariff preferences in conjunction with APTDEA Colombian clothing increased their share of the US market, major changes and advances to the input of FTA such as achieved products covered in textile by the FTA were included in the chapters 61 and 62 of the tariff schedule thanks to the rules of origin implemented to that procedure. According to the principle YARD FORWARD, the benefit of textiles to the United States to introduce tariff measures, which are produced with yarn from the same country Colombia it was obtained.

Another significant change that we show in the investigation, which was achieved with the FTA the benefits granted to textile bras which received improvements in rules of origin for export will be cut and made entirely in Colombia.

Fundamentally changes in tariff matters are very representative for the textile industry with the entry into force of the FTA; but this does not mean complete fulfillment in their development, so we will continue describing the findings of the other objectives thus revealing the phenomena presented.

The second objective, comparative analysis of foreign trade, before, during and after the entry into force of the FTA, clearly we show that the export figures for textiles from our country to the US have been benefactors, has always maintained a level of large proportions, but paradoxically so expected the FTA has not been an overflowing and deliberate growth over the entrance of the same, even before they go into effect with worrying figures were evident downward trend

With the figures in FOB (Thousands of dollars) of the Colombian textile exports in a context that is illustrated in decline since 2005, being one of the best years with considerable figure in exporting art from 2012 in which the treaty enters into force one comparatively lower performance compared to the previous year, incomprehensible situation because at that time the industry had more chances to enter the US market is denoted. In the following years 2013 and 2014 are presented fluctuation phenomenon, in 2013 the figures ranged in 10.20% compared to 2012, and in 2014 a decrease of almost 5.5% was noted compared to the immediately previous 2013 period.

And finally for the third goal and determine the causes of the actual performance of the sector since the validity of the treaty; we conducted an investigation in detail using secondary information; We identify and circumstantial causes that negatively infer effectively in developing the sector; to contrast these causes in reality, we met the context of small and medium enterprises as well as

multinationals in the textile sector, which enabled us to diagnose a real way what has been the real source of the problem behavior in the sector since the FTA

A major cause we found through research is that for the textile unionization of our country has been a limiting factor delaying the implementation of the accumulation of origin made by the government, within the framework of the FTA should be implemented and the first 6 months of entry into force of the agreement; this extended accumulation of origin is an integration that will allow Colombian inputs are used as raw material for making in countries such as Peru, Chile, Central America, Canada and Mexico and vice versa; the delay has not been justified and entrepreneurs claim the same readiness for mass exports and encourage economic openness. But the decision seems to be subject to the rigor of the same treaty and facultative government seems to have no capacity to make the decision in the hands of United States.

The fieldwork in companies, especially small and medium which in total was two; we show a problem that has always been discussed and is with respect to these companies were unprepared for the entry of the agreement; language barriers, red tape to export a product, the quality and quantity standards required in the US market are some of the impediments that have to live if you want to venture into a highly potential market for their production; the perspective of these companies is based on microentrepreneurs had many expectations regarding the treaty, but in its development after 2012 has not been effective enough for them, even he is very shy and almost zero for some, at this problematic these producers decided to potentiate the domestic market with unexpected positive results and with much more promising than the same FTA projections; the support of the state in these areas has been very poor, these entrepreneurs complain about the shortage of trained personnel to its production staff, and strongly question the strategies for them are some determinants that has implemented the Colombian state, with regard to investment and acquisition of new technologies to automate and formalization of small and medium-sized enterprises differ in that there are no

grants or financial preferences to emerge in this regard; Generally finished the FTA has not been well focused for these members of the textile market, many stopped exporting and those who continue to do so to a lesser extent and these are no big difference from the ATPDEA.

4. Conclutions and recommendations

4.1 Conclutions

The Free Trade Agreement between Colombia and the United States has not had the expected results or set by the government for the textile sector, as exports have not grown as planned, even so, you can not blame this results in their all the FTA, because we find that the figures for cutting export industry in coming issues long before the implementation of this agreement.

It is prudent to note that Colombia today is with large arrears on infrastructure, a situation which prevents or shortens the effective capacity of producers, the figures are quite large logistics costs against the FOB value of the goods subject to export .

Perceptions about the benefits or problems you have had this agreement are quite contradictory between small and large textile company, as our fieldwork (interviews) found that while small businesses have not found a way for the consolidation firm, the great company presents very acceptable growth rates.

The lack of investment in the Colombian industry, the culture of not reinvesting profits in small industry led to large decline in the growth of the sector, such phenomena as informal, non-compliance of quality standards, in addition to low production capacity are everyday situations in the sector, especially when competing in the world's largest market.

We can not ignore that there are organizations in Colombia who work for the improvement of the sector, such as are Inexmoda and ProColombia that by promoting investment and innovation have contributed to the sector have symptoms of structural improvement.

Certainly the government should speed up the implementation of the textile reciprocity, because this sector would gain competitiveness and cost efficiencies.

4.2 Recommendation

The textile sector must implement innovative processes that enable them to be prepared to face the constant changes and market demands, and thus give advantage of the great opportunities that the foreign market provides the high added value and design innovation.

They should support small businesses to the revitalization process and strengthening design and product quality, improving quality standards are very important in the market which came the final product and thus take advantage of the FTA with the United States.

It is urgent to improve the Colombian infrastructure in order to improve efficiency in times plus logistics costs for exporting companies. Efforts should be made to have a more streamlined customs procedures theme, cutting paperwork and preventing the mafias operating in ports indirectly, a situation which results in additional costs.

Implement a deeper support from the financial sector to small businesses, which are forced to sell at a very high payment periods, affecting their liquides, which is sought in the financial sector but without much benefit. The government should provide relief to such credits.

Encourage the government to professionalize the industry, and support for the implementation of more research and development towards the subject of design as an added value of industry.

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Annexes

A. Annex: SMEs interview

Name: Litaltex S.A

Location: Collection center, Municipality of Carmen de Viboral

Objective: Identify the impacts generated by the FTA from two perspectives of the textile sector.

Interviewer: Juan Sebastián López

Interviewee: Cesar Augusto Olarte Rojas

Position: Plant Manger

1. ¿Before the entry into force of the FTA and after that how was the behavior of the sector?

Basically, it was a regular behavior, for us it has specifically been the same, I personally do not find difference with this treaty to the ATPDEA particular, the FTA has not significantly been influential for us not generate growth.

2. ¿What are your expectations with the signing of the FTA?

Before the entry into force of the FTA, we have high expectations for the possible opening of this new market to America and besides that, maybe that would happen with several customers we had in Mexico, if the state possibly reduce tariffs finally they did not help to maintain in force the agreements with the same customers and the trade agreement was finally diluted.

3. ¿From your position, explain in detail which are the benefits and negative effects of the treaty?

A very important decision that took the company some two years ago, was precisely to stop exporting to us the negative effects were visible and this is what finally influenced the decision, and frankly the treaty can bring many positive effects for many by example you know colleagues in CY Jeans or Expo Faro (Levis) and they have doubled their production, but they are one of the few beneficiaries of the agreement and in our case, unfortunately it was not and we even now was a decision successful largely because we entered the local market and the results have been very positive, because for example many companies in our industry to export is considered the best, but we have potentiated this market really was quite forgotten.

4. ¿ You considers that the Colombian government has abandoned the sector or has provided support and assistance in the process of opening up the economy?

The truth has been very little, despite our company on the market for many years and has remained, the government falls short in its support to open new markets, specifically the tariff issue us a lot and hurt us in the crisis with Venezuela for example we feel the abandonment of the state; there had potential customers and after many attempts never reached a

consensus with the government to design at least protectionist measures that benefit us and mitigate the economic impact that generated the crisis in our sector especially.

5. ¿What are the main challenges facing the sector to meet the FTA in a good way?

At this time, we no longer according to the situation presented, interested in being prepared to enter the FTA, once we were as I mentioned above but because of what happened the company wants to further strengthen the local market, which has given us better results than the same exports.

6. ¿Since the entry into force of the FTA Exports have grown their company into the United States? If yes, what is the percentage increase?

Initially before entering into force the treaty had approaches with Proexport now ProColombia and Inexmoda, with the possibility of acquiring new customers with the United States, we we welcomed the Expopymes of ProColombia program and the results began to show at first but unfortunately do not feel the same accompaniment after the government and the company was not prepared financially to face new challenges in the long term and ultimately did not hold anything, still try to keep customers in Mexico and Venezuela but according to the situation we saw us forced to dilute trade agreements and delve entirely to the domestic market.

7. ¿They were about the opportunities the FTA provided to your company?

Many expectations but few opportunities because nothing is finally agreed; for example we had budgeted to open more plants here in eastern Antioquia industry as it is affordable for tax sector to small and medium-sized enterprises like us; all hopeful that the treaty would make benefactorio and would give us the chance to grow more but unfortunately it did not happen, just as we can not complain because if increased production and opened two more plants in Medellin but thanks to the raid on the local market.

8. ¿Do you export your company to the United States?, how often? If not, why?

We had many approaches, but nothing is given, as mentioned above several textile companies located some in the valley of boredom and others here from the east had meetings with key to bond effectively to the American market so guilds, our case you know which was, we decided not to export first by tariff barriers and we greatly affected the origin requirements that asks EU to export, but I know companies who were there that if they began exporting deliberately and had an unexpected growth in early type 2012, 2013, but the outlook of these companies today is very discouraging to the point that some think close and others have been significantly reduced; then look at what we did finally if it was a very good decision because maybe we were in the same situation the projection of the treaty that long-term growth and we do not mean that's why we made the decision.

9. ¿Do you think the FTA has been a motivating factor for the textile industry to seek formalization requires both? They have grown garment producing companies?

A generally possibly other level, but the motivating factor must be accompanied by strategies formulated by the state for example to give us support in process automation is a key point for the FTA, staff training is a cyclical issue in this sector in Colombia there are shortages of skilled personnel for the industry and even with SENA (National Learning Service) have made many efforts are still inadequate, but it is also very important to mention that we at the beginning we had a lot of support from incubators calls thatThey help start businesses; but with respect to FTA I believe personally that we with the state we had to articulate long before the treaty enters into force soon and prepare and enable more is why the Treaty for the textile industry has been a total failure.

10. ¿Is the FTA with the United States requires that you hire more employees?

No sooner if we keep exporting we had thought about reducing the staff certainly thank God strengthening the local market went from having 100 employees to have almost 300 days, and most importantly in agreement with the Mayor of hiring a large majority Personal single mothers, and you can verify that the vast majority of those employed worked earlier in Sotinsa the leader in confections in this region and that is unfortunately already very low and about to disappear.

11. ¿Have you found raw materials in the United States with some form of relief that allow you to produce for export to the same country and even to other destinations?

Precisely this was a barrier to find the FTA, the issue of raw materials to North American origin is very rigorous and we were not prepared for that, today all raw material are the local market and has done very well, because we work under orders, we have no inventory and their availability is almost immediate, that is when the issue is not complicated logistics.

12. ¿Do you think that this agreement is advantageous or disadvantageous for producers of Colombia compiling one?

I think it can be very advantageous, but state neglect and lack of preparation that we can be very disadvantageous; so it is essential the role of government in this regard, they should design new strategies and must coordinate the efforts for the treaty to yield the expected fruits; and for us it is still very attractive American market is a potential for Colombian textile market so the story goes, if the state proposes and working on new options maybe we embrace us and we can succeed.

B. Annex: SMEs interview

Name: Dugotex S.A

Location: 64C Street No.88A - 19 Municipality of El Santuario Ant.

Objective: To identify the impacts generated by the FTA from two perspectives of the textile sector.

Interviewer: Juan Sebastian Lopez

Interviewed (a): Ligia Duque

Position: Head of Plant

1. Before the entry into force of the FTA and after that, how was the behavior of the sector?

Well, with the knowledge that I have, the company has generally had a continuity in your production system, what we see reflected in the production plants, basically the behavior was the same, but we have had great impact with the issue of Venezuela because we had such great potential beyond 2009 it was very hard, after the entry into force of the FTA the performance of the sector and for us has been the same.

2. What are your expectations with the signing of the FTA?

We had great expectations, even in early 2012 we had approach with two American companies, we made several production tests, send samples, products, but eventually had many setbacks for the requirements asked us, high quality standards that at the time could not meet our internal process that were not commensurate with the requirement, the FTA with the expectations today there are very few, almost nil.

3. From your position, explain in detail which has been the benefits and negative effects of the treaty?

Well, I've always thought of free trade agreements with other countries is that as long as the country with which the agreement has made a strong currency, a country with good marketing strategies, quality products, obviously beneficial because it is a competition on equal terms, as if made for example with Asian countries that handle large production volumes make us very difficult to compete at the rate of production of them, then our products hardly compete with them because clearly we are at a disadvantage because our production costs are higher than theirs; but talking about the FTA with the United States specifically the effects can be very positive as long as the benefit is for both parties, ie mutual benefit.

4. Do you think that the Colombian government has abandoned the sector or has provided support and assistance in the process of opening up the economy?

Faced with that part specifically, when one feels that market opening, the agreement with the government should be responsible enough to equal the other countries enter our market, we might get on equal terms to other countries, make a healthy competition with local products from the same

countries; but one feels that tariffs are increasingly complicated, Colombia manages a tape required for export exaggerated and sometimes it becomes difficult to export, then the mere fact of taking the product becomes almost impossible; according to that the government support has not been reflected because more and more obstacles and more stringent processes for export, besides that the financial system does not trust our ability to pay and in lending do short term and that It affects even the possibility of exporting.

5. What are the main challenges facing the sector to meet the FTA in a good way?

Well, Dugotex right now going through a difficult time at managerial level will be presented many changes following the death of the founder and owner of the company; then in the process of restructuring I'm sure that from the commercial area located in Bogota will give priority to continue to maintain what is already and believe not think right now assume the FTA until it reorganizes eg again Board of Directors; but believe that efforts to tackle the FTA for the first time for us to go to minimum, because the treaty has meant growth for us, much less great opportunities; we are a maquila for Dianne & Geordi and the brand has had a growth potential in Colombia and has done very well so I think that we should concentrate on following the same line and maintain what we have done.

6.¿Desde the entry into force of the FTA have grown his company exports to the United States? If yes, what is the percentage increase?

From the entrance of the agreement, we have maintained, we had several lines of similar production compared to other years, although we are not exporting to the US for various reasons I have mentioned, if we made the

attempt to continue with the same capacity production, and 2012 despite the treaty entered into force was one of the most difficult years in 2009 because it definitely was allowed to export to Venezuela, we drove 95% of sales to Venezuela and 5% in Colombia, to Following production plants were handled here and there but marketing the return of that money was very complicated which made us to focus on the domestic market under the uncertainty of obtaining good results but thank God we have done very well and as we drove nearly 100% domestic sales

7. Were about the opportunities the FTA provided to your company?

For they saw many opportunities, but those opportunities materialize was not easy and finally we were not barriers but opportunities and constraints to export.

8. Does your company exports to the United States?, how often? If not, why?

We have not done, intentions and approaches we have had, but the limitations of red tape, export costs, quality standards make the company not set at this time and has not been concluded; but with these very fluctuating markets and the unexpected behavior that may occur later we plan to enter new markets and get more customers.

9. Believes that the FTA has been a motivating factor for the textile industry to seek formalization requires both? They have grown garment producing companies?

I think that with the FTA, many companies that had many expectations about the opening, but I also know that the setbacks we have in the country, all you mentioned now makes it much curb, sometimes we put much hope in new projects or laws that leave, but we really realize that that law between force other requirements are needed, here in the local part there is much development on the part of maquilas but these are directly managed by the producer in most cases they are in other parts of the country, yes, there are many maquilas in this area but there are many who have then closed think the issue is even, which are working from home with few employees and empiricism is noted, but I think that for the formalization of these plants and the automation of processes need long way to go, it must also be work with much support from the state so far is insufficient.

10. The FTA with the United States requires that you hire more employees?

We in our plant, we have handled a high turnover of staff for different reasons, especially here in our town still handles many idiosyncrasies that women do not need to work because he does not need food and prefer to stay at home looking after their children, that is one reason, another clear reason is that we suffer from trained staff and that is where I question the role of the state address this issue, the education sector is zero and that is where it becomes clear that the state is not committed with us; the dropout rate is much because people without experience generates an impact assume tasks for which he is unprepared, and for us means wear and retraining costs also increase.

11. Have you found raw materials in the United States with some form of relief that allow you to produce for export to the same country and even to other destinations?

Although I'm not tied to this shopping area you are in Bogota, if I know that the companies also develops its own raw materials and manages some supplies locally, and believe that all raw materials used in 100% Colombian.

12.¿ You consider that this agreement is advantageous or disadvantageous for producers in Colombia compiling one?

I think the economy is becoming more globalized, I think if we should have fewer barriers, borderless, fewer situations that prevent the free flow of things, then equal, taking things balanced, no disproportions as we have by such as with fluctuating currencies, one would say that this should be advantageous because if we think that trade is always focused on meeting

the needs of individuals, countries, one would think that free competition gives possibilities to the consumer to choose what that it is most fits your needs. We have many projections and of course the US is in our plans, we had timid approaches ever on American soil a store opened without much success immediately closed; the treaty is advantageous as long as the Colombian government mitigate all those negative impacts that can pass through because we really are not able to face them alone.

C Annex: Multinational Interview

Name: Onda de Mar S.A

Location: 14 Street #30-29- Medellín Ant.

Objective: To identify the impacts generated by the FTA from two perspectives of the textile sector.

Interviewer: Juan Esteban Mesa

Interviewed (a): Andrés Lopera

Position: Visual Manager

1. ¿ Before the entry into force of the FTA and after that how was the performance of the sector within your company?

I think it is based on two parts, one is the whole issue of production and fusion of industrial systems elsewhere, as these allowed the product more competitive, as the agreement were agreed to new materials and export finished product that made the brand differentiate, on the other hand, the FTA allowed the company definitely had a larger presence in the American market, making more of our products will be positioned in the gringo market, this agreement helped the recognition of labor as the product is stronger in this market

2. What expectations had Onda de Mar SAS with the signing of the FTA?

The expectations were very large, because the brand is part of an investment fund that had always projected growth of the brand quite important, especially in the US market internationally. The growths were supported in opening its own stores as a result of work, today the company has 7 stores throughout the Americas, developments that took place in the last four years, ie, the last 6 stores were opened in the last 4 years, although it is important to tell you it's been a difficult process, but the results certainly always been supported by the FTA, as this has allowed Colombian brands like ours colonize the American market with its own sales.

3. ¿From your position, explain in detail which have been the benefits and negative effects of the treaty?

I think the benefits are more than negative effects, negative effects have been difficult to learn about the joints, changes in culture, or even break paradigms that brought the FTA, learn how they had to do things in order to compete with already established American national and international brands, but certainly the benefits have been higher so I said in the previous question

4. ¿Do you think that the Colombian government has abandoned the sector or has provided support and assistance in the process of opening up the economy?

Honestly, I think the government has not abandoned the sector, I think we have created institutions, have generated entities that specialize in providing advice and lead us to participate in fairs in the world, just as we found much thrust some of the brands that have large working level by local authorities in the sector stand out. Inexmoda, ProColombia are such

organizations which I think have done an exercise almost ambassadors for our products abroad and work for us to seize the benefits of the FTA have been very large and value.

5. ¿What are the main challenges facing the sector to meet the FTA in a good way?

We have two fronts, and I think not only our company if not all brands, the first is the head of marketing and brand, which is like all the construction and alignment of the brand with the world's standards, and the other It is totally directed to the product, which must be an innovative, nice product, very good quality, this at the forefront of materials. These are two sides in which we must work to confront everything that brings the entrance to the world's largest market, the opportunities that come within the treaty implied generate very great challenges to brands.

6. ¿Since the entry into force of the FTA Exports have grown their company into the United States? If yes, what is the percentage increase?

We have grown in participation, we have grown to 2 channels in the distribution channel, where we have a presence in department stores and the retail channel, which as I acknowledged earlier, today we have 7 stores in the United States and the Next year we are projected to open 2 more stores, then this causes the growth of exports is much higher, it is much more agile. All this has allowed us to have an office in the United States which supplies as a commercial office in charge of making the relationships with the stores themselves and with the other customers.

7. ¿Exported its company to the United States? How often? If not, why?

Yes, our company has always been a company focused on large percentage of our product is put on the outside, while recognizing that our behavior in sales in Colombia is important. Talk about numbers at this time would be a bit speculative, but I can assure you that our operations have grown steadily; the mere fact of having seven stores today and 2 more planned for next year gives accounts of our growth in this market.

8. ¿Do you think the FTA has been a motivating factor for the textile industry to seek formalization requires both? They have grown garment producing companies?

Undoubtedly, the industry was not prepared in many ways to enter the world's largest market in consumer issues, competition was diminished by processes which in many cases are not made in the best way, of course that this industry there are companies very greater than if they were, but those already exporting to this market, supported largely by the APTDEA, poor preparation mean more is the small business, which often had no business formalization much less good labor practices.

To us it opened up a significant spectrum as company finished product, growths that can be obtained from the point of view of sales and presence are very large, but it should be very judicious and creative addition to persistent, it is not easy to reach the market, cultural issues, and purchasing power, then you have to plan a lot.

9. ¿The FTA with the United States forced you to hire more employees?

Yes, of course, we should grow in level, on staff backoffice, plus indirect jobs we need to build shops, activity design, control and approve ourselves, because we've never wanted to give the issue of perception brand to other companies, which it undoubtedly could do well but at the end of the day they feel the brand and the truth is not easy to get someone I molded your brand DNA in a store.

10. ¿Have you found raw materials in the United States with some form of relief that allow you to produce for export to the same country and even to other destinations?

Sure, but the vast majority of our raw material purchases are made in Europe, on the type of design that we handle, but if we found.

11. ¿ You considers that this agreement is advantageous or disadvantageous for producers in Colombia compiling one?

This question is very good, and should not be done at a general level, much less answer it the same way, perceptions of this agreement are more focused on the lived experience of each company, in my opinion the agreement was good, but has depended much has had the ability to migrate our company processes in terms of ways to proceed, knowing accommodate structures and a culture very different purchases to the Colombian market. We have our own outlet, which somehow allows us to be close to the customer swiftly, that has helped us measure the market,

and we have a strong development department, which has been at the forefront of the this market demands.