

## Profiles in Trade Colombia Offers Growing Export Market for CalChamber Member Cange International

Cange International Inc., a San Diegobased export management company and member of the California Chamber of Commerce, is keeping a close eye on the upcoming congressional vote on the U.S.-Colombia Trade Promotion Agreement.

A vote by Congress in favor of the agreement would go a long way toward sustaining the company's staff positions in San Diego and Los Angeles, and creating new California jobs in international marketing and sales.

Cange International's business is 100 percent export. The company sells U.S. manufactured high-end consumer goods for the home, including such well-known kitchen appliance brands as Viking Range Corporation, Northland Corporation and Marvel Industries.

Cange International has been exporting Viking Range Corporation products into Colombia through a distributor in Barranquilla for more than five years. Cange has experienced triple-digit growth in sales there for each of the last four years, coinciding closely with Colombia's own remarkable growth statistics.

## **Promising Market**

"At this point in time the market of Colombia holds great promise for our company and many other California companies," notes Robert Cange, president. "Over the past several years, under President Uribe's highly effective leadership, Colombia's transformation has been nothing short of miraculous.

"Its economy has strengthened significantly and at the same time all levels of drug-related crime have been greatly reduced. In addition, Colombia's consumers consistently exhibit a strong recognition of and preference for U.S. brands. This is very important for our company because our primary competitors in Colombia's high-end sector are from Europe."

The United States has already been offering Colombia preferential duty

treatment on a unilateral basis since the 1980s, with more than 90 percent of Colombia's exports already entering the United States dutyfree.

## Level Playing Field

A vote in favor of the U.S.-Colombia Trade Promotion Agreement would finally "even the playing field" for U.S. companies exporting to Colombia. If the agreement is passed, the duties for more than 80 percent of U.S. products currently exported to Colombia will be eliminated immediately; duties for the remaining U.S. products will be phased out over time.

ucts currently exported to Colombia will be eliminated immediately; duties for the remaining U.S. products will be phased out over time. Without the agreement in place, the government of Colombia presently charges for Cange International's products a duty rate of 20 percent, which is calculated on the CIF value, meaning an amount of 20 percent of the total cost of the product plus insurance plus freight is charged.

## **High Duties Hurt Exports**

High duty rates create higher prices to consumers; however, even more detrimentally, duties can prevent a company from successfully making a high enough volume of sales to make the exercise of exporting to that market worthwhile.

For example, some companies require a two-step distribution structure and cannot effectively market their products in a direct way or through a one-step distribution arrangement.

"The elimination of a 20 percent



Magazine ads such as this one placed by Solid Brass, distributor for Cange International Inc., help the company market its Viking products to Colombian consumers.

duty can mean the difference between being able to afford to set up a viable distribution structure in Colombia or, conversely, simply opting not to attempt to sell into that market at all. For this reason we are so pleased that this agreement could afford companies in California and throughout the U.S. some substantial distribution opportunities," says Cange.

"Profiles in Trade" is a new regular feature in **Alert** highlighting the international trade activities of member companies.