

Policy Backgrounder

The Colombia Tariff Episode

The sharp dispute with Colombia over Colombia declining to accept two US repatriation flights escalated quickly but deescalated equally quickly and did not lead to actual imposition of threatened US and Colombian tariffs. But the fallout from the episode will affect US-Latin American relations and offers hints as to how the Administration views trade policy.

Key Insights

- On Sunday, January 26, the President threatened tariffs after Colombia declined to accept two US military flights carrying returning deported migrants. Colombia threatened retaliatory tariffs but quickly reached an agreement with the US regarding deportation of Colombian nationals, and the tariffs were not imposed.
 - Beyond tariffs, however, the State Department temporarily suspended visa issuance in Bogotá and the President threatened additional economic sanctions on Colombia -- very strong action against a country with which the US has generally enjoyed strong relations and a major oil supplier to the US.
 - Colombia's ties with China have grown in recent years, and the incident risks pushing Colombia closer to China and to the BRICS grouping.
 - The President is still threatening to impose tariffs on Canada and Mexico on February 1.
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An Extraordinary Sunday

On Sunday, January 26, Colombia declined to accept two US military flights with deported migrants and President Gustavo Petro said the US “cannot treat Colombian migrants as criminals.” Petro likely acted after reports of a flight returning migrants to Brazil [suggested](#) that migrants were placed in handcuffs and tied by their feet and insisted that migrants had to be returned “with dignity.”

Learning of the refusal, the President [threatened](#) tariffs of 25% on all Colombian goods that would rise to 50% in a week if the US’ demands were not met. In remarkably swift action, the State Department also [suspended](#) visa issuance at the US Embassy in Bogota and promised to revoke visas for Colombian government officials and their family members -- measures normally taken as part of economic sanctions against an [adversary country](#).

In addition, the President said that “Treasury, Banking and Financial Sanctions” using the authority of the International Emergency Economic Powers Act (IEEPA) would be “fully imposed.” He [added](#) “[t]hese measures are just the beginning. We will not allow the Colombian Government to violate its legal obligations with regard to the acceptance and return of the Criminals they forced into the United States!” From one perspective, while he offered no proof that Colombia had “forced” the migrants here, the reference to the IEEPA derives from the President’s power to impose tariffs immediately using that law, as opposed to other statutes. (For further background on the statutes concerning imposition of tariffs, please see CED’s Policy Backgrounder [“Tariffs: Not Yet But Still A Threat.”](#)) From another perspective, this threat potentially encompassed the full range of economic sanctions, including on international banking and financial services, that the US has previously employed only in extraordinary circumstances, such as after Iraq’s [invasion](#) of Kuwait in 1990 or Russia’s [invasion](#) of Ukraine.

In response, Petro threatened retaliatory tariffs on US goods and noted that 15,600 Americans in Colombia were undocumented. But he held a weak hand and faced [criticism](#) from within Colombia for actions that could harm the strong economic partnership with the US; former President Iván Duque [termed](#) Petro’s refusal of the US military flights “an act of tremendous irresponsibility.”

Later that day, President Petro [agreed](#) to accept returning migrants -- but contrary to initial reports and a White House statement, the migrants were [returned](#) on a Colombian plane rather than US military aircraft. The Colombian ambassador to the US [stated](#) that only immigration officials, rather than military personnel would be on the flights and that military planes would be used only as a last resort. Tariffs were avoided, but questions remain on the longer-term impact on US-Colombian and US-Latin American relations.

The US and Colombia

While relations have occasionally cooled under Petro, Colombia’s first leftist President, the US and Colombia have long enjoyed generally warm relations, particularly under more conservative

Presidents Álvaro Uribe, Juan Manuel Santos (who on Sunday [recommended](#) dialogue and “moderation” in the style of George Washington), and Duque. The US and Colombia have had a [trade promotion agreement](#) (which includes reduction or elimination of tariffs), since 2012. US-Colombia trade reached approximately [\\$53.5 billion](#) in 2022, with the US having a surplus of approximately \$3.9 billion. Notably, while Petro is a skeptic of increased fossil fuel development, Colombia was the US’ [fourth-largest](#) source of crude oil imports in October 2024 (the latest month for which data is available), at 216,000 barrels per day -- and the figure has been rising. Colombia was also the US’ [second-largest](#) source of [coffee](#) imports in 2024, falling from [first](#) in 2023. The US is both Colombia’s biggest export market and a top aid donor ([\\$738 million](#) in Fiscal Year 2023), with much of the aid for counternarcotics programs and support for governance after the end of Colombia’s long battle with the Revolutionary Armed Forces of Colombia (FARC).

Colombia and China

A corollary of generally strong relations with the US is that Colombia has been [slower](#) to develop relations with China than some other countries in Latin America, such as Brazil and even Peru. Colombia is not a formal member of the Chinese-led Belt and Road Initiative (BRI), but is [considering](#) joining to [update](#) its current economic agreements with China, including the “Colombia-China Initiative” which Duque signed in 2019 as a substitute for BRI membership, and a Bank of China [subsidiary](#) in Colombia. The countries also have an essentially [symbolic](#) “[strategic partnership](#)” after Petro’s visit to China in 2023. (China is Colombia’s [second](#) largest trading partner.) One official of the Petro government [noted](#) that “[w]e view our future as a country that works with everyone, that collaborates with both the United States and China, we reject the Cold War framing of our diplomatic efforts [.]” In addition, Colombia is [reportedly](#) interested in joining BRICS at the suggestion of Brazil and may as a first step join the BRICS-affiliated [New Development Bank](#), led by former Brazilian President Dilma Rousseff.

Conclusion

The White House argues that Colombia’s quick backing down from its refusal to accept flights means that the “events make clear to the world that America is respected again.” But although the steps in growing China-Colombia relations predate the current sharp disruption of last Sunday, those steps likely also caution against simply assuming that Colombia’s dependence on the US gives the US exceptional leverage against the country for much longer as Colombia seeks to expand its trading options -- which the threat of tariffs from the US will likely accelerate. Tariffs on Colombian [flowers](#) (\$1.14 billion in imports from January-November 2024) before Valentine’s Day would have disheartened romantics; the real question remains how to restore trust and even affection between the countries at a time when the US’ principal commercial and geopolitical rival is also courting not only Colombia but Latin America as a whole.

About the Authors



David Young, President, CED



John Gardner, Vice President of Public Policy, CED



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