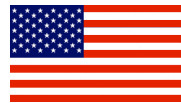




# The U.S.-Peru Trade Promotion Agreement: A Very Good Deal for California



**The Facts:**

- The U.S.-Peru TPA would level the playing field by eliminating Peruvian tariffs on many products that play important roles in the California economy.
- California’s economy benefited from \$119.7 million in total exports to Peru in 2005.
- California exports include computers and electronics, machinery, crop production, petroleum and coal products and miscellaneous others manufactured products.
- Today, Peruvian tariffs add between 5.8% and 25.0% to the price of these California exports.
- The United States levies tariffs of .01% or less on equivalent products from Peru.
- With the U.S.-Peru TPA, exports to Peru by California businesses in these key industries are expected to rise by between 33% and 62%.

	(1) Value of Exports, 2005	Import Duties Currently Assessed by:		What Full Implementation of the U.S.-Peru Trade Promotion Agreement (TPA) Means for California:		
		(2) Peru on California’s Exports	(3) The U.S. on Peru’s Exports	(4) Peru’s Duties on California’s Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for California Exporters
<b>California’s Total Exports to Peru</b>	\$119,665,900					
<b>Computers &amp; Electronic Products</b>	\$29,710,743	Average 5.8%-8.0%	0%	0% (a)	49.9%	\$1.7-\$2.4 million
<b>Machinery Manufactures</b>	\$19,439,631	Average 5.9%	0%	0% (b)	51.5%	\$1.1 million
<b>Crop Production</b>	\$14,694,793	Average 12%-25%	0.01%	0% (c)	61.5%	\$1.8-\$3.7 million
<b>Petroleum &amp; Coal Products</b>	\$11,870,645	Average 12.0%	0%	0% (d)	32.7%	\$1.4 million
<b>Misc. Manufactures</b>	\$10,272,322	Average 8.0%	0%	0% (e)	57.4%	\$822,000



## Business Roundtable

### Sources and Notes

- (1) U.S. Department of Commerce.
- (2) U.S. International Trade Commission, U.S. Department of Commerce, and U.S. Department of Agriculture. For some categories, Peru's duties range as high as 40 percent.
- (3) U.S. International Trade Commission. Most U.S. tariffs applied to Peru's exports are zero or near zero because much of Peru's exports have received duty-free treatment under the Andean Trade Partnership and Drug Eradication Act (ATPDEA) and its predecessor, the Andean Trade Preferences Act, since 1991. Peru has also received duty-free benefits under the Generalized System of Preferences (GSP) program since 1976.
- (4) U.S. Department of Commerce.
- (5) U.S. International Trade Commission. Estimated increase in exports for overall crop production calculated from detailed estimates by the International Trade Commission.
- (6) Column 1 multiplied by Column 2.
  - (a) Eighty-six percent of the State's electronic products will receive immediate duty-free treatment. For information technology product exports 100 percent will receive immediate duty-free treatment.
  - (b) Approximately 84 percent of California's machinery exports will receive immediate duty-free treatment. The remaining 16 percent of products will be duty-free within seven years.
  - (c) Upon implementation of the Agreement, U.S. exporters of agricultural products will receive duty-free treatment on products accounting for nearly 90 percent of current trade and will see all tariffs phased out for the remaining products.
  - (d) Peru will eliminate all tariffs on California's petroleum and coal products in stages over ten years.
  - (e) Approximately 80 percent of California's industrial exports will receive immediate duty-free treatment.

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