



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



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 Connecticut economy.
- Connecticut’s economy benefited from \$8.1 million in total exports to Peru in 2005.
- Connecticut exports include machinery, chemicals, computers and electronics, electrical equipment, appliances and parts, and plastic and rubber products.
- Today, Peruvian tariffs add between 5.8% and 8.0% to the price of these Connecticut exports.
- The U.S. levies no tariffs on equivalent products from Peru.
- With the U.S.-Peru TPA, exports to Peru by Connecticut businesses in these key industries are expected to rise by between 45% and 57%.

	(1) Value of Exports, 2005	Import Duties Currently Assessed by:		What Full Implementation of the U.S.-Peru Trade Promotion Agreement (TPA) Means for Connecticut:		
		(2) Peru on Connecticut's Exports	(3) The U.S. on Peru's Exports	(4) Peru's Duties on Connecticut's Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Connecticut Exporters
Connecticut's Total Exports to Peru	\$8,082,703					
Machinery Manufactures	\$4,823,586	Average 5.9%	0%	0% (a)	51.5%	\$280,000
Chemical Manufacturers	\$1,105,261	Average 7.1%	0%	0% (b)	45.1%	\$78,000
Computers & Electronic Products	\$580,771	Average 5.8%-8.0%	0%	0% (c)	49.9%	\$34,000-\$46,000
Electrical Equipment Appliances & Parts	\$341,752	Average 8.0%	0%	0% (d)	57.4%	\$27,000
Plastic & Rubber Products	\$224,512	Average 7.1%	0%	0% (e)	45.1%	\$16,000



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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. The International Trade Commission did not publish separate estimates for chemical, plastic, and rubber products.
- (6) Column 1 multiplied by Column 2.
 - (a) Approximately 84 percent of Connecticut's machinery exports will receive immediate duty-free treatment. The remaining 16 percent of products will be duty-free within seven years.
 - (b) For chemical products, Peru will provide 76 percent of Connecticut's exports with duty-free treatment immediately upon implementation of the Agreement.
 - (c) 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.
 - (d) Peru will immediately eliminate tariffs on 67 percent of plastic products and 71 percent of rubber products exported by Connecticut. The remaining tariffs will be eliminated in stages over 10 years.

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