



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



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 Florida economy.
- Florida’s economy benefited from \$523.7 million in total exports to Peru in 2005.
- Florida exports include computers and electronics, machinery and transportation equipment, chemicals and electrical equipment, appliances and parts.
- Today, Peruvian tariffs add between 5.5% and 8.0% to the price of these Florida exports.
- The United States levies no tariffs on equivalent products from Peru.
- With the U.S.-Peru TPA, exports to Peru by Florida businesses in these key industries are expected to rise by between 41% 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 Florida:		
		(2) Peru on Florida’s Exports	(3) The U.S. on Peru’s Exports	(4) Peru’s Duties on Florida’s Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Florida Exporters
Florida’s Total Exports to Peru	\$523,696,433					
Computers & Electronic Products	\$212,905,204	Average 5.8%-8.0%	0%	0% (a)	49.9%	\$12.3-\$17.0 million
Machinery Manufactures	\$130,175,887	Average 5.9%	0%	0% (b)	51.5%	\$7.7 million
Transportation Equipment	\$50,732,560	Average 5.5%	0%	0% (c)	40.6%	\$2.8 million
Chemical Manufacturers	\$44,562,505	Average 7.1%	0%	0% (d)	45.1%	\$3.2 million
Electrical Equipment Appliances & Parts	\$18,553,745	Average 8.0%	0%	0% (e)	57.4%	\$1.5 million



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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.

(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 Florida's machinery exports will receive immediate duty-free treatment. The remaining 16 percent of products will be duty-free within seven years.

(c) Seventy-four percent of Florida's transportation equipment exports will receive immediate duty-free treatment. The remaining duties will be eliminated over ten years.

(d) For chemical products, Peru will eliminate duties affecting 76 percent of Florida's exports immediately upon implementation of the Agreement.

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