



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



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 Georgia economy.
- Georgia’s economy benefited from \$49.9 million in total exports to Peru in 2005.
- Georgia exports include paper products, chemicals, computers and electronics, transportation equipment, and fabric mill products.
- Today, Peruvian tariffs now add between 5.5% and 15.3% to the price of these Georgia exports.
- The United States levies tariffs of 0.4% or less on equivalent products from Peru.
- With the U.S.-Peru TPA, exports to Peru by Georgia businesses in these key industries are expected to rise by between 41% and 105%.

	(1) Value of Exports, 2005	Import Duties Currently Assessed by:		What Full Implementation of the U.S.-Peru Trade Promotion Agreement (TPA) Means for Georgia:		
		(2) Peru on Georgia’s Exports	(3) The U.S. on Peru’s Exports	(4) Peru’s Duties on Georgia’s Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Georgia Exporters
Georgia’s Total Exports to Peru	\$49,854,368					
Paper Products	\$7,119,866	Average 9.7%	0.01%	0% (a)	48.9%	\$690,000
Chemical Manufactures	\$6,993,297	Average 7.1%	0%	0% (b)	45.1%	\$497,000
Computers & Electronic Products	\$6,856,862	Average 5.8%-8.0%	0%	0% (c)	49.9%	\$398,000-\$549,000
Transportation Equipment	\$5,533,400	Average 5.5%	0%	0% (d)	40.6%	\$304,000
Fabric Mill Products	\$4,078,919	Average 15.3%	0.4%	0% (e)	105.2%	\$624,000



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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.

(6) Column 1 multiplied by Column 2.

(a) Eighty-six percent of Georgia's paper exports will receive immediate duty-free treatment under the U.S.-Peru TPA. Duties on the remaining products will be eliminated in stages over 10 years.

(b) For chemical products, Peru will eliminate duties affecting 76 percent of Georgia's exports 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) Seventy-four percent of Georgia's transport equipment exports will receive immediate duty-free treatment. The remaining duties will be eliminated over ten years.

(e) One hundred percent of U.S. exports of fabric mill products will receive immediate duty-free treatment

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