



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



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 Idaho economy.
- Idaho’s economy benefited from \$3.1 million in total exports to Peru in 2005.
- Idaho exports include processed foods, machinery, crop production, transportation equipment and computers and electronics.
- Today, Peruvian tariffs now add between 5.5% and 16.0% to the price of these Idaho 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 Idaho businesses in these key industries are expected to rise by between 41% 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 Idaho:		
		(2) Peru on Idaho's Exports	(3) The U.S. on Peru's Exports	(4) Peru's Duties on Idaho's Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Idaho Exporters
Idaho's Total Exports to Peru	\$3,072,564					
Processed Foods	\$1,513,407	Average 16.0%	0.0%	0% (a)	45.4%	\$242,000
Machinery Manufactures	\$817,898	Average 5.9%	0%	0% (b)	51.5%	\$48,000
Crop Production	\$399,723	Average 12%-25%	0.01%	0% (c)	61.5%	\$48,000-\$100,000
Transportation Equipment	\$187,933	Average 5.5%	0%	0% (d)	40.6%	\$10,000
Computers & Electronic Products	\$108,427	Average 5.8%-8.0%	0%	0% (e)	49.9%	\$6,000-\$9,000



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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. Estimated increase in exports for overall crop production calculated from more detailed estimates by the International Trade Commission.
- (6) Column 1 multiplied by Column 2.
 - (a) The vast majority of Idaho's exports of processed food products, including processed potato products, will receive immediate duty free treatment.
 - (b) Approximately 84 percent of Idaho's machinery exports will receive immediate duty-free treatment. The remaining 16 percent of products will be duty-free within seven years.
 - (c) Under the Agreement, Peru immediately will eliminate tariffs on nearly 90 of current U.S. agricultural exports. The remaining tariffs will be eliminated in stages over 17 years. All fresh potatoes will receive immediate duty-free treatment.
 - (d) Seventy-four percent of Idaho's transportation equipment exports will receive immediate duty-free treatment. The remaining duties will be eliminated over ten years.
 - (e) 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.

Contact: Brigitte Schmidt Gwyn
Director, International Trade & Investment Policy
Business Roundtable
202.496.3263
bgwyn@businessroundtable.org