



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



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 Maine economy.
- Maine’s economy benefited from \$3.9 million in total exports to Peru in 2005.
- Maine exports include paper products, machinery, computers and electronic products, chemicals and miscellaneous manufactures.
- Today, Peruvian tariffs add between 5.8% and 9.7% to the price of these Maine 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 Maine businesses in these key industries are expected to rise by between 49% and 57%.

	(1) Value of Imports, 2005	Import Duties Currently Assessed by:		What Full Implementation of the U.S.-Peru Trade Promotion Agreement (TPA) Means for Maine:		
		(2) Peru on Maine’s Exports	(3) The U.S. on Peru’s Exports	(4) Peru’s Duties on Maine’s Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Maine Exporters
Maine’s Total Exports to Peru	\$3,925,328					
Paper Products	\$2,815,723	Average 9.7%	0.01%	0% (a)	48.9%	\$273,000
Machinery Manufactures	\$269,789	Average 5.9%	0%	0% (b)	51.5%	\$16,000
Computers & Electronic Products	\$208,174	Average 5.8%-8.0%	0%	0% (c)	49.9%	\$12,000-\$17,000
Chemical Manufactures	\$162,609	Average 7.1%	0%	0% (d)	45.1%	\$12,000
Misc. Manufactures	\$141,274	Average 8.0%	0%	0% (e)	57.4%	\$11,000



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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 Maine'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) Approximately 84 percent of Maine's machinery exports will receive immediate duty-free treatment. The remaining 16 percent of products will be duty-free within seven years.
- (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) For chemical products, Peru will eliminate 76 percent of Maine's exports immediately upon implementation of the Agreement.
- (e) Approximately 80 percent of Maine's industrial exports will receive immediate duty-free treatment.

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