



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



### 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 Maryland economy.
- Maryland’s economy benefited from \$12.1 million in total exports to Peru in 2005.
- Maryland exports include chemicals, processed foods, machinery, computers and electronic products, and electrical equipment, appliances and parts.
- Today, Peruvian tariffs add between 5.8% and 16.0% to the price of these Maryland exports.
- The United States levies no tariffs on equivalent products from Peru.
- With the U.S.-Peru TPA, exports to Peru by Maryland businesses in these key industries are expected to rise by between 45% 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 Maryland:		
		(2) Peru on Maryland's Exports	(3) The U.S. on Peru's Exports	(4) Peru's Duties on Maryland's Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Maryland Exporters
<b>Maryland's Total Exports to Peru</b>	\$12,132,262					
<b>Chemical Manufactures</b>	\$4,187,438	Average 7.1%	0%	0% (a)	45.1%	\$297,000
<b>Processed Foods</b>	\$2,538,992	Average 16.0%	0%	0% (b)	45.4%	\$406,000
<b>Machinery Manufactures</b>	\$1,269,678	Average 5.9%	0%	0% (c)	51.5%	\$75,000
<b>Computers &amp; Electronic Products</b>	\$719,293	Average 5.8%-8.0%	0%	0% (d)	49.9%	\$42,000-\$58,000
<b>Electrical Equipment, Appliances &amp; Parts</b>	\$546,294	Average 8.0%	0%	0% (d)	57.4%	\$44,000



## Business Roundtable

### 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) For chemical products, Peru will eliminate duties on 76 percent of Maryland's exports immediately upon implementation of the Agreement.
- (b) The vast majority of Maryland's exports of processed food products will receive immediate duty-free treatment.
- (c) Approximately 84 percent of Maryland's machinery exports will receive immediate duty-free treatment. The remaining 16 percent of products will be duty-free within seven years.
- (d) Eighty-six percent of the State's electrical and electronic products will receive immediate duty-free treatment. For information technology product exports 100 percent will receive immediate duty-free treatment.

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