



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



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 Massachusetts economy.
- Massachusetts' economy benefited from \$11.5 million in total exports to Peru in 2005.
- Massachusetts exports include computers and electronic products, machinery and other miscellaneous manufactured products, chemicals, and printing and related products.
- Today, Peruvian tariffs add between 5.8% and 12.0% to the price of these Massachusetts exports.
- The United States levies no tariffs on equivalent products from Peru.
- With the U.S.-Peru TPA, exports to Peru by Massachusetts 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 Massachusetts:		
		(2) Peru on Massachusetts' Exports	(3) The U.S. on Peru's Exports	(4) Peru's Duties on Massachusetts' Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Massachusetts Exporters
Massachusetts' Total Exports to Peru	\$11,536,818					
Computers & Electronic Products	\$4,715,844	Average 5.8%-8.0%	0%	0% (a)	49.9%	\$274,000-\$377,000
Machinery Manufactures	\$1,079,423	Average 5.9%	0%	0% (b)	51.5%	\$64,000
Misc. Manufactures	\$556,535	Average 8.0%	0%	0% (c)	57.4%	\$45,000
Chemical Manufactures	\$352,797	Average 7.1%	0%	0% (d)	45.1%	\$25,000
Printing & Related Products	\$167,434	Average 12%	0%	0% (e)	48.9%	\$20,000



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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 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 Massachusetts' machinery exports will receive immediate duty-free treatment. The remaining 16 percent of products will be duty-free within seven years.
- (c) Approximately 80 percent of Massachusetts' industrial exports will receive immediate duty-free treatment.
- (d) For chemical products, Peru will eliminate duties on 76 percent of Massachusetts' exports immediately upon implementation of the Agreement.
- (e) Nearly 90 percent of the State's printing and paper-related exports will receive immediate duty-free treatment under the U.S-Peru TPA.

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