



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



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 Missouri economy.
- Missouri's economy benefited from \$13.0 million in total exports to Peru in 2005.
- Missouri exports include chemicals, machinery, processed foods, computers and electronic products, and leather and related products.
- Today, Peruvian tariffs add between 5.8% and 17.3% to the price of these Missouri exports.
- The United States levies tariffs of 2.8% or less on equivalent products from Peru.
- With the U.S.-Peru TPA, exports to Peru by Missouri businesses in these key industries are expected to rise by between 45% and 164%.

	(1) Value of Imports, 2005	Import Duties Currently Assessed by:		What Full Implementation of the U.S.-Peru Trade Promotion Agreement (TPA) Means for Missouri:		
		(2) Peru on Missouri's Exports	(3) The U.S. on Peru's Exports	(4) Peru's Duties on Missouri's Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Missouri Exporters
Missouri's Total Exports to Peru	\$13,043,976					
Chemical Manufactures	\$4,856,119	Average 7.1%	0%	0% (a)	45.1%	\$345,000
Machinery Manufactures	\$3,210,108	Average 5.9%	0%	0% (b)	51.5%	\$189,000
Processed Foods	\$1,745,870	Average 16.0%	0%	0% (c)	45.4%	\$279,000
Computers & Electronic Products	\$634,611	Average 5.8%-8.0%	0%	0% (d)	49.9%	\$37,000-\$51,000
Leather & Related Products	\$438,469	Average 17.3%	2.8%	0% (e)	164.0%	\$76,000



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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) For chemical products, Peru will eliminate duties on 76 percent of Missouri's exports immediately upon implementation of the Agreement.
- (b) Approximately 84 percent of Missouri's machinery exports will receive immediate duty-free treatment. The remaining 16 percent of products will be duty-free within seven years.
- (c) The vast majority of Missouri's exports of processed food products will receive immediate duty-free treatment.
- (d) 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.
- (e) Under the Agreement, Peru will immediately eliminate tariffs on 84 percent of Missouri's leather products.

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