



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



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 Utah economy.
- Utah’s economy benefited from \$7.5 million in total exports to Peru in 2005.
- Utah exports include machinery, processed foods, fabricated metal products, computers and electronic products, and printing and related products.
- Today, Peruvian tariffs add between 5.8% and 16.0% to the price of these Utah exports.
- The United States levies no tariffs on equivalent products from Peru.
- With the U.S.-Peru TPA, exports to Peru by Utah businesses in these key industries are expected to rise by between 29% and 52%.

	(1) Value of Exports, 2005	Import Duties Currently Assessed by:		What Full Implementation of the U.S.-Peru Trade Promotion Agreement (TPA) Means for Utah:		
		(2) Peru on Utah’s Exports	(3) The United States on Peru’s Exports	(4) Peru’s Duties on Utah’s Exports	(5) Estimated Increase in Exports	(6) Estimated Duty Savings for Utah Exporters
Utah’s Total Exports to Peru	\$7,536,378					
Machinery Manufactures	\$4,015,994	Average 5.9%	0%	0% (a)	51.5%	\$237,000
Processed Foods	\$731,433	Average 16.0%	0%	0% (b)	45.4%	\$117,000
Fabricated Metal Products	\$498,125	Average 8.8%	0%	0% (c)	28.6%	\$44,000
Computers & Electronic Products	\$439,368	Average 5.8%-8.0%	0%	0% (d)	49.9%	\$25,000-\$35,000
Printing & Related Products	\$427,759	Average 12.0%	0%	0% (e)	48.9%	\$51,000



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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) Approximately 84 percent of Utah's machinery exports will receive immediate duty-free treatment. The remaining 16 percent of products will be duty-free within seven years.
- (b) The vast majority of Utah's exports of processed food products will receive immediate duty-free treatment.
- (c) Peru will eliminate tariffs on 65 percent of the State's steel products and 97 percent of non-ferrous metal products immediately.
- (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) 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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