

U.S. - Peru Trade Promotion Agreement

Leveling the Playing Field

The U.S.-Peru TPA will level the playing field for U.S. businesses that sell to Peru. In 2007, 98 percent of Peru's imports into the United States entered duty free under unilateral U.S. trade preference programs, such as the Andean Trade Preferences Act (ATPA) and the Generalized System of Preferences (GSP), or under zero MFN tariffs. The ATPA has been effective in expanding and enhancing the U.S.-Peru commercial relationship, providing the U.S. government a vehicle through which to address problems, as well as encouraging economic growth in Peru and discouraging illicit drug production. However, the ATPA offers U.S. exporters no added access to the Peruvian market. The U.S.-Peru TPA levels the playing field, and enhances competition because it moves the U.S.-Peru commercial relationship beyond one-way preferences to full partnership and reciprocal commitments.

In addition, U.S. products currently face a competitive disadvantage because Peru has been actively negotiating free trade agreements with other countries. Peru grants preferences to Bolivia, Venezuela, Ecuador and Colombia under the Andean Pact and within the framework of the Latin American Integration Association (ALADI), Peru has signed bilateral trade agreements with Argentina, Brazil, Chile, Cuba, Mexico, Paraguay, and Uruguay. The government of Peru also plans to begin free trade negotiations with Singapore and several other countries in Asia as well as with the European Union after the conclusion of the U.S.-Peru TPA.