

U.S.-Panama Trade Promotion Agreement

LEVELING THE PLAYING FIELD

The U.S. - Panama TPA will level the playing field for U.S. businesses that sell to Panama. In 2007, 91 percent of imports from Panama into the United States entered duty-free under the CBI and GSP trade preference programs, or under zero normal trade relations (NTR) tariffs. The CBI and GSP programs have been effective in expanding and enhancing the U.S.-Panama commercial relationship, providing the U.S. government a vehicle through which to address problems, as well as encouraging economic growth in Panama. However, the CBI and GSP programs offer U.S. exporters no equivalent access to the Panamanian market. The U.S.-Panama TPA will level the playing field, and enhance competition because it moves the U.S.-Panama commercial relationship beyond one-way preferences to full partnership and reciprocal commitments.

In addition, U.S. products currently face a competitive disadvantage because Panama has been actively negotiating free trade agreements with other countries. Panama has free trade agreements with El Salvador, Taiwan, and Singapore. Panama completed free trade negotiations with Honduras and Chile, and is negotiating free trade agreements with its other Central American neighbors and the European Union. Panama also has less comprehensive trade agreements with Mexico, Colombia and the Dominican Republic.