

U.S.-Panama Trade Promotion Agreement

Market Access Results

Building Products

Trade and Tariffs

The building products sector includes various building and construction products in HS chapters 25, 68 to 70, and 94.

Building products accounted for less than 1 percent of U.S. industrial exports to Panama in 2007, totaling \$10.8 million. The top U.S. exports to Panama in this sector were building blocks, unornamented panels, insulation materials, and float glass. Panamanian tariffs range between zero and 15 percent with an average of 10 percent.

Panamanian exported a negligible amount of building product to the United States in 2007. The United States' tariffs range between zero and 38 percent with an average of 2.3 percent. All Panamanian exports in this sector enter the United States duty-free under the Caribbean Basin Economic Recovery Act (CBERA) and Caribbean Basin Trade Promotion Act (CBTPA) tariff preference programs.

Tariff Elimination

Tariffs will be phased-out according to four tariff elimination categories: immediate elimination; linear cuts over five years; linear cuts over ten years; and nonlinear cuts over ten years. Tariff elimination under the nonlinear ten-year staging category will proceed with a 3 percent cut in the tariff in years one and two, a 5 percent cut in years three through six, an 18 percent cut in years seven and eight, and a 19 percent cut each in years nine and ten.

For building products, 70 percent of U.S. industrial exports, including float glass, plaster, and grindstones will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on another 17 percent of exports will be eliminated over five years. Duties on the remaining 13 percent of U.S. exports will be eliminated over ten years.

The United States agreed to consolidate all CBERA and CBTPA tariff preferences into the final tariff elimination schedule; therefore all building products exports from Panama will continue to receive duty-free treatment.