

U.S.-Panama Trade Promotion Agreement Market Access Results

Electrical and Electronic Equipment

Trade and Tariffs

This sector includes various electrical and electronic products, including batteries, power distribution equipment, and some consumer electronics.

Electrical and electronic equipment accounted for 1.4 percent of U.S. industrial exports to Panama in 2007, totaling \$44 million. The top U.S. exports in this sector were television receivers, generators, photographic equipment, television cameras, and parts. Panamanian tariffs range between zero and 15 percent with an average of 8.8 percent.

Panamanian exports to the United States in this sector totaled \$529 thousand in 2007, which is less than 1 percent of the Panamanian industrial exports to the United States. Top Panamanian exports to the United States were television receivers, spark plugs, video recorders, and loudspeakers. The United States' tariffs range between zero and 15 percent with an average of 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 electrical and electronic equipment, 86.4 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the Agreement. Tariffs on another 9.5 percent of exports will be eliminated over five years. Duties on the remaining 4 percent of U.S. exports will be eliminated over ten years.

Tariffs on high-priority electrical and electronic products such as television receivers, generators, photographic equipment, and television cameras will be eliminated immediately upon implementation of the Agreement.

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

Non-Tariff Barriers

Panama will eliminate its prohibition on the importation of remanufactured electrical and electronic equipment, as defined in Chapter 4—Rules of Origin, on entry into force of the Agreement.