

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

Footwear and Leather Products

Trade and Tariffs

This sector includes footwear, travel goods and a variety of other leather products.

Footwear and leather products accounted for less than 1 percent of U.S. industrial exports to Panama in 2007, totaling \$12 million. The top U.S. exports in this sector were miscellaneous footwear and parts, metal-toed footwear, and handbags. Panamanian tariffs range between zero and 15 percent with an average of 11.3 percent.

Panamanian exports to the United States in this sector totaled \$69 thousand in 2007, which is less than 1 percent of Panama's industrial exports to the United States. Top Panamanian exports to the United States were sports footwear, handbags, and leather container bags. The United States' tariffs range between zero and 51 percent.

Tariff Elimination

Tariffs will be phased out according to four tariff elimination categories: immediate elimination, equal cuts over five years, equal cuts over ten years, and unequal cuts over ten years. Tariff elimination under the unequal 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 footwear and leather products, 92.8 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the Agreement. Duties on the remaining 7.2 percent of U.S. exports will be eliminated over ten years.

The United States agreed to provide immediate duty-free treatment to most products in this sector. Certain rubber footwear items are excluded from duty-free preferences under the CBERA and CBTPA. For these 16 tariff lines, U.S. duties will be phased out over ten years.

Footwear. Panama will eliminate tariffs on 57 percent of U.S. footwear exports immediately upon implementation of the Agreement. Tariffs on the remaining 42 percent will be eliminated over ten years.

Travel Goods. Panama will eliminate tariffs on all U.S. travel goods exports immediately upon implementation of the Agreement.