

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

Information Technology Agreement Products

Trade and Tariffs

Products included within the World Trade Organization's Information Technology Agreement (ITA) define this sector.

ITA products accounted for 5 percent of U.S industrial exports to Panama in 2007, totaling over \$153 million. The top U.S. exports in this sector included static converters, telecommunications equipment, and data processing machines and parts. Panamanian tariffs range between zero and 15 percent, with an average of 7.7 percent.

Panamanian exports to the United States in this sector totaled almost \$1.6 million in 2007, or less than 1 percent of Panama's industrial exports to the United States. Top Panamanian exports to the United States included electronic circuits, data processing parts, electronic instruments. The United States is a signatory to the ITA, and thus imposes zero duties on these products.

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.

All U.S. exports of information technology equipment will receive duty-free treatment immediately upon implementation of the Agreement.

Non-Tariff Barriers

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