

U.S.-Panama Trade Promotion Agreement

Market Access Results

Medical Equipment

Trade and Tariffs

This sector is defined by the World Trade Organization's Uruguay Round sector agreement on medical equipment.

Medical equipment accounted for 1.5 percent of U.S. industrial exports to Panama in 2007, totaling \$45 million. The top U.S. exports in this sector included x-ray machines, tomography and electro-diagnostic apparatuses, medical sterilizers, and MRI machines. Panamanian tariffs range between zero and 15 percent, with an average of 8.6 percent.

Panamanian exports to the United States in this sector totaled \$214 thousand in 2007, or less than 1 percent of Panama's industrial exports to the United States. Top Panamanian medical equipment exports to the United States include instruments, electrical machines and miscellaneous parts. The United States is a signatory of the Uruguay Round sector agreement and as a result 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.

For medical equipment, 97 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the Agreement. Duties on the remaining 3 percent of U.S. industrial imports, including orthopedic and fracture appliances and medical furniture will be eliminated over ten years.