



The U.S.-Panama Trade Promotion Agreement

Opportunities for the U.S. Fish and Fish Products Sector

The U.S.-Panama Trade Promotion Agreement would provide significant commercial opportunities for U.S. exporters:

- The fish and fish products sector accounted for **\$6 million** in U.S. exports to Panama over 2008-10 (average).
- Estimated duties paid on exports of U.S. fish and fish products to Panama from 2008 to 2010 were **over \$2.1 million**.
- **Over 84 percent** of U.S. exports of fish and fish products to Panama would receive duty-free treatment immediately upon implementation of the U.S.-Panama Trade Promotion Agreement.

Fish and Fish Products Sector Overview

- The fish and fish products sector accounted for \$6 million in U.S. exports to Panama over 2008-10 (average).¹
- Top U.S. fish and fish products exports to Panama include cod, processed sardines, tuna, fresh sardines and processed salmon.
- The U.S. commercial fishing sector harvested over \$4.4 billion worth of fish and shellfish in 2008.²
- The U.S. commercial fishing, seafood processing, retailing, and wholesaling industries employed approximately 370,000 in 2008.³

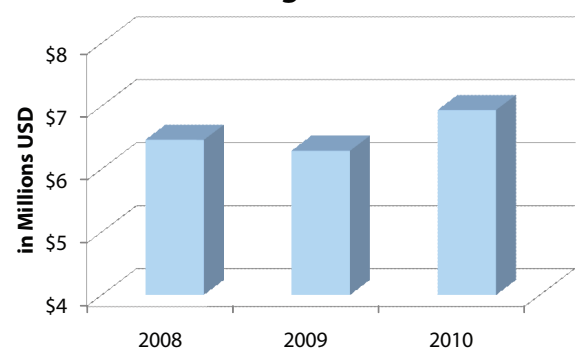
Improved Market Access for U.S. Fish Exporters to Panama

- Panama's fish tariffs average 12.5 percent, ranging from 0 to 15 percent.
- Over 84 percent of U.S. fish and fish products exports⁴ to Panama would receive duty-free treatment immediately upon implementation of this Agreement.
- Tariffs on the remaining 16 percent would be eliminated in 10 years.

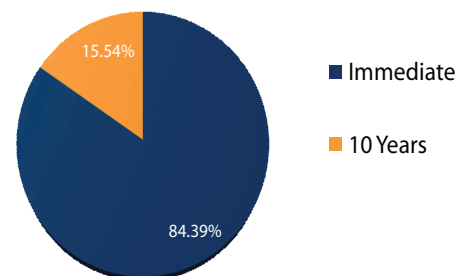
Key States Exporting to Panama

- Top U.S. state exporting fish and fish products to Panama include: Florida, California, Rhode Island, Texas and Virginia.

U.S. Fish and Fish Products Exports to Panama Averaged \$6 Million



More than 84% of U.S. Fish and Fish Products Exports to Panama Would be Duty-Free Immediately



¹ Global Trade Atlas. Calculations by the U.S. Department of Commerce based on import data as reported by Panama. The definition for fish and fish products used in this report, unless otherwise cited, is based on HS chapter 3 and selected products with chapters 5, 16, and 23.

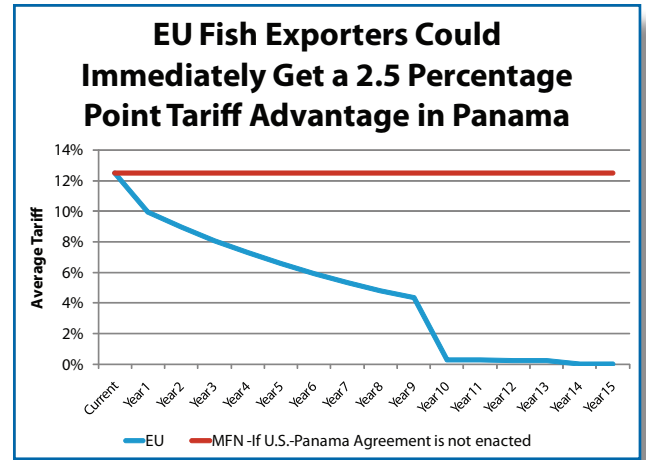
² U.S. Department of Commerce, National Oceanic and Atmospheric Administration, Fisheries Economics of the United States 2008.

³ U.S. Department of Commerce, National Oceanic and Atmospheric Administration, Fisheries Economics of the United States 2008.

⁴ Data based on three-year average for 2008 to 2010.

Foreign Competition in Panama's Market

- Since the conclusion of negotiations with the United States, Panama has concluded separate negotiations with Canada and the EU. The EU-Central America Association Agreement which includes Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama successfully completed negotiations in May 2010. This agreement will provide the EU with increased regional opportunities in Central America through lower tariffs, increased government procurement market access and elimination of certain non-tariff barriers. Panama also concluded free trade agreement negotiations with Canada in May 2010. As part of this agreement, Panama will eliminate tariffs immediately on 90 percent of Canada's exports.
- EU fish and fish products exporters will immediately enjoy an average tariff of 9.9 percent upon implementation of the EU-Central America Association Agreement, while U.S. exporters will face an average MFN tariff of 12.5 percent until implementation of the U.S.-Panama Trade Promotion Agreement.



Other Key Commitments by Panama for the Fish and Fish Products Sector

Customs Administration:

The U.S.-Panama TPA requires measures designed to increase transparency and efficiency in administering customs procedures. The Agreement will allow exporters to obtain advance rulings on tariff classification, origin of goods, and other customs matters. The Agreement addresses industry's demand for express delivery services by requiring that, within one year after the date the Agreement takes effect, Panama must provide a separate, expedited customs procedure for express shipments.

Rules of Origin:

The U.S. Panama TPA rules of origin allow only U.S. and Panamanian originating goods to receive preferential tariff treatment under the Agreement. The trade agreement rules of origin provide clear requirements for a good to be considered originating, including that a good must be wholly obtained or produced entirely in the territory of the United States or Panama, as well as requirements for materials that are used in the production of the good.