



## **FACT SHEET: United States-Panama Trade Promotion Agreement Implementation Provides Duty-Free Access for U.S. Exports**

On October 31, 2012, the United States-Panama Trade Promotion Agreement (Agreement) entered into force. The Agreement immediately eliminated or reduced tariffs on almost all U.S. industrial exports to Panama, with the remaining tariffs to be eliminated over defined time periods. Accordingly, the Agreement presents a number of new opportunities for U.S. exporters seeking to enter or expand their presence in the Panamanian market:

- The Agreement's entry into force provides immediate duty-free access to the Panamanian market for eligible U.S. industrial goods covering **over 2,400 tariff lines**. Before October 31, 2012, these products faced an average Panamanian tariff rate of **8.3 percent**.
- Sectors with a large number of products that became duty-free on October 31, 2012 include:
  - Infrastructure and machinery (**456 tariff lines**)
  - Chemicals (**375 tariff lines**)
  - Consumer goods (**269 tariff lines**)
  - Environmental goods (**184 tariff lines**)
- Additional information on sectors that will benefit from immediate tariff elimination under the Agreement can be found in Table 1, below.
- Beyond the tariff lines that immediately become duty-free, Panama has made commitments for meaningful reductions throughout its tariff schedule for eligible U.S. products. With entry into force of the Agreement, Panama's average tariff rate for all industrial goods from the United States has been reduced from **7 percent** to **3.3 percent**.
- These tariff cuts present new opportunities for U.S. companies and give U.S. exporters an advantage over exporters from countries that do not have trade agreements with Panama. To find out when tariffs on your specific products go to zero, please consult the **FTA Tariff Tool** at <http://export.gov/FTA/FTATariffTool>.
- For more information, you can also contact your local **U.S. Export Assistance Center** and the **U.S. Commercial Service** at the American Embassy in Panama City, Panama, or visit <http://trade.gov/fta/Panama/>.

**Table 1: New Duty-Free Access in Panama: Highlights for U.S. Exports**

The following chart offers a sampling, by sector, of the number of tariff lines that became duty-free for eligible U.S. exports to Panama on October 31, 2012.

<b>Sector</b>	<b>Products Becoming Duty-Free</b>
Aerospace	33
Agricultural Equipment	4
Automotive	69
<i>Auto Parts</i>	45
<i>Motor Vehicles</i>	24
Building Products	72
Chemicals	375
<i>Fertilizers</i>	2
<i>Pharmaceuticals</i>	14
<i>Plastics</i>	62
<i>Rubber</i>	25
Construction Equipment	59
Consumer Goods	269
<i>Appliances</i>	45
<i>Recreation Goods</i>	64
Electrical Equipment	88
Environmental Goods	184
Fish and Fish Products	148
Footwear and Travel Goods	108
Information and Communications Technologies	129
Infrastructure and Machinery	456
<i>Energy Equipment</i>	70
<i>Tools</i>	52
Medical Equipment	18
Metals and Ores	143
<i>Nonferrous Metals</i>	72
<i>Steel</i>	12
Paper and Paper Products	142
Scientific Equipment	52
Shipping and Transportation	32
Wood and Lumber	25