

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

Civil Aircraft and Related Equipment

Trade and Tariffs

This sector is defined by the WTO Civil Aircraft plurilateral agreement.

Civil aircraft equipment accounted for 2.2 percent of total U.S. exports to Peru in 2004, totaling \$32 million. The top U.S. exports in this sector were aircraft parts, light aircraft, and gas turbines. Peruvian tariffs range between 4 and 12 percent with an average of 5.4 percent in 2004.

Peruvian exports to the United States totaled \$338 thousand in 2004, which is less than 1 percent of total exports to the United States. Top Peruvian exports in this sector were parts of gas turbines, turbojets, and aircraft. The United States, as a party to the Agreement on Trade in Civil Aircraft, applies duty-free treatment on an MFN basis to these products.

Tariff Elimination

Overall, tariffs will be phased out according to four tariff elimination categories: immediate elimination, equal cuts over five years, equal cuts over 7 years, and equal cuts over 10 years.

One hundred percent of U.S. aerospace exports, including high value products such as light aircraft, turbines, and other aircraft parts will receive duty-free treatment immediately upon implementation of the agreement.

Non-Tariff Barriers

As defined in the Chapter on Rules of Origin of the U.S.-Peru TPA, Peru will allow the importation of remanufactured goods. Peruvian tariffs on remanufactured goods from the United States will be eliminated over 10 years.