

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

Building Products

Trade and Tariffs

The building products sector includes various building and construction products in HS chapters 25, 68 to 70, and 94. Building products accounted for less than 1 percent of total U.S. exports to Peru in 2004, totaling \$5.7 million. The top U.S. exports in this sector were articles of stone, insulation materials, float glass, and prefabricated buildings. Peruvian tariffs range between 4 and 12 percent with an average of 7.9 percent in 2004.

Peruvian exports to the United States totaled \$46 million in 2004, or 1.8 percent of the total industrial good exports to the United States. Top Peruvian exports to the United States were cement, building stone, and ceramic tiles. The United States' tariffs range between zero and 38 percent with an average of 2.3 percent. All Peruvian exports of building products enter the United States duty-free under the Andean Trade Preference Act (ATPA) and Andean Trade Promotion and Drug Eradication Act (ATPDEA) tariff preferences.

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.

For building products, 77 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on another 5 percent of exports will be eliminated over five years. Duties on the remaining 18 percent of U.S. exports will be eliminated over ten years.

Tariffs on high-priority building products such as prefabricated buildings and ceramic fixtures, will be phased out immediately upon implementation of the agreement.

The United States agreed to consolidate all ATPA and ATPDEA tariff preferences into the final tariff elimination schedules. This means that all building product exports from Peru will continue to receive duty-free treatment.