

U.S.-Dominican Republic Free Trade Agreement Market Access Results

Consumer Goods

Trade and Tariffs

Consumer goods include household appliances, furniture, toys, recreational equipment, precious metals and jewelry, and other miscellaneous household products. The Uruguay Round sector agreements on furniture and toys are included within this sector.

Consumer goods accounted for 2.8 percent of total U.S. exports to Peru in 2004, totaling \$39.3 million. The top U.S. exports in this sector were coin-operated and table games, jewelry, and refrigeration appliances. Peruvian tariffs range between zero and 20 percent with an average of 11.1 percent in 2004.

Peruvian exports to the United States totaled over \$100 million in 2004, or 4 percent of total Peruvian exports to the United States. Top Peruvian exports were precious metal jewelry, wooden furniture, letter openers, and ceramic statuary. U.S. tariffs on consumer goods range from zero to 109 percent, with an average of 3.6 percent. All Peruvian exports of consumer goods 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 consumer goods, 81 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on another 6 percent of exports will be eliminated over five years, and 1 percent will be eliminated over seven years. Duties on the remaining 12 percent of U.S. exports will be eliminated over ten years. Tariffs on high-value consumer goods such as coin-operated games, many appliances, and motorcycles 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 consumer goods exports from Peru will continue to receive duty-free treatment.

Furniture

Peru will eliminate tariffs on 16 percent of U.S. furniture exports over five years. Duties on the remaining 84 percent of exports will be eliminated over seven and ten years.

Toys

Peru will eliminate all tariffs on toys immediately upon implementation of the agreement.

Appliances

Peru will eliminate tariffs on 80 percent of U.S. appliance exports immediately upon implementation of the agreement, and 7 percent within five years. Tariffs on the remaining 13 percent will be eliminated over ten years.

Recreational Goods

Peru will eliminate tariffs on 93 percent of U.S. recreational goods exports immediately upon implementation of the agreement. Tariffs on another 1 percent of exports will be eliminated over five years. Tariffs on the remaining 6 percent will be eliminated over ten years.