

# U.S.-Peru Trade Promotion Agreement

## Market Access Results

### Environmental Goods

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#### Trade and Tariffs

The environmental sector includes a variety of products geared toward improving the environment and human safety.

Environmental goods accounted for 4.4 percent of total U.S exports to Peru in 2004, totaling \$62.5 million. The top U.S. exports in this sector included air pumps, filtration equipment, and centrifugal pumps. Peruvian tariffs on environmental goods range from 4 to 12 percent, with an average of 5.7 percent in 2004.

Peruvian exports to the United States totaled 1.8 million in 2004, or less than 1 percent of the country's total exports to the United States. Top Peruvian exports to the United States in this sector were filtration equipment, liquid pumps, and parts for furnaces and incinerators. The United States applies tariffs on environmental goods that range between zero and eight percent, with an average of 1.5 percent. All Peruvian exports of environmental 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 environmental products, 89 percent of U.S. exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on another 7 percent of exports will be eliminated over five years, and 2 percent will be eliminated over seven years. Duties on the remaining 3 percent of U.S. exports will be eliminated over ten years.

Tariffs on high-priority environmental goods such as pumps and filtration equipment 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 environmental good exports from Peru will continue to receive duty-free treatment.

#### Non-Tariff Barriers

Peru will eliminate its prohibition on the importation of remanufactured goods, as defined in Chapter Four - Rules of Origin, on entry into force of the Agreement. Peru will eliminate tariffs on most remanufactured goods immediately and will phase down tariffs on a small number of remanufactured goods over 10 years.