

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

Medical Equipment

Trade and Tariffs

This sector is defined by the Uruguay Round sector agreement on medical equipment.

Medical equipment accounted for 1.6 percent of total U.S. industrial exports to Peru in 2004, totaling \$22.7 million. The top U.S. exports in this sector included instrument parts, electro-diagnostic apparatus, reagents, and ultrasounds. Peruvian tariffs range between 4 and 12 percent, with an average of 6.7 percent in 2004.

Peruvian exports to the United States totaled \$1.9 million in 2004, or less than 1 percent of Peru's total industrial exports to the United States. Peruvian exports to the United States are dominated by medical machinery parts. The United States is a signatory of the Uruguay Round sectoral agreement and as a result imposes zero duties on 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.

For medical equipment, 98 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the agreement. The only products not subject to immediate tariff elimination are orthopedic and fracture appliances. Duties on these products will be eliminated over five years.

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.