

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

Metals and Ores

Trade and Tariffs

This sector includes both ferrous and non-ferrous metals, metal products, and ores. Products covered in the Uruguay Round sector agreement on steel and the initiative on non-ferrous metals are included in this sector.

Metals and ores accounted for 4.7 percent of total U.S. industrial exports to Peru in 2004, totaling \$67 million. The top U.S. exports in this sector were ferrous waste and scrap, pipe fittings, and screws and bolts. Peruvian tariffs range between 4 and 12 percent with an average of 8.8 percent in 2004.

Peruvian exports to the United States totaled nearly \$2 billion in 2004, or 77 percent of Peru's total industrial exports to the United States. Top Peruvian exports to the United States were unwrought gold, copper cathodes, tin, and zinc. The United States' tariffs range between zero and 15 percent, averaging 2 percent. All Peruvian exports in this sector 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 metals and ores, 81 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on another 9 percent of U.S. exports will be eliminated over five years. Duties on the remaining 10 percent of U.S. exports will be eliminated over ten years. Tariffs on priority metals products such as aluminum doors and windows and pipe fittings 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 chemical exports from Peru will continue to receive duty-free treatment.

Steel

Peru will eliminate tariffs on 65 percent of U.S. steel exports immediately upon implementation of the agreement. Tariffs on another 10 percent of U.S. exports will be eliminated over five years. Duties on the remaining 25 percent of U.S. exports will be eliminated over ten years.

Non-Ferrous Metals

Peru will eliminate tariffs on 97 percent of U.S. non-ferrous metals exports immediately upon implementation of the agreement. Tariffs on another 2 percent of U.S. exports will be eliminated over five years. Duties on the remaining 1 percent of U.S. exports will be eliminated over ten years.