

Greasing the Wheels of Trade, The U.S.-Peru Trade Agreement Will Help the Machinery Industry Do Business with Peru

The U.S.-Peru Trade Agreement will greatly benefit the United States' machinery industry, representing the largest export category to Peru. A vote in favor of the agreement will help the industry to operate efficiently and competitively in an increasingly global economy, while also providing Peru with machinery it needs to continue to grow and develop more advanced infrastructure. It's a win-win!

How does the U.S.-Peru Trade Agreement affect the machinery industry?

- The U.S.' largest manufacturing export category to Peru is agricultural and construction machinery, with \$381 million, or 13 percent, of total U.S. shipments of merchandise. It is also the fastest-growing export category, surging from \$125 million to \$381 million in just four years.
- Comprehensively, the entire machinery sector (excluding electrical equipment) comprises an even greater portion; in 2006, it exported over \$713 million in goods, nearly a quarter of U.S. total exports to Peru.
- Currently, U.S. tariffs on machinery range between zero and 12 percent and average about 2 percent. The U.S.-Peru Trade Agreement will eliminate 84 percent of these tariffs immediately and phase out the rest. Within ten years of implementation, ALL machinery exports will receive duty-free treatment.
- The International Trade Administration (ITA) estimates that under the Agreement U.S. imports from Peru will increase by \$439 million, or 8 percent, and U.S. exports to Peru will increase by \$1.1 billion, or 25 percent. The ITA forecasts the machinery industry to have one of the largest increases in export values once the Agreement is in place.

Support the U.S. – Peru Trade Promotion Agreement!

Sincerely,
Jerry Weller
Member of Congress