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DELAY NO LONGER AN OPTION

The American business community in Peru applauds the U.S. House of Representatives for passing the extension of the Andean Trade Preferences. It is an important step in ensuring the economic wellbeing of Peru which is dependent on the U.S. market. The next step should be the approval of the U.S.-Peru Trade Promotion Agreement (PTPA). Further delays in approving PTPA should no longer be an option. The agreement will establish a mutually beneficial, reciprocal partnership that will be permanent.

“As opposed to simply extending unilateral preference programs benefiting only Peruvian exports to the U.S. market, PTPA will help American exporters,” explains Mr. Rex Canon, CEO of the Houston-based Maple Companies.

Since 2001, Peru’s total imports have more than doubled, creating a fierce international competition for market share in Peru. Unfortunately, the rate of growth for American exports to Peru is considerably lower than that of Chinese exports. For example, the U.S. exports to Peru have doubled since 2001, while the Chinese exports have quadrupled during the same period. With the PTPA enacted, we can immediately level the playing field and, in the process, create more quality jobs in America.

But perhaps the most lasting benefit of PTPA will be that it will help forge closer relations between our two countries and promote positive change in the region. The U.S.-Peru Trade Promotion Agreement is an important step in the right direction.

“While many companies like Caterpillar will benefit from duty-free access to the Peruvian market, we are mindful that in the past we have all underestimated the power of free trade,” says Mr. Tom Gales, Vice President for Latin America at Caterpillar.

Too often we have tended to only focus on what we can measure... namely things like tariffs, quotas, and economic growth rates. And while important, we tend to forget that perhaps the biggest benefit of free trade is that it promotes human understanding and thus a more peaceful and prosperous world.

It is time for the U.S. Congress to act on the U.S.-Peru Trade Promotion Agreement.