



Fact Sheet: U.S.-Panama Trade Promotion Agreement

Panama is a consistent market for U.S. agriculture and it imports all of its wheat needs, with consumption averaging around 125,000 metric tons per year. U.S. market share for wheat has averaged approximately 90 percent since 2000. In 2009, wheat exports were valued at just over \$30 million.

An agreement was signed between negotiators from the U.S. and Panama in June 2007. Panama’s legislature ratified the agreement in July 2007, but the U.S. Congress has yet to ratify the agreement. In 2010, the European Union (EU) and Canada signed agreements with Panama, but have yet to ratify these agreements.

The agreement would lock in a zero duty rate for U.S. wheat and remove any possibility of tariffs being raised

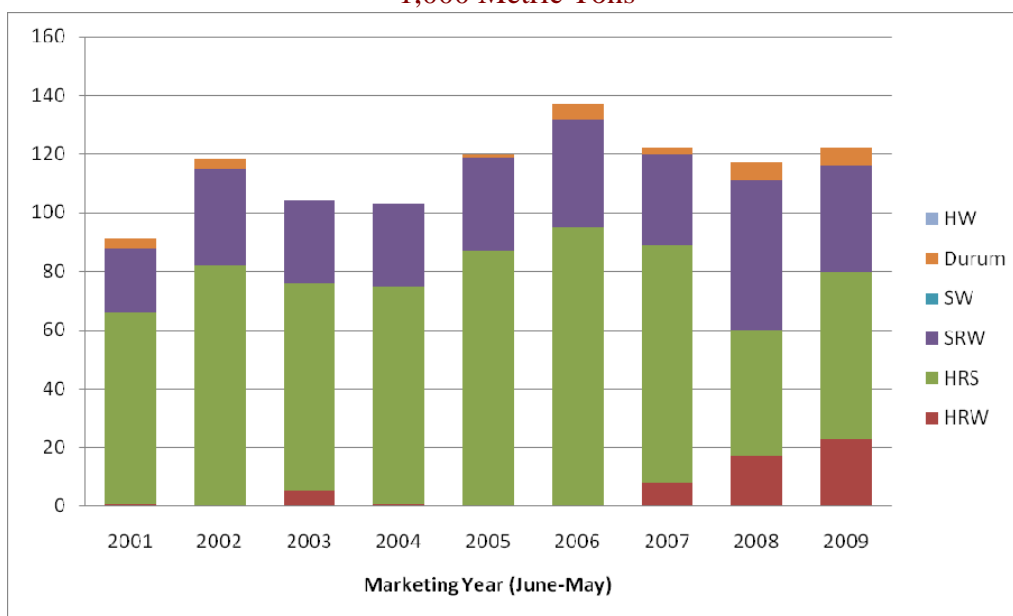
Concerns on Panama’s labor laws and their status as a tax haven have held up movement on this agreement. A Tax Information Exchange Agreement (TIEA), signed with the United States in November 2010 and ratified by Panama’s National Assembly in April 2011, removes concerns over the country’s tax transparency. In addition, all labor concerns have also been addressed by the government of Panama. The Obama Administration announced on April 18, 2011, that all concerns have now been addressed, and they are ready to begin the process of ratifying the agreement.

Upon implementation, the agreement would lock in a zero duty for U.S. wheat producers and remove the potential for the duty on U.S. wheat to rise to the bound level of three percent. This ensures that U.S. wheat will remain competitive against our origins.

The U.S. wheat industry, along with other agricultural commodity groups, supports immediate ratification of the U.S.-Panama free trade agreement.

Panama’s wheat imports from the U.S. by class

1,000 Metric Tons



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