

Free Trade Peru

Building Blocks for Trade and Free Markets in South America

Overview

- ❖ U.S. HIGH-TECH EXPORTS TO PERU TOTALED \$428 MILLION IN 2005, UP 10 PERCENT FROM 2004.
- ❖ THE UNITED STATES HAD A HIGH-TECH TRADE SURPLUS OF \$421 MILLION WITH PERU IN 2005.
- ❖ AS A PART OF THIS AGREEMENT, PERU WILL JOIN THE WTO'S INFORMATION TECHNOLOGY AGREEMENT, WHICH REMOVES TARIFF AND NON-TARIFF BARRIERS TO TECHNOLOGY PRODUCTS.
- ❖ A PERUVIAN FREE TRADE AGREEMENT GIVES U.S. COMPANIES A COMPETITIVE EDGE AND HELPS OUR SOUTH AMERICAN NEIGHBOR EMBRACE FREE MARKETS. FAILURE TO PASS A FREE TRADE AGREEMENT WITH PERU CEDES OUR COMPETITIVE ADVANTAGE IN THIS REGION TO OTHERS.

Analysis

The Peruvian Free Trade Agreement holds the promise of new opportunities and expanded markets for U.S. high-tech merchandise exporters, manufacturers, services providers, and their employees.

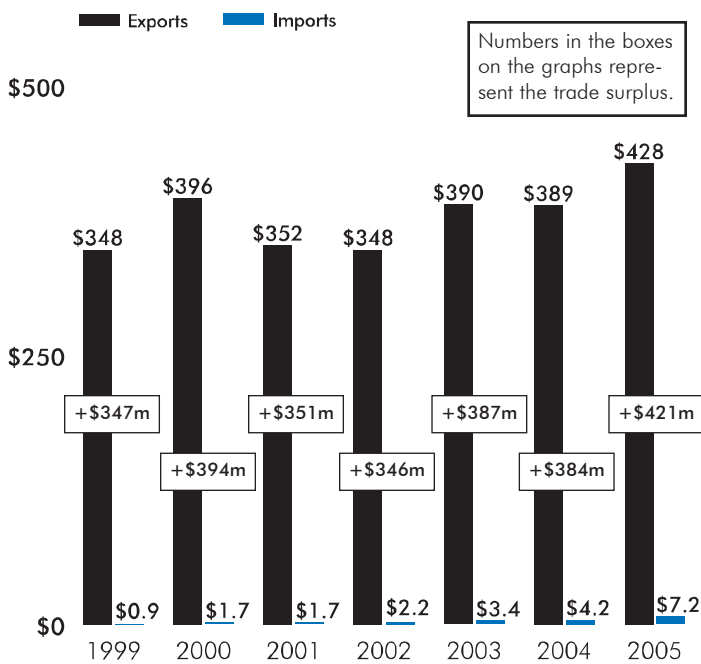
While Peru is a small market when compared with many of America's other trading partners, it is a strong market for technology products. U.S. high-tech exports to Peru grew by 10 percent in 2005 and have jumped by 23 percent over the last six years. The United States exported \$428 million in technology merchandise to Peru in 2005.

The United States holds a strong high-tech surplus with Peru: \$421 million in 2005. Lowering barriers gives U.S. companies a competitive edge in selling their products.

U.S. HIGH-TECH TRADE WITH PERU

1999 - 2005

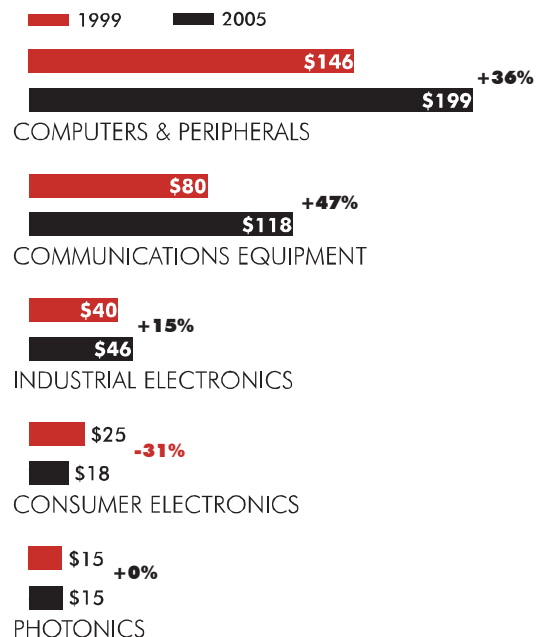
(IN MILLIONS OF CURRENT U.S. DOLLARS)



SELECT U.S. TECH EXPORTS TO PERU

1999 vs. 2005

(IN MILLIONS OF CURRENT U.S. DOLLARS)



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While high-tech exports to Peru are mainly concentrated in Florida, a total of 24 states export over \$1 million in technology goods. While this may not seem like much to the billions that are traded with other countries, expanding trade flows is vital to our small businesses and to small marketplaces, such as Peru.

The removal of barriers for U.S. products and services also fuels U.S. job growth. Currently, U.S. tech exports to Peru support approximately 2,200 American jobs, based on data from the U.S. Census Bureau.

Expanding trade between the United States and Peru forges strong ties between our two countries. It helps strengthen free markets and foster democracy in a region that shows signs of being hesitant to both. Rejecting free trade with Peru sends an unfortunate message about U.S. commitments to expand free trade through the Americas.

Conclusion

Free trade produces a win-win situation that raises standards of living and creates jobs on both sides of the agreement. When high-tech companies, large and small, generate over 60 percent of their revenue from foreign markets and when American job creation is intricately linked to exports, every country is important for U.S. growth.

HIGH-TECH EXPORTS TO PERU STATE-BY-STATE*

2005

(IN THOUSANDS OF U.S. DOLLARS)

United States	\$427,820		
1 Florida	\$230,765	26 Connecticut	\$738
2 Texas	\$59,431	27 Utah	\$686
3 California	\$33,251	28 New Mexico	\$472
4 Illinois	\$15,551	29 Iowa	\$463
5 New York	\$13,830	30 Puerto Rico	\$459
6 Georgia	\$8,728	31 South Carolina	\$455
7 Minnesota	\$7,362	32 Oregon	\$432
8 North Carolina	\$5,736	33 New Hampshire	\$408
9 Kentucky	\$5,638	34 Nevada	\$385
10 Massachusetts	\$5,114	35 Dist. of Columbia	\$317
11 Wisconsin	\$4,286	36 Delaware	\$250
12 New Jersey	\$4,216	37 Maine	\$239
13 Ohio	\$4,046	38 Nebraska	\$191
14 Pennsylvania	\$3,909	39 Rhode Island	\$184
15 Virginia	\$2,228	40 Mississippi	\$178
16 Washington	\$2,026	41 Louisiana	\$149
17 Tennessee	\$1,740	42 Vermont	\$135
18 Arizona	\$1,584	43 Alabama	\$128
19 Colorado	\$1,366	44 Idaho	\$121
20 Maryland	\$1,210	45 Oklahoma	\$114
21 Arkansas	\$1,133	46 Wyoming	\$31
22 Missouri	\$1,130	47 Montana	\$14
23 Kansas	\$1,106	48 South Dakota	\$12
24 Indiana	\$1,007	49 North Dakota	\$11
25 Michigan	\$760	50 West Virginia	\$3
		51 Alaska	\$0
		51 Hawaii	\$0

* Includes Puerto Rico and the District of Columbia

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The AeA Competitiveness Series

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