

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

## Aircraft and Related Equipment

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### Trade and Tariffs

This sector follows the World Trade Organization's agreement on Civil Aircraft.

Aircraft and related equipment accounted for 2.7 percent of total U.S. industrial exports to Peru in 2005, totaling \$47 million. The top U.S. exports in this sector were aircraft parts, light aircraft, and gas turbines. Peruvian tariffs range between 4 and 12 percent with an average of 5.4 percent in 2005.

Peruvian exports to the United States totaled \$613 thousand in 2005, which is less than 1 percent of total exports to the United States. Top Peruvian exports in this sector were parts of gas turbines, turbojets, and aircraft.

### Tariff Elimination

Overall, tariffs will be phased out according to four tariff elimination categories: immediate elimination, equal cuts over five years, equal cuts over seven years, and equal cuts over ten years.

One hundred percent of U.S. aerospace exports, including high value products such as light aircraft, turbines, and other aircraft parts will receive duty-free treatment immediately upon implementation of the agreement.

The United States, as a party to the Agreement on Trade in Civil Aircraft, applies duty-free treatment on an MFN basis to these products. These goods will continue to receive duty-free treatment under this Agreement.

### Non-Tariff Barriers

Peru will eliminate its prohibition on the importation of remanufactured aircraft and related goods, as defined in Chapter Four - Rules of Origin, on entry into force of the Agreement. Peru will eliminate tariffs on most remanufactured aircraft and related goods immediately and will phase down tariffs on a small number of remanufactured goods over 10 years.