

U.S.-Peru Trade Promotion Agreement

Market Access Results

Lumber and Wood

Trade and Tariffs

The lumber and wood sector is defined by chapter 44 of the Harmonized Tariff System.

Lumber and wood products accounted for less than 1 percent of total U.S. industrial exports to Peru in 2004, totaling \$7.2 million. The top U.S. exports in this sector were preserved rough lumber, coniferous lumber, and fiberboard. Peruvian tariffs range between 4 and 12 percent, with an average of 11.5 percent in 2004.

Peruvian exports to the United States totaled over \$50 million in 2004, or 2 percent of Peru's total industrial exports to the United States. Top Peruvian exports to the United States were worked virola, mahogany, imbuia, balsa, and other tropical woods. The U.S. tariffs range between zero and 8 percent with an average of 5.2 percent. All Peruvian exports within this sector enter the United States duty-free under the Andean Trade Preference Act (ATPA) and Andean Trade Promotion and Drug Eradication Act (ATPDEA) tariff preferences.

Tariff Elimination

Overall, tariffs will be phased out according to four tariff elimination categories: immediate elimination, equal cuts over five years, equal cuts over 7 years, and equal cuts over 10 years.

For lumber and wood products, 100 percent of U.S. industrial exports will receive duty-free treatment immediately upon implementation of the agreement. Tariffs on some products, which the United States does not export to Peru, will be eliminated over five years. Tariffs on high-value priority wood products including particleboard, fiberboard, and some builder's joinery will be phased out immediately upon implementation of the agreement.

The United States agreed to consolidate all ATPA and ATPDEA tariff preferences into the final tariff elimination schedules. This means that all lumber and wood exports from Peru will continue to receive duty-free treatment.