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Statement of U.S. Trade Representative Susan C. Schwab Regarding Entry into Force of the Peru FTA

WASHINGTON, DC – U.S. Trade Representative Susan C. Schwab made the following statement today regarding the entry into force of the United States–Peru Trade Promotion Agreement:

"With the President's issuance of a proclamation to implement the U.S.-Peru Trade Promotion Agreement as of February 1, 2009, I am very pleased to be able to celebrate the entry into force of this important trade agreement.

"We have worked closely with the Government of Peru to ensure that the obligations and responsibilities of each party have been met under this Agreement. We have engaged in this effort as true partners, and I want to thank President Garcia and his government for their hard work and dedication over the course of the last year.

"I want to thank those in Congress who worked with the Administration to develop a bipartisan trade policy template, paving the way for the approval of the U.S.-Peru Trade Promotion Agreement. This is the first free trade agreement (FTA) in force that will reflect the enhanced labor and environmental standards set out in the May 10, 2007, agreement between the Administration and the congressional leadership.

"Today's proclamation marks an important milestone in our relationship with Peru, one of our strongest allies in Latin America. For the first time in history, American exporters will be able to sell the vast majority of their products into the Peruvian market duty-free. Through this Agreement, we have seized the opportunity to lead by strengthening our partnership and helping promote economic growth, prosperity and well being in Peru and throughout the hemisphere."

"Trade and trade expansion will be a vital component of our effort to restore economic growth in the global economy. The additional market openness brought by this agreement will enhance our trade and prosperity in the future and support existing and future high-paying American jobs, particularly in manufacturing and agriculture."

Background:

Currently, the United States and Peru enjoy a two-way trade relationship of nearly \$9.4 billion annually. The U.S.-Peru Trade Promotion Agreement will further open this dynamic and growing export market of 28 million consumers to U.S. workers, farmers and entrepreneurs. For Peru, the agreement will make permanent and build upon the temporary trade preferences that have benefitted Peru's farmers, workers and entrepreneurs through the Andean Trade Preference Act.

On the first day this agreement enters into force, 80 percent of U.S. industrial and consumer products and more than two-thirds of current U.S. farm exports will enter Peru duty-free. Among U.S. exports that will receive such treatment are technology products; mining, agricultural, and construction equipment; and agricultural products such as wheat, high quality beef, fruits and vegetables, and other processed foods.

In addition, this Agreement will remove barriers to U.S. services; provide a secure, predictable legal framework for investors; and provide strong protection for intellectual property, labor rights and the environment.

The Agreement was signed in April 12, 2006. It was approved by the U.S. House of Representatives on November 8, 2007, and by the U.S. Senate on December 4, 2007. President Bush signed the legislation implementing the Agreement on December 14, 2007.

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