

Joint Statement of the Second U.S.-Peru FTA Free Trade Commission Meeting Lima, Peru

July 13, 2011

The second meeting of the U.S.-Peru Free Trade Commission (Commission) convened on July 13, 2011 in Lima, Peru. The Commission is responsible for overseeing implementation and further elaboration of the United States-Peru Trade Promotion Agreement (PTPA). Assistant United States Trade Representative for the Western Hemisphere, John Melle, represented the United States, and Vice Minister of Foreign Trade Carlos Posada represented the Government of Peru. The following Joint Statement was released outlining the results of the meeting.

Trade and Investment Effects

On February 1, 2011, the PTPA marked its two year anniversary since entry into force. In 2010, goods trade between the United States and Peru was \$11.8 billion, and the outlook for future growth is positive.

The United States and Peru noted that the bilateral relationship has continued to strengthen during the PTPA's second year in force, and in general, implementation is proceeding well. Nonetheless, the United States and Peru agreed to intensify work to ensure the effective implementation of and compliance with the trade in goods and services, labor and environment obligations of the agreement, and to ensure that the benefits of the agreement are widely shared and accessible to both parties. Among the issues discussed were:

Institutional Framework, Committee, Council Meetings

The United States and Peru noted the work over the past year of the Committee on Intellectual Property, the Forest Sector Sub Committee, the Environmental Affairs Council, and the Committee on Small and Medium Enterprises. Moreover, both sides commended the open public session that took place on the margins of the meetings of the Forest Sector Sub Committee and the Environment Affairs Council. These forums facilitated a productive exchange of information, and both Parties consider such open dialogues critical to strengthening communication and transparency between the Parties and relevant stakeholders.

Implementation Issues

After thorough review of cooperative and internal activities aimed at ensuring compliance of the labor rights and principles regarded in the FTA, the United States and Peru recognized the ongoing work to ensure effective implementation of the Labor Chapter's obligations.

Both sides commended the close engagement and collaborative efforts by both Parties to ensure effective implementation of the obligations of the Environment Chapter and Annex on Forest Sector Governance, and the U.S. commended Peru for its recent success in passing a new Forestry and Wildlife Law, following extensive and unprecedented consultations with its indigenous communities. The United States and Peru will hold the third meeting of the Forest Sector Sub-Committee to further discuss implementation of the Annex on Forest Sector Governance, including the development of regulations implementing the new law.

The U.S. and Peru also discussed the progress Peru has made in the area of intellectual property, and agreed to continue to work together to ensure full implementation of commitments in this area.

Decisions by the Commission

The two sides have, at the technical level, agreed to modify the rules of origin and tariff elimination schedules in order to conform to changes to the Harmonized System. The Commission asked that this work be completed by December of 2011.

Small and Medium Size Business Initiative

The United States and Peru discussed the important role small and medium size businesses (SMEs) play in the economic development and trade of both parties. The Commission received the report of the first meeting of the SME working group. The SME working group discussed the potential of the Small Business Development Center (SME) model for SME entrepreneurship and export assistance and the potential of the SBDGglobal.com network to enhance SME export opportunities under the PTPA. To increase Peruvian and American small business awareness of the benefits of the PTPA, the SME working group also released a brochure, "Frequently Asked Questions About Opportunities for Small Businesses to Export Under the United States-Peru Trade Promotion Agreement".

Bilateral Issues

The United States and Peru shared views on the regulations and trade of remanufactured goods. They also shared views on issues related to agricultural biotechnology. Regarding the latter, Peru proposed that the parties continue collaborating.

Cooperation in other Fora and Trade Negotiations

The United States and Peru reiterated their commitment to multilateral trade liberalization and exchanged information about their respective bilateral negotiations and agreements. Both Parties discussed their shared interest in working together to advance the Doha Development Agenda, the Trans-Pacific Partnership Agreement (TPP), and to accelerate the regional economic integration agenda in the Asia-Pacific Cooperation forum (APEC).

The Commission agreed to hold the next meeting of the FTC in Washington, D.C.